

File No. 171039

Committee Item No. 9
Board Item No. 10

COMMITTEE/BOARD OF SUPERVISORS AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date October 19, 2017

Board of Supervisors Meeting

Date October 31, 2017

Cmte Board

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Completed by: Linda Wong Date October 12, 2017
Completed by: Linda Wong Date October 24, 2017

1 [Purchase and Sale Agreement - Buddhi Dharma Lien Guo Foundation - 7484 Sheridan
2 Road, Sunol, CA - \$3,305,000]

3 **Resolution approving and authorizing the execution of a Purchase and Sale Agreement**
4 **with the Buddhi Dharma Lien Guo Foundation (“Buyer”) or Buyer’s assignee, for the**
5 **sale by the City and County of San Francisco, acting through the San Francisco Public**
6 **Utilities Commission, to Buyer of approximately 84 acres of improved real property**
7 **located at 7484 Sheridan Road, Sunol, California for \$3,305,000; adopting findings**
8 **under the California Environmental Quality Act; adopting findings that the sale is**
9 **consistent with the General Plan, and the eight priority policies of Planning Code,**
10 **Section 101.1; and authorizing the Director of Property and/or the SFPUC’s General**
11 **Manager to execute documents, make certain modifications, and take certain actions in**
12 **furtherance of this Resolution, as defined herein.**

13
14 WHEREAS, The City and County of San Francisco (“City”) owns certain improved real
15 property known as the Mackin Ranch under the jurisdiction of the San Francisco Public
16 Utilities Commission (“SFPUC” or “Commission”) located at 7484 Sheridan Road, Sunol,
17 California (“Property”), also known as Alameda County Assessor’s Parcels No. 096-0001-020-
18 03; and

19 WHEREAS, A portion of the Property was used for the operation of a dewatering well
20 (“Well”) as a part of the SFPUC New Irvington Tunnel, Project No. CUW35901 (“Project”), a
21 key project that is part of the Water System Improvement Program; and

22 WHEREAS, The SFPUC purchased a 24-month temporary construction easement
23 (“Temporary Easement”) from Kenneth Paul Mackin and Janice Mackin (“Mackins”) who
24 owned the Property until 2013; and
25

1 WHEREAS, The Mackins were unwilling to extend the Temporary Easement after it
2 expired on September 30, 2013, but were willing to sell the Property to the SFPUC; and

3 WHEREAS, Loss of the Well would have resulted in significant construction delays and
4 significant increased Project costs to identify and implement suitable alternatives; and

5 WHEREAS, The Commission approved the purchase of the Property by Resolution No.
6 13-0173, dated November 12, 2013, a copy of which is on file with the Clerk of the Board of
7 Supervisors in File No. 171039; and

8 WHEREAS, The Project no longer requires ongoing operation of the Well; and

9 WHEREAS, The SFPUC will retain an easement for the operation of the Well in the
10 event that a future project requires dewatering activities (the "Well Easement"); and

11 WHEREAS, The SFPUC will retain a subsurface easement for maintenance and use of
12 two aqueduct tunnels and a surface easement for an electric transmission line and telephone
13 line (the "Tunnel Easement"); and

14 WHEREAS, The SFPUC will retain a right-of-way easement for maintenance, repair,
15 or replacement for two lines of electrical towers (the "Tower Easement"); and

16 WHEREAS, The Commission determined that the Property is no longer required for
17 SFPUC operational needs by Resolution No. 17-0200, dated September 12, 2017, a copy of
18 which is on file with the Clerk of the Board of Supervisors in File No. 171039; and

19 WHEREAS, San Francisco Charter, Section 8B.121(a) grants the SFPUC the exclusive
20 charge of the real property assets under the Commission's jurisdiction; Charter, Section
21 8B.121(e) provides that the Commission may transfer real property interests the Commission
22 declares to be surplus to the needs of any utility; and Charter, Section 9.118(c) provides that
23 any sale of real property owned by the City must be approved in advance by the Board of
24 Supervisors; and

1 WHEREAS, The SFPUC complied with reporting, notice, and other requirements of the
2 California Surplus Property Statute (California Government Code, Sections 54220 through
3 54233) and the San Francisco Surplus Property Ordinance (San Francisco Administrative
4 Code, Chapter 23A) with respect to the sale of the Property; and

5 WHEREAS, The SFPUC, through its real estate broker Colliers International CA, Inc.,
6 solicited bids from prospective buyers of the Property to be submitted between May 10, 2017,
7 and May 19, 2017; and

8 WHEREAS, On July 7, 2017, the original bidder selected by the SFPUC declined to
9 proceed with the purchase of the Property and the second place bidder failed to agree to
10 terms with the SFPUC; and

11 WHEREAS, On July 14, 2017, Buyer, the third place bidder submitted an offer to
12 purchase the Property for \$3,305,000, which SFPUC staff has determined to be the highest
13 and best responsible offer; and

14 WHEREAS, The purchase price of \$3,305,000 along with the value of the Well
15 Easement, Tunnel Easement, and Tower Easement (collectively, the "Easements"), in the
16 opinion of the Director of Property, meet the requirements of Section 23.3 of the
17 Administrative Code; and

18 WHEREAS, SFPUC staff, through consultation with the Director of Property and the
19 Office of the City Attorney, have negotiated a proposed Purchase and Sale Agreement with
20 Buyer ("Purchase and Sale Agreement"), a copy of which is on file with the Clerk of the Board
21 of Supervisors under File No. 171039, which is incorporated herein by this reference; and

22 WHEREAS, The Director of the San Francisco Planning Department determined, by
23 letter dated June 15, 2017, that the sale of the Property does not constitute a project under
24 California Environmental Quality Act (CEQA) Guidelines Section 15378 because there would
25

1 be no physical change in the environment, a copy of which is on file with the Clerk of the
2 Board of Supervisors under File No. 171039 and is incorporated herein by reference; and

3 WHEREAS, The Director of the San Francisco Planning Department, by letter dated
4 June 15, 2017, found that the sale of the Property is consistent with the General Plan, and
5 with the eight priority policies of Planning Code, Section 101.1, a copy of which is on file with
6 the Clerk of the Board of Supervisors under File No. 171039 and is incorporated herein by
7 reference; now, therefore, be it

8 RESOLVED, That the Board of Supervisors hereby finds that the sale of the Property is
9 not a project under CEQA Guidelines Section 15060(c) and 15378 and is consistent with the
10 General Plan, and the eight priority policies of City Planning Code, Section 101.1 as set forth
11 in the letter from the Director of Planning dated June 15, 2017; and, be it

12 FURTHER RESOLVED, That the Board of Supervisors, in accordance with the
13 recommendations of the SFPUC and the Director of Property, hereby approves the terms and
14 conditions of the Purchase and Sale Agreement for the sale of the Property to Buyer, or its
15 nominee, and authorizes the Director of Property and/or the SFPUC's General Manager, in
16 City's name and behalf, to execute the Purchase and Sale Agreement in substantially the
17 form presented to the Board and to take any and all steps (including, but not limited to, the
18 execution and delivery of any and all certificates, agreements, notices, consents, escrow
19 instructions, closing documents, and other instruments or documents) as the Director of
20 Property or the SFPUC General Manager deems necessary or appropriate in order to
21 consummate the sale contemplated by the Purchase and Sale Agreement to Buyer or its
22 nominee, or to otherwise effectuate the purpose and intent of this Resolution, such
23 determination to be conclusively evidenced by the execution and delivery by the Director of
24 Property and/or SFPUC General Manager of any such documents; and, be it
25

1 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
2 Property and/or the SFPUC General Manager, in City's name and behalf, to enter into any
3 amendments or modifications to the Purchase and Sale Agreement (including the attached
4 exhibits) and enter into ancillary agreements, any consent to the assignment of the Purchase
5 and Sale Agreement to Buyer's nominee, and any other documents or instruments in
6 connection with the Purchase and Sale Agreement that the Director of Property or the SFPUC
7 General Manager determines, in consultation with the City Attorney, are in City's best interest,
8 do not materially decrease City's benefits or materially increase the City's liabilities or
9 obligations in connection with the proposed sale transaction, and are necessary and advisable
10 to complete the proposed sale transaction and effectuate the purpose and intent of this
11 resolution, such determination to be conclusively evidenced by the execution and delivery by
12 the Director of Property or the SFPUC General Manager of any such additions, amendments,
13 or other modifications; and, be it

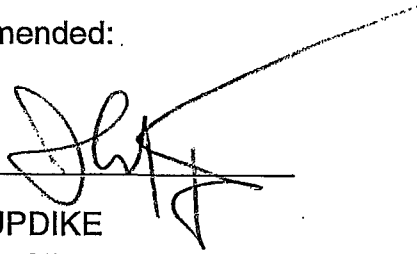
14 FURTHER RESOLVED, That the Director of Property and/or the SFPUC General
15 Manager is hereby authorized and urged, in City's name and on behalf, to take any and all
16 steps (including, but not limited to, the execution and delivery of any and all certificates,
17 agreements, notices, consents, escrow instructions, closing documents and other instruments
18 or documents) as the Director of Property and/or the SFPUC General Manager deems
19 necessary or appropriate in order to consummate the sale of the Property pursuant to the
20 Purchase and Sale Agreement, or to otherwise effectuate the purpose and intent of this
21 Resolution, such determination to be conclusively evidenced by the execution and delivery by
22 the Director of Property and/or the SFPUC General Manager of any such documents; and, be
23 it

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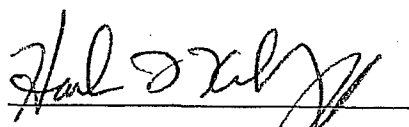
FURTHER RESOLVED, That the Director of Property shall provide the Clerk of the Board of Supervisors a fully executed copy of the Purchase and Sale Agreement within thirty (30) days of signature of same.

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Recommended:



JOHN UPDIKE
Director of Property



HARLAN L. KELLY, JR.
General Manager of the SFPUC

Item 9 File 17-1039	Department: San Francisco Public Utilities Commission (SFPUC)
EXECUTIVE SUMMARY	
Legislative Objectives	
<ul style="list-style-type: none"> • The proposed resolution (a) approves and authorizes the execution of a Purchase and Sale Agreement with Buddhi Dharma Lien Guo Foundation (Buyer) for the sale by the City and County of San Francisco (City), acting through the San Francisco Public Utilities Commission (SFPUC), for approximately 84 acres of improved real property located at 7484 Sheridan Road, Sunol, California for \$3,305,000; (b) adopts findings under the California Environmental Quality Act (CEQA); (c) adopts findings that the sale is consistent with the General Plan and the priority policies of Planning Code, Section 101.1; and (d) authorizes the Director of Property and/or SFPUC's General Manager to execute documents, make modifications and take certain actions in furtherance of this resolution. 	
Key Points	
<ul style="list-style-type: none"> • Due to construction of the adjacent New Irvington Tunnel Project, the City, through the SFPUC, purchased 7484 Sheridan Road in Sunol for \$3,721,500 in November, 2013. The price of \$3,721,500 was \$337,366 more than the then appraised value of \$3,384,134. • The SFPUC property was marketed for sale in 2016-2017. Bids were solicited in May, 2017 for a minimum purchase price of \$3,290,000 based on an updated appraisal. The SFPUC received three initial bids ranging in price from \$3,500,000 to \$3,550,000. • An initial offer for \$3,550,000 was not completed. On July 14, 2017, another offer for \$3,305,000 was submitted, which is now the highest and best responsible offer. 	
Fiscal Impact	
<ul style="list-style-type: none"> • The SFPUC rents the property for \$2,500 less \$1,250 management fees for net income of \$1,250 per month. To maintain the property costs \$6,700 per month, net expenses of \$5,450 per month, or \$65,400 annually plus \$5,000 of annual property taxes. • On March 29, 2017, the subject property appraised for \$3,290,000. An appraisal review conducted on May 17, 2017 found the appraised value of \$3,290,000 to be reasonable. • The Director of Property determined the sale price of \$3,305,000 plus the value of the three easements (Well Easement, Tunnel Easement and Tower Easement) meet the requirements of Section 23.3 of the Administrative Code for conveyance of real property. • At a sale price of \$3,305,000, SFPUC will receive estimated net proceeds of \$3,212,412. 	
Policy Consideration	
<ul style="list-style-type: none"> • Over four years, there were three different appraisals of this property, ranging from \$3,290,000 to \$4,200,000. The proposed sale price of \$3,305,000 is \$15,000 more than the \$3,290,000 fair market value as determined by the 2017 appraisal and appraisal review. 	
Recommendation	
<ul style="list-style-type: none"> • Approve the proposed resolution. 	

MANDATE STATEMENT

Charter Section 8B.121(a) grants the SFPUC the exclusive charge of real property assets under the SFPUC's jurisdiction, such that Charter Section 8B.121(e) provides that the SFPUC may transfer real property the SFPUC declares to be surplus to the needs of the utility.

Charter Section 9.118(a) requires Board of Supervisors approval by resolution of any City contract resulting in anticipated revenue of \$1,000,000 or more.

City Administrative Code Section 23.1 requires the Director of Real Estate to recommend approval of real property transactions prior to approval by the Board of Supervisors. Administrative Code Section 23.3 requires that before the Board of Supervisors approves a conveyance of property, the Director of Property will obtain an appraisal for property exceeding \$10,000 in value and an appraisal review for property exceeding \$200,000 in appraised value.

BACKGROUND**New Irvington Tunnel Project**

The New Irvington Tunnel Project is a key part of the SFPUC's Water System Improvement Project (WSIP), which is a \$4.8 billion multi-year capital program to improve and upgrade the SFPUC's regional and local water systems. The New Irvington Tunnel Project, which is now complete, provides a new seismically-designed 3.5-mile water transmission tunnel between Sunol Valley and the City of Fremont in Alameda County, parallel to the previous Irvington Tunnel, which was constructed between 1928 and 1932. Both tunnels will remain in service during normal operations.

To construct the New Irvington Tunnel, the groundwater table had to be lower than the height of the tunnel to prevent water intrusion during the tunnel's construction. To lower the groundwater table, the SFPUC had to install dewatering wells on the adjacent property at 7484 Sheridan Road in Sunol. Due to a much greater volume of groundwater than anticipated, the dewatering wells were required throughout the New Irvington Tunnel's construction.

Temporary Construction Easement and SFPUC Purchase of Property

To install the dewatering wells, the SFPUC obtained a 24-month temporary construction easement, with one option to extend for an additional six months, through an eminent domain action on March 11, 2011. The SFPUC paid \$63,020 for the temporary construction easement to Kenneth and Janice Mackin (Mackins), who then owned the property at 7484 Sheridan Road in Sunol. When the temporary easement expired on September 30, 2013, the Mackins were unwilling to extend the temporary easement term because the Mackins wanted to sell the property and believed extending the term of the temporary easement would hinder the potential sale of the property. The Mackins then offered to sell the property to the SFPUC.

Because of the SFPUC's immediate need to continue construction on the New Irvington Tunnel Project, the SFPUC approved the purchase of the Mackins property for \$3,721,500 on

November 12, 2013 (SFPUC Resolution No. 13-0173). According to Ms. Rosanna Russell, SFPUC Real Estate Director, the purchase price of \$3,721,500 was negotiated based on the City's appraised value of \$3,384,134¹ at that time and the Mackins' desire for \$4 million for the property. Although the City paid \$337,366 more (\$3,721,500 purchase price less \$3,384,134 appraisal) than the appraised value at the time, Ms. Russell advises that the SFPUC saved approximately \$3 million by immediately purchasing this property and avoiding damage claims for construction delays and cost of change orders if the contractors could not access the wells on this property to dewater the New Irvington Tunnel Project.

Escrow closed on the 7484 Sheridan Road in Sunol property in December 2013. The purchase was not subject to Board of Supervisors approval as the \$3,721,500 purchase price was under the Charter Section 9.118 threshold amount of \$10 million.

7484 Sheridan Road Property in Sunol

The property known as the Mackin Ranch located at 7484 Sheridan Road in Sunol, California consists of an 84-acre ranch zoned for agricultural activities², and includes:

- 1,930 square foot single-family house with swimming pool;
- 2,496 square foot barn/office;
- 1,740 square foot shop/store;
- pump shed;
- mobile home;
- various other structures; and
- related agricultural equipment.

The entire property comprises 13,236 square feet of gross building area and is fenced and the entrance is gated.

The property is currently rented to a tenant on a month-to-month lease for \$2,500 (net \$1,250) per month. The tenant manages the property, supervises an outside handyman and maintains some livestock and related equipment on the property.

Surplus Property Determination

On December 18, 2015, the SFPUC Water, Wastewater and Power Enterprises declared that the subject property was no longer essential to the SFPUC's utility needs. On September 12, 2017, the SFPUC determined that the subject property is no longer required for SFPUC operational needs and authorized the sale of the property (Resolution No. 17-0200).

In 2016, in accordance with California Surplus Property Statutes and the City's Surplus Property Ordinance, the City's Real Estate Division offered the subject property to public entities or those requested to be notified at fair market value. No notified parties expressed any interest in purchasing this property.

¹ July 2013 appraisal for \$3,384,134 conducted by Associated Right of Way Services for the SFPUC.

² The zoning classification for agricultural activities includes growing crops, maintaining plant nurseries, livestock, fish hatcheries, hiking and riding trails.

Proposed Sale of Property

On May 29, 2015, the City's Real Estate Division issued a Request for Bids (RFB) for commercial real estate brokers to sell the subject property and five other SFPUC underutilized properties³. The City, on behalf of the SFPUC, contracted with Colliers International CA, Inc. for real estate broker services at the lowest bid of 2.75% commission of the gross sales price. Colliers marketed the property for one year from April 2016 to May 2017 at \$4.2 million, based upon a 2016 appraisal⁴. Colliers then solicited bids for the 7484 Sheridan Road property in Sunol between May 10 and 19, 2017 for a minimum price of \$3,290,000 based on an updated appraisal⁵. The SFPUC received three initial bids ranging in price from \$3,500,000 to \$3,550,000.

On May 17, 2017, Timothy Su and Lan Fong Chen, husband and wife, submitted an offer to purchase the property for \$3,550,000, which the SFPUC determined to be the highest and most responsible offer. However, on July 7, 2017, the highest bidder declined to proceed with the purchase. The SFPUC retained this bidder's deposit of \$40,000 from escrow.

The second bidder withdrew their original purchase price. This second bidder then offered \$2.2 million, which was below the appraised value. The SFPUC declined this offer.

On July 14, 2017, the third place bidder submitted an offer to purchase the subject property for \$3,305,000, which the SFPUC has now determined to be the highest and best responsible offer.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution

(a) approves and authorizes the execution of a Purchase and Sale Agreement with Buddhi Dharma Lien Guo Foundation (Buyer) for the sale by the City, acting through the SFPUC for approximately 84 acres of improved real property located at 7484 Sheridan Road, Sunol, California for \$3,305,000;

(b) adopts findings under the California Environmental Quality Act (CEQA);

(c) adopts findings that the sale is consistent with the General Plan and the priority policies of Planning Code, Section 101.1; and

(d) authorizes the Director of Property and/or the SFPUC's General Manager to execute documents, make certain modifications and take certain actions in furtherance of this resolution.

³ The five SFPUC underutilized properties include (1) Bernal Avenue in Pleasanton, Alameda County, which sold in April 2017 for \$4,200,000 (File 17-0052; Resolution No.58-17); (2) Helen Drive in Millbrae, San Mateo County, which sold in November 2016 for \$2,340,000 (File 17-0053; Resolution No. 59-17); (3) 38208 Canyon Heights Road, Fremont in Alameda County, which went through a bidding process and negotiations to sell in 2016 but due to anti-development sentiment in Fremont, bidders declined to proceed with purchase and the SFPUC is re-evaluating disposition strategy; (4) Right-of-way adjacent to California Drive in Burlingame, San Mateo County, where the SFPUC is working on survey issues; and (5) Manzano Way at Oak Creek Way in Sunnyvale, Santa Clara County where the SFPUC is working on title and survey issues.

⁴ May 2016 appraisal for \$4,200,000 conducted by Associated Right of Way Services for the SFPUC.

⁵ March 2017 appraisal for \$3,290,000 conducted by CBRE for John Updike, City's Director of Property.

On June 15, 2017, the Planning Department determined that the sale of the subject property at 7484 Sheridan Road in Sunol did not constitute a project under CEQA guidelines as this action did not result in a physical change in the environment. On June 15, 2017, the Planning Department also found that the subject sale of the SFPUC property at 7484 Sheridan Road in Sunol is consistent with the City's General Plan and eight priority policies of Planning Code Section 101.1.

The proposed resolution would authorize the City's Director of Property and/or the SFPUC General Manager to take all necessary or appropriate actions and enter into any amendments or modifications to the subject Purchase and Sale Agreement to complete the proposed sale of the SFPUC's property at 7484 Sheridan Road in Sunol which do not materially decrease the City's benefits or materially increase the City's liabilities or obligations.

Under the Purchase and Sale Agreement, SFPUC will retain three easements on the property. One Well Easement would allow for two dewatering wells on the property to allow for future construction or maintenance on the tunnels. One Tunnel Easement will allow for subsurface maintenance and use of two aqueduct tunnels and a surface easement for an electric transmission line and telephone line. And one right-of-way Tower Easement will allow for maintenance, repair or replacement for two lines of electrical towers.

FISCAL IMPACT

Appraised Value

As noted above, Administrative Code Section 23.3 requires that before the Board of Supervisors approves a conveyance of property, the Director of Property will obtain an appraisal for property exceeding \$10,000 and an appraisal review for property exceeding \$200,000 in appraised value. On March 29, 2017, CBRE provided an appraisal report to the City's Director of Property, which appraised the property for \$3,290,000. An appraisal review conducted on May 17, 2017 by Colliers International found the appraised value of \$3,290,000 to be reasonable.

The Director of Property has determined that the sale price of \$3,305,000 plus the value of the three easements (Well Easement, Tunnel Easement and Tower Easement) together meet the requirements of Section 23.3 of the City's Administrative Code for conveyance of real property.

Monthly Property Income and Expenses

As shown in Table 1 below, the SFPUC currently rents the subject property for \$2,500, less property management fees of \$1,250, for a net income of \$1,250 per month. In addition, the cost to maintain this property is \$6,700 per month, primarily for a handyman's salary, as outlined in Table 1 below. This results in monthly net expenses of \$5,450 per month, or \$65,400 of annual costs to the SFPUC. In addition, the SFPUC pays approximately \$5,000 of annual property taxes to Alameda County. Therefore, the total annual operating cost to the SFPUC for this property is approximately \$70,400.

According to Ms. Russell, this is a large specialty high value ranch and if the SFPUC did not retain the services of an on-site property manager, the property would be at immediate risk of fire, deterioration, vandalism and theft.

Table 1: Monthly Income and Expenses

Monthly Income	
-Monthly Rent	\$2,500
-Less On-Site Property Management Services	<u>(1,250)</u>
Total Monthly Income	\$1,250
Monthly Expenses	
-Maintenance*	\$556
-Handyman Salary	5,632
-Handyman Medical Reimbursement	<u>512</u>
Total Monthly Expenses	\$6,700
Net Monthly Costs	\$5,450

*Maintenance expenses include landscaping, pool maintenance and pool supplies.

Source: SFPUC

Sale Costs and Net Proceeds

Under the proposed Purchase and Sale Agreement, the buyer will pay 100% of the one-time transfer tax, estimated to be approximately \$39,600. The SFPUC will pay 50% of the closing costs. As shown in Table 2 below, if the proposed resolution is approved to sell the property at 7484 Sheridan Road in Sunol for \$3,305,000, the SFPUC will receive estimated net proceeds of \$3,212,412.

Table 2: Net Proceeds to SFPUC from Sale of Property

Purchase Price	\$3,305,000
Less Broker's Commission (2.75%)	(90,888)
Less Closing Costs (50%)	<u>(1,700)</u>
Net Proceeds to the SFPUC	\$3,212,412

Net proceeds from the property sale will be deposited into the Water Enterprise Fund Balance and used to support future Water Enterprise activities.

POLICY CONSIDERATION

As discussed above, over the past four years, there have been three different appraisals for this property at 7484 Sheridan Road in Sunol:

- In July, 2013 for \$3,384,134 by Associated Right of Way Services for the SFPUC;
- In May, 2016 for \$4,200,000 by Associated Right of Way Services for the SFPUC; and
- In March, 2017 for \$3,290,000 by CBRE for John Updike, City's Director of Property.

In summary, the recent appraisal of \$3,290,000 in March 2017 is \$94,134 less than the 2013 appraised value and \$910,000 less than the 2016 appraised value.

However, Ms. Russell advises that the Mackin Ranch is a very unique property that is difficult to value, according to third-party appraisers, due to the scarcity of comparable properties for sale. Furthermore, Ms. Russell notes that the real estate market never supported the higher 2016 \$4.2 million appraised value because, even after a year of dedicated marketing of the property

by the Colliers brokers, the SFPUC never received any offers above the ultimately withdrawn bid of \$3,550,000.

As discussed above, the City, through the SFPUC, paid \$3,721,500 or \$337,366 more than the \$3,384,134 appraised value to purchase the subject property in 2013. The SFPUC is now requesting sale of the subject property for \$3,305,000 which is \$416,500 less than the \$3,721,500 SFPUC's purchase price for the property. However, the SFPUC advises that the negotiated purchase of the property for \$3,721,500 in 2013 resulted in approximately \$3 million of savings to the SFPUC's adjacent New Irvington Tunnel Project by avoiding costly construction delays and change orders.

In addition, since 2013, the SFPUC has incurred net operating expenses to own this property of approximately \$70,400 annually, or approximately \$280,000 over four years. These SFPUC operating expenses will be eliminated when the SFPUC sells the subject property.

The proposed sale price of \$3,305,000 is \$15,000 more than the \$3,290,000 fair market value as determined by the 2017 appraisal and appraisal review. After the SFPUC's brokerage fees and closing costs are deducted⁶, the net proceeds of \$3,212,412 will be \$77,588 less than the \$3,290,000 appraised value. However, this difference of \$77,588 reflects approximately one year of operating expenses for the SFPUC to continue to own the subject property.

RECOMMENDATION

Approve the proposed resolution.

⁶ The brokerage fee and closing costs are ordinary and customary expenses typically borne by sellers of real property in California.

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 13-0173

WHEREAS, The San Francisco Public Utilities Commission (SFPUC) is constructing the New Irvington Tunnel, Project No. CUW35901 (Project) a key project that is part of the Water System Improvement Program (WSIP); and

WHEREAS, An environmental impact report ("EIR") as required by the California Environmental Quality Act ("CEQA") was prepared for the Project; and the Final EIR ("FEIR") was certified by the San Francisco Planning Commission on November 5, 2009 by Motion No. M-17972, (Planning Department File No. 2005.0162E). The FEIR prepared for the Project is tiered from the Water System Improvement Program Environmental Impact Report ("PEIR") adopted by the San Francisco Public Utilities Commission in Resolution No. 08-200 dated October 30, 2008, as authorized by and in accordance with CEQA and the CEQA Guidelines. On November 10, 2009, this Commission, by Resolution No. 09-0190, (1) approved the Project; and (2) adopted findings (CEQA Findings), including a statement of overriding considerations, and a Mitigation Monitoring and Reporting Program (MMRP) required by CEQA. The Project files, including the FEIR, PEIR and SFPUC Resolution No. 09- 0190 have been made available for review by the Commission and the public, and those files are considered part of the record before this Commission; and

WHEREAS, Kenneth Paul Mackin and Janice Mackin (the Sellers) own approximately 84 acres of improved agricultural land located at 7484 Sheridan Road in Sunol, California (Property); and

WHEREAS, In 2011, Sellers and the SFPUC entered into a 24-month temporary construction easement (Temporary Easement) across a portion of the Property, allowing the SFPUC to drill and operate 23 dewatering wells for the Project; and

WHEREAS, The 23 dewatering wells are necessary to promote tunnel integrity and worker safety; and

WHEREAS, The SFPUC needs to continue using the dewatering wells until approximately April of 2015; and

WHEREAS, The Temporary Easement expired on September 30, 2013; and

WHEREAS, Sellers are unwilling to extend the Temporary Easement but are willing to sell the Property to the SFPUC; and

WHEREAS, Loss of the current dewatering wells would result in significant construction delays and increased Project costs to identify and implement suitable alternatives to the dewatering wells; and

WHEREAS, In Resolution No. 09-0190, the San Francisco Public Utilities Commission delegated to the SFPUC General Manager authority to negotiate and execute agreements for acquisition of interests (temporary or permanent) in the Property as needed for the Project, subject to compliance with California Government Code Sections 7260 et seq. regarding relocation assistance; and

WHEREAS, SFPUC staff has complied with California Government Code Sections 7260 et seq.; and

WHEREAS, SFPUC staff and Sellers have negotiated proposed terms and conditions of an Agreement of Purchase and Sale for Real Estate (Purchase Agreement), a copy of which is

attached to this resolution, pursuant to which SFPUC would acquire the Property for \$3,721,500 and, following close of escrow, lease the Property to the Sellers for a term of up to 18 months under the terms of a Residential Lease (Lease), the form of which is an exhibit to the Purchase Agreement; and

WHEREAS, Funds for this purchase will be available from WSIP construction funds; and

WHEREAS, A City-hired independent appraiser issued an appraisal of the Property on July 30, 2013, and SFPUC staff and the City Real Estate Division reviewed the appraisal in August, 2013; and

WHEREAS, The City Planning Department by letter dated November 4, 2013, a copy of which is part of the record before this Commission, found that the proposed purchase of the Property would be consistent with the City's General Plan and with the Eight Priority Policies of City Planning Code Section 101.1; and

WHEREAS, Acquisition of the Property would serve the objectives of the Project; and

WHEREAS, On October 23, 2013, under the Delegation Agreement with the San Francisco Planning Department, the SFPUC Bureau of Environmental Management has determined that since the FEIR was finalized, there have been no substantial project changes and no substantial changes in Project circumstances that would require major revisions to the FEIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the FEIR, and that there would be no physical change in the environment associated with acquisition of the Property; and

WHEREAS, The Commission has reviewed and considered the information contained in the FEIR, the findings contained in SFPUC Resolution No. 09-0190 and all written and oral information provided by the Planning Department, the public, relevant public agencies, SFPUC and other experts and the administrative files for the Project; now, therefore, be it

RESOLVED, The Commission has reviewed and considered the FEIR and record as a whole, finds that the FEIR is adequate for its use as the decision-making body for the action taken herein to authorize acquisition of the Property and incorporates the CEQA findings contained in Resolution No. 09-190, including the Statement of Overriding Considerations by this reference thereto as though set forth in this Resolution; and be it

FURTHER RESOLVED, The Commission further finds that since the FEIR was finalized, there have been no substantial project changes and no substantial changes in project circumstances that would require major revisions to the FEIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the FEIR, and that there would be no physical change in the environment associated with acquisition of the Property; and be it

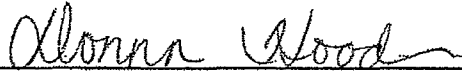
FURTHER RESOLVED, That this Commission hereby ratifies, approves and authorizes all actions heretofore taken by any City official in connection with the Purchase Agreement; and be it

FURTHER RESOLVED, That this Commission hereby authorizes and directs the SFPUC General Manager or the City Director of Property to execute the Purchase Agreement and to perform all actions necessary to implement the Purchase Agreement and protect the City's interests under that agreement, including without limitation conducting the due diligence investigations and approving, disapproving or waiving conditions precedent, and upon closing,

authorizes and directs the Director of Property to execute the Certificate of Acceptance for the deed to the Property, and authorizes and directs the General Manager or the Director of Property to execute the Lease and any other documents or agreements reasonably necessary to consummate the transaction contemplated under the Purchase Agreement, in the form approved by the General Manager or Director of Property, in consultation with the City Attorney; and be it

FURTHER RESOLVED, That this Commission hereby authorizes the General Manager and the Director of Property to enter into any amendments or modifications to the Purchase Agreement, including without limitation, the exhibits, that the General Manager determines, in consultation with the City Attorney, are in the best interest of the City; do not materially increase the obligations or liabilities of the City; are necessary or advisable to effectuate the purposes and intent of the Purchase Agreement or this resolution; and are in compliance with all applicable laws, including the City Charter.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of November 12, 2013.



Secretary, Public Utilities Commission

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 17-0200

WHEREAS, The City and County of San Francisco (City) owns certain real property presently under the jurisdiction of the San Francisco Public Utilities Commission (SFPUC) at 7484 Sheridan Road in Sunol, California (Property); and

WHEREAS, The SFPUC executive management deemed the Property to be non-essential to the SFPUC's current and future utility needs of each enterprise; and

WHEREAS, The SFPUC entered into an agreement dated March 4, 2016 with Colliers International CA, Inc. (Broker) for real estate brokerage services; and

WHEREAS, The SFPUC complied with reporting, notice and other requirements of the California Surplus Property Statute (California Government Code Sections 54220 through 54233) and the San Francisco Surplus Property Ordinance (San Francisco Administrative Code Chapter 23A) with respect to the sale of the Property; and

WHEREAS, The Broker advertised the Property on commercial real estate platforms for many weeks, posted signage on the Property, and produced offering memoranda and other marketing materials; and

WHEREAS, The Buddhi Dharma Lien Guo Foundation (Buyer) submitted the highest and best responsible offer to purchase the Property for \$3,300,000; and

WHEREAS, SFPUC staff and Buyer staff have agreed to the terms and conditions of a Purchase and Sale Agreement (Agreement); and

WHEREAS, This surplus property sale does not constitute a project under California Environmental Quality Act (CEQA) Guidelines Section 15378 because there would be no physical change in the environment now, therefore, be it

RESOLVED, That this Commission hereby finds that the Property is surplus to the SFPUC's utility needs; and be it

FURTHER RESOLVED, That this Commission authorizes the General Manager of the SFPUC and/or City's Director of Property to seek approval of the Agreement by City's Board of Supervisors and the Mayor, and upon such approval, to execute the Agreement in substantially the same form presented to this Commission; and be it

FURTHER RESOLVED, That this Commission hereby ratifies, approves and authorizes all actions heretofore taken by any City official in connection with this Agreement; and be it

FURTHER RESOLVED, That this Commission hereby approves the terms and conditions of this Agreement; and be it

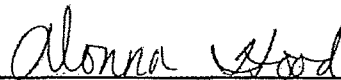
FURTHER RESOLVED, That this Commission hereby authorizes and directs the SFPUC's General Manager to negotiate and execute the Agreement, subject to the approval of the Board of Supervisors and Mayor; and be it

FURTHER RESOLVED, That this Commission hereby authorizes the SFPUC General Manager and/or the Director of Property to enter into any amendments or modifications to this Agreement, including without limitation, the exhibits, that the General Manager or Director of Property determines, in consultation with the City Attorney, are in the best interest of the City; do not materially increase the obligations or liabilities of the City; are necessary or advisable to effectuate the purposes and intent of the Agreement or this resolution; and are in compliance with all applicable laws, including the City Charter; and be it

FURTHER RESOLVED, That, upon approval by City's Board of Supervisors and the Mayor, this Commission authorizes the Director of Property and/or the SFPUC General Manager to execute and deliver a quitclaim deed conveying the Property to Buyer; and be it

FURTHER RESOLVED, That upon approval by City's Board of Supervisors and the Mayor, this Commission authorizes the Director of Property and/or the General Manager of the SFPUC to take any and all other steps they, in consultation with the City Attorney, deem necessary and advisable to effectuate the purpose and intent of this Resolution.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of September 12, 2017.



Secretary, Public Utilities Commission

AGREEMENT FOR SALE OF REAL ESTATE

by and between

CITY AND COUNTY OF SAN FRANCISCO,
as Seller

and

THE BUDDHI DHARMA LIEN GUO FOUNDATION,
as Buyer

For the sale and purchase of

Approximately 84 acres of improved real property known as
7484 Sheridan Road, Sunol, California

7/26, 2017

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LIST OF EXHIBITS

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EXHIBIT B	PERSONAL PROPERTY DESCRIPTION
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EXHIBIT D-1	FORM OF GRANT OF EASEMENT FOR DE-WATERING WELL
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EXHIBIT E	FORM OF BILL OF SALE

AGREEMENT FOR SALE OF REAL ESTATE
(7484 Sheridan Road, Sunol, California)

THIS AGREEMENT FOR SALE OF REAL ESTATE (this "Agreement"), dated for reference purposes only as of _____, 2017 (the "Agreement Date"), is by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City" or "Seller"), and BUDDHI DHARMA LIEN GUOFOUNDATION, a Washington non-profit organization ("Buyer").

THIS AGREEMENT IS MADE WITH REFERENCE TO THE FOLLOWING FACTS AND CIRCUMSTANCES:

A. City owns the Property located in the unincorporated Town of Sunol in Alameda County, as defined and described in Section 1 below. The Property consists of approximately eighty-four (84) acres, or 3,658,398 square feet, of land, and is located on the east side of Sheridan Road, west of Calaveras Road. The Property is currently improved with various structures, including a single-family residence, barn/office, shop/store, steel-framed barns, pole barns, and corrals.

B. City acquired the Property in connection with the construction by the San Francisco Public Utilities Commission ("SFPUC") of the New Irvington Tunnel Project.

C. The SFPUC has completed the New Irvington Tunnel Project and has recommended sale of the Property pursuant to Resolution No. 17-0145.

D. On May 10, 2017, the SFPUC issued a request for bids by May 19, 2017, and after the previous highest and best responsible bidder declined to purchase the Property, Buyer was selected based on having submitted the next best highest and best responsible offer to purchase the Property.

E. Buyer desires to purchase the Property and City is willing to sell the Property, subject to approval by City's Board of Supervisors and Mayor, on the terms and conditions set forth herein below.

ACCORDINGLY, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Buyer hereby agree as follows:

1. SALE AND PURCHASE

1.1. Property Included in Sale

Subject to the terms, covenants, and conditions set forth herein, City agrees to sell to Buyer, and Buyer agrees to purchase from City, the following:

(a) City's interest in the real property consisting of approximately eighty-four (84) acres of land, located in Sunol, in unincorporated Alameda County, California, commonly known as 7484 Sheridan Road, Sunol, Alameda County, Assessor's Parcel No. 096-0001-020-03, State of California, and more particularly described in attached Exhibit A and as shown generally on the map attached as Exhibit A-1, and all rights and appurtenances pertaining to such land (the "Real Property");

(b) all improvements and fixtures located on the Real Property, including, without limitation, that certain one-story residence containing approximately one thousand nine hundred thirty (1,930) square feet of living space, a barn/office, a shop/store, two (2) steel-frame metal barns, two (2) pole barns, a pump shed, a wine cellar, ancillary agricultural improvements,

all fixtures and built-in apparatus, such as doors, fences (including, without limitation, cattle operation fencing and equipment affixed to the Real Property), gates, plumbing, electrical, heating, and air conditioning systems, and fixtures used to provide any utility, refrigeration, lighting, ventilation, garbage disposal, water, communications, or other services, and all on-site parking;

(c) all air rights, mineral rights, water, water rights, and water stock relating to the Real Property;

(d) together with the personal property owned by City, if any, located at the Real Property and used exclusively in the operation or maintenance of the Real Property, as described on the attached Exhibit B (the "**Personal Property**"). The Real Property, the Personal Property, and the other items listed in this Section 1.1 above are collectively referred to herein as the "**Property**."

2. PURCHASE PRICE

The purchase price for the Property is Three Million Three Hundred Five Thousand Dollars (\$3,305,000) (the "**Purchase Price**"). Buyer shall pay the Purchase Price as follows:

(a) Within five (5) business days after Buyer executes this Agreement, Buyer shall deposit in escrow with Chicago Title Insurance Company, 455 Market Street, Suite 2100, San Francisco, California, Attention: Mary Pat Noeker (the "**Title Company**"), the sum of Thirty-Five Thousand Dollars (\$35,000) as an initial earnest money deposit (the "**Initial Deposit**"). The Initial Deposit shall be non-refundable except as expressly provided in Section 9 [Liquidated Damages] of this Agreement and shall be applied by City to meet City's ordinary application fees in the event the Closing (as defined below) does not occur. Within forty-five (45) days after Buyer's execution of this Agreement, Buyer shall increase the Deposit to Three Hundred Fifty Thousand Dollars (\$350,000) by depositing into escrow with the Title Company an additional Three Hundred Fifteen Thousand Dollars (\$315,000) (together with the Initial Deposit, the "**Deposit**"). The Deposit shall be non-refundable except as expressly provided in Section 9 [Liquidated Damages] of this Agreement and held in a separate, segregated, interest-bearing account, and all interest thereon shall be deemed a part of the Deposit. At the Closing, the Deposit shall be paid to City and credited against the Purchase Price.

(b) Buyer shall pay the balance of the Purchase Price, which is Two Million Nine Hundred and Fifty-Five Thousand Dollars (\$2,955,000), to City at the consummation of the purchase and sale contemplated hereunder (the "**Closing**").

All sums payable hereunder including, without limitation, the Deposit, shall be paid in immediately available funds of lawful money of the United States of America.

3. TITLE

3.1. Conditions of Title

At the Closing, City shall quitclaim its interest in and to the Real Property to Buyer by quitclaim deed in the form of Exhibit C attached hereto (the "**Deed**"). Title to the Property shall be subject to (a) liens of local real estate taxes and assessments, (b) all existing exceptions and encumbrances, whether or not disclosed by a current preliminary title report or the public records or any other documents reviewed by Buyer pursuant to Section 5.1 below, and any other exceptions to title which would be disclosed by an accurate and thorough investigation, survey, or inspection of the Property, (c) all items of which Buyer has actual or constructive notice or knowledge, and (d) the de-watering well easement which shall be reserved as further provided in Section 3.3 below. All of the foregoing exceptions to title shall be referred to collectively as

the "Conditions of Title." Without limiting the foregoing, Buyer acknowledges receipt of a preliminary report issued by the Title Company under Order No. FWAC-TO16001016-JM, dated May 24, 2017, covering the Property and approves all of the exceptions contained therein.

3.2. INTENTIONALLY OMITTED

3.3. Reservation of Easements

(a) Reservation of De-Watering Well Easement.

City shall reserve unto itself an easement (the "De-Watering Easement") over the portion of the Property as described on the attached Exhibit D-1 (the "De-Watering Easement Area"). City will access the De-Watering Easement Area from Sheridan Road and will use the De-Watering Easement Area in the event that it needs to perform repair work on either of its sub-surface water transmission tunnels. The de-watering well will be used to extract groundwater from entering the tunnel repair area during any construction activity. The De-Watering Easement Area will not be occupied unless a future project to perform repairs or replacement is required. There are no contemplated plans for such use at this time.

(b) Reservation of Tower Easement.

City shall reserve unto itself an easement (the "Tower Easement") over the portion of the Property as described on the attached Exhibit D-2 (the "Tower Easement Area"). The Tower Easement is further described in the indenture recorded August 12, 1924, in Book 742, Page 436 of the Official Records of the County of Alameda. City shall have the perpetual, nonexclusive right, at any and all times, to use and access the Tower Easement Area to inspect, maintain, repair, operate, and use two lines of towers and wires suspended thereon and supported thereby for telephone and telegraph purposes.

(c) Reservation of Tunnel Easement.

City shall reserve unto itself an easement (the "Tunnel Easement") over the portion of the Property as described on the attached Exhibit D-3 (the "Tunnel Easement Area"). The Tunnel Easement is further described in the indenture recorded October 26, 1928, in Book 1971, Page 225 of the Official Records of the County of Alameda. City shall have the perpetual, exclusive right, at any and all times, to use and access the Tunnel Easement Area to construct, maintain, and use two subsurface aqueduct tunnels, together with the right to construct, replace, patrol, and operate an electric transmission line and a telephone line with all necessary accessories.

For so long as the De-Watering Well Easement, the Tower Easement, and the Tunnel Easement (collectively, the "Reserved Easements") are in place, Buyer and its agents and contractors shall not do anything in, on, under, or about the De-Watering Well Easement Area, the Tower Easement Area, and the Tunnel Easement Area (together, the "Reserved Easement Areas") that would damage or interfere with the proper use, function, maintenance, repair, or replacement of the SFPUC facilities. Without limiting the foregoing, Buyer agrees to (i) keep the Reserved Easement Areas open and free from structures of any kind; (ii) cause no trees to be cultivated on the Reserved Easement Areas; (iii) not use any vibrating compacting equipment on the Reserved Easement Areas without the SFPUC's prior written approval; and (iv), if Buyer or any of its agents or contractors damages, injures, or disturbs any of the SFPUC facilities, Buyer shall immediately notify City of that occurrence and shall either repair the facilities to their previous condition or, if City elects to make the repairs itself, pay the reasonable and documented cost of City's repairs.

3.4. Buyer's Responsibility for Title Insurance

Buyer understands and agrees that the right, title, and interest in the Property shall not exceed that vested in City, and City is under no obligation to furnish any policy of title insurance in connection with this transaction. Buyer recognizes that any fences or other physical monument of the Property's boundary lines may not correspond to the legal description of the Property. City shall not be responsible for any discrepancies in the parcel area or location of the property lines or any other matters which an accurate survey or inspection might reveal. It is Buyer's sole responsibility to obtain a survey from an independent surveyor and a policy of title insurance from a title company, if desired.

4. "AS-IS" PURCHASE; RELEASE OF CITY

4.1. Buyer's Independent Investigation

Buyer represents and warrants to City that Buyer has performed a diligent and thorough inspection and investigation of each and every aspect of the Property, either independently or through agents of Buyer's choosing, including, without limitation, the following matters (collectively, the "Property Conditions"):

(a) All matters relating to title including, without limitation, the existence, quality, nature, and adequacy of City's interest in the Property and the existence of physically open and legally sufficient access to the Property.

(b) The zoning and other legal status of the Property, including, without limitation, the compliance of the Property or its operation with any applicable codes, laws, regulations, statutes, ordinances, and private or public covenants, conditions, and restrictions, and all governmental and other legal requirements, such as taxes, assessments, use permit requirements, and building and fire codes.

(c) The quality, nature, adequacy, and physical condition of the Property, including, but not limited to, the structural elements, foundation, roof, interior, landscaping, parking facilities, and the electrical, mechanical, HVAC, plumbing, sewage, and utility systems, facilities, and appliances, and all other physical and functional aspects of the Property.

(d) The quality, nature, adequacy, and physical, geological, and environmental condition of the Property (including soils and any groundwater), and the presence or absence of any Hazardous Material in, on, under, or about the Property or any other real property in the vicinity of the Property. As used in this Agreement, "Hazardous Material" shall mean any material that, because of its quantity, concentration, or physical or chemical characteristics, is now or hereafter deemed by any federal, state, or local governmental authority to pose a present or potential hazard to human health or safety or to the environment.

(e) The economics and development potential, if any, of the Property.

(f) All other matters of material significance affecting the Property.

4.2. Property Disclosures

(a) Buyer acknowledges City is a government entity and exempt from providing a property disclosure statement pursuant to Civil Code Section 1102.2(j), or natural hazard disclosure statement pursuant to Civil Code Section 1103.1. Nothing revealed or related by City with respect to the Property shall limit any of the provisions of this Article or relieve Buyer of its obligations to conduct a diligent inquiry hereunder, nor shall any such matters limit any of the provisions of Section 4.4 ["As-Is" Purchase] or Section 4.5 [Release of City].

(b) City certifies that the Property, at close of escrow, will be in compliance with (1) Section 13113.8 of the Health and Safety Code by having operable smoke detector(s), which are approved, listed, and installed in accordance with the applicable State regulations and local standards; and (2) Section 19211 of the Health and Safety Code by having the water heater tank(s), if any, braced, anchored, or strapped in place in accordance with applicable law.

(c) Within five (5) business days of the Agreement Date, City shall deliver to Buyer copies of, or make available to Buyer at City's offices for inspection and copying at Buyer's sole cost and expense, all non-privileged documents and materials in Seller's possession or control that are relevant to the use, occupancy, and/or condition of the Property.

4.3. Entry and Indemnity

In connection with any entry by Buyer or its Agents onto the Property, Buyer shall give City reasonable advance written notice of such entry and shall conduct such entry and any inspections in connection therewith so as to minimize, to the extent possible, interference with uses being made of the Property and otherwise in a manner and on terms and conditions acceptable to City. All entries by Buyer or its Agents onto the Property to perform any testing or other investigations that could affect the physical condition of the Property (including, without limitation, soil borings), or the uses thereof will be made only pursuant to the terms and conditions of a permit to enter in form and substance satisfactory to City. Without limiting the foregoing, prior to any entry to perform any on-site testing, Buyer shall give City written notice thereof, including the identity of the company or persons who will perform such testing, the precise time and location of the testing, and the proposed scope of the testing. City shall have the right to approve, disapprove, or condition and limit the proposed testing, in City's sole discretion, within five (5) business days after receipt of such notice. If Buyer or its agents, employees, or contractors take any sample from the Property in connection with any approved testing, Buyer shall provide to City a portion of such sample being tested to allow City, if it so chooses, to perform its own testing. City or its representative may be present to observe any testing or other inspection performed on the Property. Buyer shall promptly deliver to City copies of any reports relating to any testing or other inspection of the Property performed by Buyer or its agents, employees, or contractors, but shall not deliver copies of any such reports to any other person or entity without Buyer's prior written approval. Buyer shall keep all test results and information strictly confidential, and shall indemnify, reimburse, defend, and hold City harmless from and against any loss, cost, expense, or damage resulting from Buyer's failure to keep any information obtained from an inspection or testing of the Property strictly confidential; provided, however, Buyer shall not be liable if and to the extent Buyer is required to disclose such information pursuant to a court order. Buyer shall comply with all laws, ordinances, rules, regulations, orders, and the like in connection with any entry onto or testing of the Property.

Buyer shall maintain, and shall require that its Agents maintain, public liability and property damage insurance in amounts and in form and substance adequate to insure against all liability of Buyer and its Agents, arising out of any entry or inspection of the Property in connection with the transaction contemplated hereby, and Buyer shall provide City with evidence of such insurance coverage upon request from City.

To the fullest extent permitted under law, Buyer shall indemnify, defend, and hold harmless City, its Agents, and each of them, from and against any liabilities, costs, damages, losses, liens, claims, and expenses (including, without limitation, reasonable fees of attorneys, experts, and consultants and related costs) arising out of or relating to any entry on, under, or about the Property by Buyer, its Agents, contractors, and subcontractors in performing the inspections, testings, or inquiries provided for in this Agreement, whether prior to the date of this Agreement or during the term hereof, including, without limitation, any injuries or deaths to any persons (including, without limitation, Buyer's Agents) and damage to any property, from any

cause whatsoever. The foregoing indemnity shall survive beyond the Closing, or, if the sale is not consummated, beyond the termination of this Agreement.

4.4. "As-Is" Purchase

BUYER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT CITY IS SELLING AND BUYER IS PURCHASING CITY'S INTEREST IN THE PROPERTY ON AN "AS-IS WITH ALL FAULTS" BASIS. BUYER IS RELYING SOLELY ON ITS INDEPENDENT INVESTIGATION AND NOT ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM CITY OR ITS AGENTS AS TO ANY MATTERS CONCERNING THE PROPERTY, ITS SUITABILITY FOR BUYER'S INTENDED USES, OR ANY OF THE PROPERTY CONDITIONS. CITY DOES NOT GUARANTEE THE LEGAL, PHYSICAL, GEOLOGICAL, ENVIRONMENTAL, OR OTHER CONDITIONS OF THE PROPERTY, NOR DOES IT ASSUME ANY RESPONSIBILITY FOR THE COMPLIANCE OF THE PROPERTY OR ITS USE WITH ANY STATUTE, ORDINANCE, OR REGULATION. IT IS BUYER'S SOLE RESPONSIBILITY TO DETERMINE ALL BUILDING, PLANNING, ZONING, AND OTHER REGULATIONS RELATING TO THE PROPERTY AND THE USES TO WHICH IT MAY BE PUT.

4.5. Release of City

As part of its agreement to purchase the Property in its "As-Is with All Faults" condition, Buyer, on behalf of itself and its successors and assigns, waives any right to recover from, and forever releases and discharges, City, its officers, employees, agents, contractors, and representatives, and their respective heirs, successors, legal representatives, and assigns, from any and all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs, or expenses whatsoever (including, without limitation, attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with (a) Buyer's and its Agents' and customer's past, present, and future use of the Property, (b) the physical, geological, or environmental condition of the Property, including, without limitation, any Hazardous Material in, on, under, above, or about the Property, and (c) any federal, state, local, or administrative law, rule, regulation, order, or requirement applicable thereto, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA," also commonly known as the "Superfund" law), as amended by Superfund Amendments and Reauthorization Act of 1986 ("SARA") (42 U.S.C. Sections 9601-9657), the Resource Conservation and Recovery Act of 1976, as amended by the Solid Waste and Disposal Act of 1984 (collectively, "RCRA") (42 U.S.C. Sections 6901-6987), the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977 (collectively the "Clean Water Act") (33 U.S.C. Section 1251 et seq.), the Toxic Substances Control Act ("TSCA") (15 U.S.C. Sections 2601-2629), Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.), the Carpenter-Presley-Tanner Hazardous Substance Account Law (commonly known as the "California Superfund" law) (California Health and Safety Code Sections 25300-25395), Hazardous Waste Control Act (California Health and Safety Code Section 25100 et seq.), Hazardous Materials Release Response Plans and Inventory Law (commonly known as the "Business Plan Law") (California Health and Safety Code Section 25500 et seq.), Porter-Cologne Water Quality Control Act (California Water Code Section 13000 et seq.), and Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as "Proposition 65") (California Health and Safety Code Section 25249.5 et seq.).

In connection with the foregoing release, Buyer expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

BY PLACING ITS INITIALS BELOW, BUYER SPECIFICALLY ACKNOWLEDGES AND CONFIRMS THE VALIDITY OF THE RELEASES MADE ABOVE AND THE FACT THAT BUYER WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE CONSEQUENCES OF THE ABOVE RELEASES.

INITIALS: BUYER: SXG

5. CONDITIONS PRECEDENT

5.1. Buyer's Conditions Precedent

The following are conditions precedent to Buyer's obligation to purchase the Property from City ("Buyer's Conditions Precedent"):

(a) City shall have performed all of its obligations hereunder and all of City's representations and warranties shall be true and correct.

(b) The Resolution Condition, as provided in Section 5.3 below, shall have been satisfied.

5.2. Contingency Period

None.

5.3. City's Condition Precedent

The following are conditions precedent to City's obligation to sell the Property to Buyer ("City's Conditions Precedent"):

(a) Buyer shall have performed all of its obligations hereunder and all of Buyer's representations and warranties shall be true and correct.

(b) A resolution approving and authorizing the transactions contemplated hereby and finding that the public interest or necessity demands, or will not be inconvenienced by the sale of the Property, shall have been adopted by City's Board of Supervisors and Mayor, in their respective sole and absolute discretion, and duly enacted on or before September 30, 2017 (the "Resolution Condition").

(c) Title Company shall have agreed to be the real estate reporting person for the Closing in compliance with the Reporting Requirements (as defined in Section 6.5 below).

5.4. Failure of Buyer's or City's Conditions Precedent

Each of Buyer's and City's Conditions Precedent are intended solely for the benefit of Buyer and City, respectively. If any of Buyer's or City's Conditions Precedent are not satisfied as provided above, Buyer or City may, respectively, at its option, terminate this Agreement. Upon any such termination, the provisions of Section 9 shall apply, and neither party shall have any further rights or obligations hereunder, except as provided in Sections 4.3 [Entry and

Indemnity], 8.2 [Brokers], or 10.4 [Authority of Buyer], or as otherwise expressly provided herein.

6. ESCROW AND CLOSING

6.1. Escrow

Within three (3) business days after the parties hereto execute this Agreement, Buyer and City shall deposit an executed counterpart of this Agreement with the Title Company, and this instrument shall serve as the instructions to the Title Company as the escrow holder for consummation of the purchase and sale contemplated hereby. City and Buyer agree to execute such supplementary escrow instructions as may be appropriate to enable the Title Company to comply with the terms of this Agreement; provided, however, in the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions, the terms of this Agreement shall control.

6.2. Closing Date

The Closing hereunder shall be held, and delivery of all items to be made at the Closing under the terms of this Agreement shall be made, at the offices of the Title Company (a) on the date which is thirty (30) days after the enactment of the Board of Supervisor's resolution referred to in Section 5.3(b) above, or if such date is not a business day, then upon the next ensuing business day, before 1:00 p.m. San Francisco time, or (b) such earlier date and time as Buyer and City may mutually agree upon in writing (the "**Closing Date**"). Such date and time may not be extended without the prior written approval of both City and Buyer.

6.3. Deposit of Documents and Other Deliveries at the Closing

(a) At or before the Closing, City shall deposit into escrow the following items:

(i) the duly executed and acknowledged Deed conveying the Real Property to Buyer subject to the Conditions of Title;

(ii) a separate certificate of acceptance for each of the Reserved Easements executed by City's Director of Property;

(iii) a duly executed counterpart of the Bill of Sale covering the Personal Property, in the form attached as Exhibit E; and

(iv) the funds necessary to cover fifty percent (50%) of the closing costs and other charges of escrow, excluding any transfer taxes applicable to the sale.

(b) At or before the Closing, Buyer shall deposit into escrow the following items:

(i) a duly executed and acknowledged De-Watering Easement, in the form attached as Exhibit D-1;

(ii) a duly executed and acknowledged Tower Easement, in the form attached as Exhibit D-2;

(iii) a duly executed and acknowledged the Tunnel Easement, in the form attached as Exhibit D-3;

(iv) a duly executed counterpart of the Bill of Sale covering the Personal Property, in the form attached as Exhibit E; and

(v) the funds necessary to cover fifty percent (50%) of the closing costs and other charges of escrow, one hundred percent (100%) of any transfer taxes applicable to the sale, and the balance of the Purchase Price.

City shall deliver to Buyer a set of keys to the Property on the Closing Date. City and Buyer shall each deposit such other instruments as are reasonably required by the Title Company or otherwise required to close the escrow and consummate the purchase of the Property in accordance with the terms hereof.

6.4. Prorations

Any real property taxes and assessments; water, sewer, and utility charges, if any; annual permits and/or inspection fees, if any (calculated on the basis of the period covered); and any other expenses normal to the operation and maintenance of the Property, shall be prorated as of 12:01 a.m. on the date the Deed is recorded, on the basis of a three hundred sixty-five (365)-day year. City and Buyer hereby agree that if any of the above described prorations cannot be calculated accurately on the Closing Date, then the same shall be calculated as soon as reasonably practicable after the Closing Date and either party owing the other party a sum of money based on such subsequent prorations(s) shall promptly pay said sum to the other party.

6.5. Title Company as Real Estate Reporting Person

Section 6045(e) of the United States Internal Revenue Code of 1986 and the regulations promulgated thereunder (collectively, the "**Reporting Requirements**") require that certain information be made to the United States Internal Revenue Service, and a statement to be furnished to City, in connection with the Closing. Buyer and City agree that if the Closing occurs, Title Company will be the party responsible for closing the transaction contemplated in this Agreement and is hereby designated as the real estate reporting person (as defined in the Reporting Requirements) for such transaction. Title Company shall perform all duties required of the real estate reporting person for the Closing under the Reporting Requirements, and Buyer and City shall each timely furnish Title Company with any information reasonably requested by Title Company and necessary for the performance of its duties under the Reporting Requirements with respect to the Closing.

7. RISK OF LOSS

7.1. Loss

City shall give Buyer notice of the occurrence of damage or destruction of, or the commencement of condemnation proceedings affecting, any portion of the Property. In the event that all or any portion of the Property is condemned, destroyed, or damaged by fire or other casualty prior to the Closing, then Buyer may, at its option to be exercised within ten (10) days of City's notice of the occurrence of the damage or destruction or the commencement of condemnation proceedings, either terminate this Agreement or consummate the purchase for the full Purchase Price as required by the terms hereof. If Buyer elects to terminate this Agreement or fails to give City notice within such ten (10)-day period that Buyer will proceed with the purchase, then this Agreement shall terminate at the end of such ten (10)-day period, the Title Company shall return the Deposit to Buyer, and neither party shall have any further rights or obligations hereunder except as provided in Sections 4.3 [Entry and Indemnity] or 8.2 [Brokers], or as otherwise expressly provided herein. If Buyer elects to proceed with the purchase of the Property, then, upon the Closing, Buyer shall receive a credit against the Purchase Price payable hereunder equal to the amount of any insurance proceeds or condemnation awards actually

collected by City as a result of any such damage or destruction or condemnation, plus the amount of any insurance deductible, less any sums expended by City toward the restoration or repair of the Property. If the proceeds or awards have not been collected as of the Closing, then City shall assign such proceeds or awards to Buyer, except to the extent needed to reimburse City for sums expended to collect such proceeds or repair or restore the Property, and Buyer shall not receive any credit against the Purchase Price with respect to such proceeds or awards.

7.2. Self-Insurance

Notwithstanding anything to the contrary above, Buyer acknowledges that City self-insures and shall not be obligated to purchase any third-party commercial liability insurance or property insurance.

8. EXPENSES

8.1. Expenses

Buyer shall pay one hundred percent (100%) of any transfer taxes applicable to the sale, and fifty percent (50%) of the closing costs and other charges of escrow for the sale. City shall pay 50% of the closing costs and other charges of escrow for the sale, excluding any transfer taxes applicable to the sale.

8.2. Brokers

The parties represent and warrant to each other that no broker or finder was instrumental in arranging or bringing about this transaction and that there are no claims or rights for brokerage commissions or finder's fees in connection with the transactions contemplated by this Agreement. If any person brings a claim for a commission or finder's fee based on any contact, dealings, or communication with Buyer or City, then the party through whom such person makes a claim shall defend the other party from such claim, and shall indemnify the indemnified party from, and hold the indemnified party against, any and all costs, damages, claims, liabilities, or expenses (including, without limitation, reasonable attorneys' fees and disbursements) that the indemnified party incurs in defending against the claim. The provisions of this Section shall survive the Closing, or, if the purchase and sale is not consummated for any reason, any termination of this Agreement.

(a) City acknowledges that (i), prior to the Effective Date, it entered into a written agreement with Colliers International CA, Inc. ("Colliers") that provides for real estate brokerage services in connection with the marketing and sale of the Property, and (ii) City shall be solely responsible for any compensation, commission, or finder's fee payable to Colliers in connection with the purchase transaction contemplated by this Agreement. Colliers will cooperate with Buyer's broker, Jennifer Van Wegen of RAM Real Estate and Properties ("Wegen"), by sharing its commission as provided in a separate agreement between those parties.

(b) Buyer acknowledges that (i), prior to the Effective Date, it entered into a written agreement with Wegen that provides for real estate brokerage services in connection with Buyer's proposed acquisition of the Property, and (ii) Wegen shall be entitled to share in the commission payable to Colliers in connection with the purchase transaction contemplated by this Agreement, as provided above.

9. LIQUIDATED DAMAGES

IF THE SALE OF THE PROPERTY IS NOT CONSUMMATED DUE TO THE FAILURE OF ANY CONDITION PRECEDENT OR CITY'S DEFAULT HEREUNDER

AND BUYER IS NOT THEN IN DEFAULT, THEN THE TITLE COMPANY SHALL RETURN THE DEPOSIT TOGETHER WITH ACCRUED INTEREST THEREON TO BUYER. IF THE SALE IS NOT CONSUMMATED DUE TO ANY DEFAULT BY BUYER HEREUNDER AND CITY IS NOT THEN IN DEFAULT, THEN THE TITLE COMPANY SHALL DELIVER THE DEPOSIT TOGETHER WITH ACCRUED INTEREST THEREON TO CITY, AND CITY SHALL BE ENTITLED TO RETAIN SUCH SUM AS LIQUIDATED DAMAGES. THE PARTIES HAVE AGREED THAT CITY'S ACTUAL DAMAGES, IN THE EVENT OF A FAILURE TO CONSUMMATE THIS SALE AS SPECIFIED IN THE PRECEDING SENTENCE, WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. AFTER NEGOTIATION, THE PARTIES HAVE AGREED THAT, CONSIDERING ALL THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT, THE AMOUNT OF THE DEPOSIT TOGETHER WITH ACCRUED INTEREST THEREON IS A REASONABLE ESTIMATE OF THE DAMAGES THAT CITY WOULD INCUR IN SUCH AN EVENT. RECEIPT OF THE DEPOSIT SHALL CONSTITUTE CITY'S EXCLUSIVE REMEDY AGAINST BUYER AT LAW OR IN EQUITY AND SHALL TERMINATE ALL OF BUYER'S LIABILITY AND OBLIGATIONS TO CITY UNDER THIS AGREEMENT. BY PLACING THEIR RESPECTIVE INITIALS BELOW, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

INITIALS: CITY: _____ BUYER: SXg

10. GENERAL PROVISIONS

10.1. Notices

Any notices required or permitted to be given under this Agreement shall be in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, or (c) by U.S. Express Mail or commercial overnight courier that guarantees next-day delivery and provides a receipt, and such notices shall be addressed as follows:

CITY:

Real Estate Services Division
San Francisco Public Utilities Commission
525 Golden Gate Avenue, 10th Floor
San Francisco, CA 94102
Attn: Real Estate Director
Re: SFPUC Property
7484 Sheridan Road, Sunol

BUYER:

Buddhi Dharma Lien Guo Foundation
6076 Stevenson Boulevard
Fremont, CA 94538
Attn: Chief Executive Officer
Re: SFPUC Property
7484 Sheridan Road, Sunol

with a copy to:

Deputy City Attorney
Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Attn: Real Estate Finance Team
Re: SFPUC Property
7484 Sheridan Road, Sunol

or such other address as either party may from time to time specify in writing to the other party. Any notice shall be deemed given when actually delivered if such delivery is in person, two (2) days after deposit with the U.S. Postal Service if such delivery is by certified or registered mail, and the next business day after deposit with the U.S. Postal Service or with the commercial overnight courier service if such delivery is by overnight mail.

10.2. Successors and Assigns

This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, legal representatives, administrators, and assigns. Buyer's rights and obligations hereunder shall not be assignable without the prior written consent of City; provided, however, even if City approves any such proposed assignment, in no event shall Buyer be released of any of its obligations hereunder. Notwithstanding the foregoing, Buyer may assign its rights under this Agreement to an entity (including a trust, partnership, or limited liability company) owned by or held under the control of Buyer, with the prior consent and approval of City, which said consent and approval shall not be unreasonably withheld, provided that notice of such assignment is provided to City not less than five (5) business days prior to the Closing, and further provided that City hereby approves of an assignment of this Agreement by Buyer to a limited liability company wholly owned by Buyer.

10.3. Amendments

This Agreement may be amended or modified only by a written instrument signed by Buyer and City.

10.4. Authority of Buyer

Buyer represents and warrants to City that buyers are husband and wife. Buyer further represents and warrants to City that this Agreement and all documents executed by Buyer which are to be delivered to City at Closing: (a) are or at the time of Closing will be duly authorized, executed and delivered by Buyer; (b) are or at the time of Closing will be legal, valid, and binding obligations of Buyer; and (c) do not and at the time of Closing will not violate any provision of any agreement or judicial order to which Buyer is a party or to which Buyer is subject. Notwithstanding anything to the contrary in this Agreement, the foregoing representations and warranties and any and all other representations and warranties of Buyer contained herein or in other agreements or documents executed by Buyer in connection herewith, shall survive the Closing Date.

10.5. Buyer's Representations and Warranties

Buyer makes the following representations as of the date of this Agreement and at all times throughout this Agreement:

(a) Buyer consists of two individuals. Buyer has duly authorized by all necessary action the execution, delivery, and performance of this Agreement. Buyer has duly executed and delivered this Agreement, and this Agreement constitutes a legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with the terms hereof.

(b) Buyer represents and warrants to City that it has not been suspended, disciplined, or disbarred by, or prohibited from contracting with, any federal, state, or local governmental agency. In the event Buyer has been so suspended, disbarred, disciplined, or prohibited from contracting with any governmental agency, it shall immediately notify City of same and the reasons therefore together with any relevant facts or information requested by City. Any such suspension, debarment, discipline, or prohibition may result in the termination or suspension of this Agreement.

(c) No document or instrument furnished or to be furnished by Buyer to City in connection with this Agreement contains or will contain any untrue statement of material fact or omits or will omit a material fact necessary to make the statements contained therein not misleading, under the circumstances under which any such statement shall have been made.

10.6. Governing Law

This Agreement shall be governed by, subject to, and construed in accordance with the laws of the State of California and City's Charter and Administrative Code.

10.7. Merger of Prior Agreements

This Agreement, together with the exhibits hereto, contain any and all representations, warranties, and covenants made by Buyer and City and constitutes the entire understanding between the parties hereto with respect to the subject matter hereof. Any prior correspondence, memoranda, or agreements are replaced in total by this Agreement together with the exhibits hereto.

10.8. Parties and Their Agents

The term "Buyer" as used herein shall include the plural as well as the singular. If Buyer consists of more than one (1) individual or entity, then the obligations under this Agreement imposed on Buyer shall be joint and several. As used herein, the term "Agents" when used with respect to either party shall include the agents, employees, officers, contractors, and representatives of such party.

10.9. Interpretation of Agreement

The article, section, and other headings of this Agreement and the table of contents are for convenience of reference only and shall not affect the meaning or interpretation of any provision contained herein. Whenever the context so requires, the use of the singular shall be deemed to include the plural and vice versa, and each gender reference shall be deemed to include the other and the neuter. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein. In addition, each party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purposes of the parties and this Agreement.

10.10. Attorneys' Fees

If either party hereto fails to perform any of its respective obligations under this Agreement, or if any dispute arises between the parties hereto concerning the meaning or interpretation of any provision of this Agreement, then the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party on account of such default or in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees and disbursements. For purposes of this Agreement, the reasonable fees of attorneys of the Office of the City Attorney of the City and County of San Francisco 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 and County of San Francisco in law firms with approximately the same number of attorneys as employed by the City Attorney's Office.

10.11. Time of Essence

Time is of the essence with respect to the performance of the parties' respective obligations contained herein.

10.12. No Merger

The obligations contained herein shall not merge with the transfer of title to the Property but shall remain in effect until fulfilled.

10.13. Non-Liability of City Officials, Employees, and Agents

Notwithstanding anything to the contrary in this Agreement, no elective or appointive board, commission, member, officer, employee, or agent of City shall be personally liable to Buyer, its successors and assigns, in the event of any default or breach by City or for any amount which may become due to Buyer, its successors and assigns, or for any obligation of City under this Agreement.

10.14. Conflicts of Interest

Through its execution of this Agreement, Buyer acknowledges that it is familiar with the provisions of 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 constitute a violation of said provisions and agrees that if it becomes aware of any such fact during the term of this Agreement, Buyer shall immediately notify City.

10.15. Notification of Limitations on Contributions

Through its execution of this Agreement, Buyer 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 the 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) a 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 (6) months after the date the contract is approved. Buyer 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 Fifty Thousand Dollars (\$50,000) or more. Buyer further acknowledges that the prohibition on contributions applies to each Buyer; each member of Buyer's board of directors, and Buyer's chief executive officer, chief financial officer, and chief operating officer; any person with an ownership interest of more than twenty percent (20%) in Buyer; any subcontractor listed in the contract; and any committee that is sponsored or controlled by Buyer. Additionally, Buyer acknowledges that Buyer must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Buyer further agrees to provide to City the names of each person, entity, or committee described above.

10.16. Sunshine Ordinance

Buyer understands and agrees that under City's Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) and the State Public Records Law (Government Code Section 6250 et seq.), this Agreement and any and all records, information, and materials submitted to City hereunder public records subject to public disclosure. Buyer hereby acknowledges that City may disclose any records, information, and materials submitted to City in connection with this Agreement.

10.17. Tropical Hardwood and Virgin Redwood Ban

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 product except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code.

10.18. No Recording

Neither this Agreement nor any memorandum or short form thereof may be recorded by Buyer.

10.19. Effective Date

As used herein, the term "Effective Date" shall mean the date on which City's Board of Supervisors and Mayor enact an ordinance approving and authorizing this Agreement and the transactions contemplated hereby, following execution of this Agreement by both parties.

10.20. Severability

If any provision of this Agreement or the application thereof to any person, entity, or circumstance shall be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law, except to the extent that enforcement of this Agreement without the invalidated provision would be unreasonable or inequitable under all the circumstances or would frustrate a fundamental purpose of this Agreement.

10.21. Acceptance by Buyer

This Agreement shall be null and void unless it is accepted by Buyer and two (2) fully executed copies hereof are returned to City on or before 5:00 p.m. San Francisco time on August 18, 2017.

10.22. Counterparts

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

10.23. Cooperative Drafting.

This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, BUYER ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS AGREEMENT UNLESS AND UNTIL A RESOLUTION OF CITY'S BOARD OF SUPERVISORS SHALL HAVE BEEN DULY ENACTED APPROVING THIS AGREEMENT AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON THE DUE ENACTMENT OF SUCH A RESOLUTION, AND THIS AGREEMENT SHALL BE NULL AND VOID IF CITY'S BOARD OF SUPERVISORS AND MAYOR DO NOT APPROVE THIS AGREEMENT IN THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF THE TRANSACTIONS CONTEMPLATED HEREBY BY ANY DEPARTMENT, COMMISSION, OR AGENCY OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH ORDINANCE OR RESOLUTION WILL BE ENACTED NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON CITY.

[SIGNATURES ON FOLLOWING PAGE]

The parties have duly executed this Agreement as of the respective dates written below.

CITY:

BUYER:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

BUDDHI DHARMA LIEN GUO
FOUNDATION,

By:

Harlan L. Kelly, Jr.
General Manager
San Francisco Public Utilities
Commission

Shuang Xi Yang
Shuang Xi Yang, Chief Executive Officer

Date: _____

APPROVED BY
PUBLIC UTILITIES COMMISSION

Pursuant to Resolution No.
Adopted:

Secretary

APPROVED BY
BOARD OF SUPERVISORS

By Resolution No. _____

Dated: _____

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: *Michelle W. Sexton*

Michelle W. Sexton
Deputy City Attorney

EXHIBIT A

REAL PROPERTY DESCRIPTION

All that certain real property located in the City and County of San Francisco, State of California, described as follows:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA IN COUNTY OF ALAMEDA, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

SURVEY "V" OF THE OFFICIAL CONNECTED PLAT OF THE EX-MISSION OF SAN JOSE, GRANTED TO JAMES FERRETER BY PATENT DATED DECEMBER 27, 1867, RECORDED FEBRUARY 17, 1868 IN BOOK "A" OF PATENTS, PAGE 269, ALAMEDA COUNTY RECORDS, DESCRIBED AS FOLLOWS:

BEGINNING AT A POST MARKED "V" NO. 5", BEING A CORNER OF THE EXTERIOR BOUNDARY LINE OF THE RANCHO EL VALLE DE SAN JOSE, SAID CORNER BEING ALSO THE CORNER COMMON TO SECTIONS 28, 29, 32 AND 33 IN TOWNSHIP 4 SOUTH, RANGE 1 EAST, MOUNT DIABLO BASE AND MERIDIAN; RUNNING THENCE ALONG THE SOUTHERN LINE OF SAID SECTION 29, NORTH 87° WEST 18.98 CHAINS (1252.68 FEET); THENCE SOUTH 35° 45' WEST 34.33 CHAINS (2265.78 FEET) TO THE EASTERN LINE OF SURVEY 37 OF SAID LANDS OF THE EX-MISSION OF SAN JOSE; THENCE ALONG THE EASTERN LINE OF SAID SURVEY 37, NORTH (AT 29.02 CHAINS (1915.32 FEET) INTERSECTS THE SOUTHERN LINE OF SAID SECTION 29, 41.80 CHAINS (2758.8 FEET) EAST OF COMMON CORNER TO SECTIONS 29, 30, 31 AND 32 IN SAID TOWNSHIP AND RANGE) 66.87 CHAINS (4413.42 FEET) TO POST MARKED "V NO. 3" OF SAID LINE OF SAID RANCHO EL VALLE DE SAN JOSE; THENCE EAST 40 CHAINS (2640 FEET) TO POST MARKED "V NO. 4" OF SAID RANCHO; AND THENCE SOUTH 40 CHAINS (2640 FEET) TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION LYING WESTERLY OF THE EASTERN LINE OF SHERIDAN ROAD, ALSO KNOWN AS COUNTY ROAD NO. 2640, AS SAID ROAD EXISTED ON JANUARY 1, 1961 AND ALSO EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

PORTION OF SURVEY "V" OF THE OFFICIAL CONNECTED PLAT OF THE EX-MISSION OF SAN JOSE, GRANTED TO JAMES FERRETER BY PATENT DATED DECEMBER 27, 1867, AND RECORDED FEBRUARY 17, 1868 IN BOOK "A" OF PATENTS, PAGE 269, ALAMEDA COUNTY RECORDS, DESCRIBED AS FOLLOWS:

BEGINNING AT A CONCRETE MONUMENT BEING A CORNER IN THE EXTERIOR BOUNDARY LINE OF THE RANCHO EL VALLE DE SAN JOSE, SAID CORNER BEING ALSO THE CORNER COMMON TO SECTIONS 28, 29, 32 AND 33, IN TOWNSHIP 4 SOUTH, RANGE 1 EAST, MOUNT DIABLO BASE AND MERIDIAN; AND RUNNING THENCE ALONG THE SOUTHERN LINE OF SAID SECTION 29, NORTH 87° WEST 1271.35 FEET TO THE NORTHEASTERN LINE OF COUNTY ROAD NO. 2640, 40.00 FEET WIDE, KNOWN AS SHERIDAN ROAD, AS SAID NORTHEASTERN LINE NOW EXISTS; THENCE ALONG THE LAST NAMED LINE THE THREE FOLLOWING COURSE AND DISTANCES: NORTH 12° 51' 53" WEST 146.00 FEET; NORTH 8° 03' 53" WEST 113.00 FEET; AND NORTH 2° 42' 53" WEST 149.40 FEET; THENCE LEAVING SAID LINE OF SAID ROAD AND RUN PARALLEL WITH SAID LINE OF SAID SECTION 29 AND DISTANT 400.00 FEET, RIGHT ANGLE MEASUREMENT, NORTHERLY THEREFROM SOUTH 87° EAST 702.78 FEET; THENCE NORTH 38° 38' 19" EAST 372.19 FEET; THENCE NORTH 36° 53' 47" EAST 244.58 FEET; THENCE SOUTH 88° 56' 22" EAST 260.98 FEET TO THE WESTERN LINE OF PARCEL 62, AS SAID PARCEL IS DESCRIBED IN THE DEED BY SPRING VALLEY WATER COMPANY TO THE CITY AND COUNTY OF SAN FRANCISCO, DATED MARCH 3, 1930 AND RECORDED MARCH 3, 1930 IN BOOK 2350 OF OFFICIAL RECORDS OF ALAMEDA COUNTY, PAGE 1 (AA/13399); AND THENCE ALONG THE LAST NAMED LINE SOUTH 1° 03' 38" WEST 914.82 FEET TO THE POINT OF BEGINNING.

EXHIBIT A-1

DEPICTION OF REAL PROPERTY

(see attached)

EXHIBIT B

PERSONAL PROPERTY DESCRIPTION

1. One (1) inoperable Blue Ford tractor with a soils disking attachment (located in the open barn on the hill)
2. Miscellaneous pallets of replacement bricks, retaining wall masonry, and pavers for the driveway and landscaping projects (located on the hill)
3. Miscellaneous shelving (located in the open barn on the hill)
4. Approximately fifteen (15) pressure-treated fencing posts that match the existing fencing (located on the hill)
5. Miscellaneous cattle-operation fencing and equipment not otherwise included as fixtures under Section 1(b) of the Agreement (located at various Property locations)
6. One (1) metal storage container (located adjacent to the residence)
7. One (1) walk-in cooler currently used as a storage container (located at the rear portion of the feed store)
8. Miscellaneous "T" posts for fence repair (located on the hill)
9. Miscellaneous split-rail replacement fencing
10. Two (2) steel columns (approximately four (4) inches by sixteen (16) feet) designated for construction of an unbuilt deck off the large barn (located on the hill)
11. Miscellaneous corrugated metal drainage replacement pipes (located on the hill)
12. One (1) mobile home and associated propane tank
13. One (1) above-ground diesel fuel storage tank (located outside open barn on the hill)
14. One (1) metal rack for above-ground diesel tank (located on the hill)
15. One (1) above-ground gasoline storage tank with metal stairs (located outside the open barn on the hill)
16. One (1) approximately 5,000-gallon green water tank (located on the hill)
17. One (1) steel-wall water pressure tank (approximately 300- to 500-gallon capacity) (located on the hill)
18. One (1) white Club Car golf cart with flatbed (located in the open barn)

EXHIBIT C

FORM OF QUITCLAIM DEED

RECORDING REQUESTED BY,
AND WHEN RECORDED RETURN TO:

San Francisco Public Utilities Commission
Real Estate Services Division
525 Golden Gate, Avenue, 10th Floor
San Francisco, CA 94102
Attn: Real Estate Director

and

Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102
Attn: Director of Property

MAIL TAX STATEMENTS TO:

Attn: _____

Address: _____

(Space above this line reserved for Recorder's use only)

Block _____, Lot _____

Documentary Transfer Tax of \$_____ based upon full market value of the property without deduction for any lien or encumbrance

QUITCLAIM DEED

(Assessor's Parcel No. _____)

FOR VALUABLE CONSIDERATION, receipt and adequacy of which are hereby acknowledged, the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City"), pursuant to Ordinance No. _____, adopted by the Board of Supervisors on _____, 20__ and approved by the Mayor on _____, 20__, hereby RELEASES, REMISES, AND QUITCLAIMS to _____ any and all right, title, and interest City may have in and to the real property located in the City and County of San Francisco, State of California, described on Exhibit A attached hereto and made a part hereof.

[SIGNATURES ON FOLLOWING PAGE]

Executed as of this _____ day of _____, 20__.

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: _____
Michelle W. Sexton
Deputy City Attorney

DESCRIPTION CHECKED/APPROVED:

By: _____
[NAME]
City Engineer

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss
County of San Francisco)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT D-1

**FORM OF GRANT OF EASEMENT
(De-Watering Well)**

(see attached)

RECORDING REQUESTED BY,
AND WHEN RECORDED RETURN TO:

San Francisco Public Utilities Commission
Real Estate Services Division
525 Golden Gate Avenue, 10th Floor
San Francisco, California 94102
Attn: Real Estate Director

and

Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property

WITH A COPY TO:

The undersigned hereby declares this instrument to be exempt from Recording Fees (CA Govt. Code § 27383) and Documentary Transfer Tax (CA Rev. & Tax Code § 11922).

(Space above this line reserved for Recorder's use only)

GRANT OF EASEMENT
(De-Watering Well Easement)

(Portion of Assessor's Parcel No. 096-0001-020-03)

This Grant of Easement Deed ("**Deed**") is granted by BUDDHI DHARMA LIEN GUO FOUNDATION, a Washington non-profit organization ("**Grantor**"), for the benefit of the City and County of San Francisco, a municipal corporation ("**City**" or "**Grantee**"), acting by and through its Public Utilities Commission.

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby quitclaims and conveys to City, a perpetual, nonexclusive subsurface easement and nonexclusive surface easement, and access easement for the right to perform repair or replacement work, and extract groundwater from entering the work area in the event City needs to perform such work during any construction activity on City's subsurface water transmission tunnels (the "**De-Watering Well Easement**"), together with the right of ingress and egress from such De-Watering Well Easement along, upon and over a portion of Grantor's property situated in Alameda County, California, more particularly described in attached **Exhibit A** (the "**Grantor's Property**"), which subject portion is depicted on attached **Exhibit B** (the "**Easement Area**"). Such Exhibits are incorporated into this Deed. The Easement Area will not be occupied by City unless and only to the extent a future project to perform repairs or replacement of City's subsurface water transmission tunnels is required. However, if Grantor's groundwater is temporarily diminished during such construction activity, the San Francisco Public Utilities Commission shall provide potable water to Grantor until such time Grantor's groundwater reverts to customary levels.

1. **Nature of Easement.** The De-Watering Well Easement includes the right of City, at any and all times, to use, and to authorize its employees, agents, tenants, contractors,

subcontractors, suppliers, consultants, licensees and other persons authorized by City to act for and on behalf of City (collectively, "Agents") to: (a) improve, inspect, maintain, repair, operate, and use, on a nonexclusive basis in accordance with the terms of this Deed, the existing roadway or roadways located on the Easement Area (the "Road" or "Roads"), in the locations as depicted on **Exhibit B** for purposes of ingress, egress and passage of automobiles and other vehicles and equipment to, from and between the De-Watering Well Easement and the adjacent public street known as Sheridan Road and depicted on **Exhibit B**, in accordance with the terms of this Deed; and (b) modify, improve, remove or replace each Road within the Easement Area, provided that City obtains Grantor's approval of the proposed modification, removal and/or replacement, which approval shall not be unreasonably withheld, conditioned or delayed. The De-Watering Well Easement also includes the right by City and its Agents to conduct road grading, paving, clear any obstructions and vegetation from the Easement Area, as are reasonably necessary for the full enjoyment and accomplishment of the purposes of the De-Watering Well Easement.

2. Shared Access/Grantor's Right to Install Fences and Gates.

(a) Grantor may install fences and gates along the Easement Area and may change the location of the Road, at its sole cost and expense, provided (i) Grantor shall provide City with reasonable prior notice of such installation; (ii) Grantor shall provide City with fence and gate keys or the equivalent; and (iii) City and its Agents shall be entitled to unrestricted access to the Easement Area at any and all times without prior notice (on a 24 hour per day, 7 days per week basis) for any purpose, including without limitation, construction, maintenance or repair work or equipment transportation to and from the Easement Area.

(b) Except in the event of an emergency or emergency repairs or maintenance affecting the Easement Area and/or City's facilities located thereon, City agrees to use reasonable efforts to avoid interference with uses of the Easement Area by others, except to the extent such uses are expressly prohibited by this De Watering Well Easement.

3. No Structures or Improvements. Grantor shall not do anything in, on, or under the Easement Area that causes damage (other than ordinary wear and tear) to, or disrupts the use of, any Road for its intended purposes by City, or interferes with the exercise of City's easement rights with respect to the Easement Area, without the prior written consent of City. Without limiting the foregoing, Grantor agrees that no structures or improvements, whether permanent or temporary, shall be constructed or placed, and no excavation shall occur, within the Easement Area without the prior written consent of City, except as set forth in **Section 4** below.

4. Rights Reserved to Grantor. Without limiting any of Grantor's rights as owner of the Easement Area, Grantor specifically reserves and retains the following rights relating to the Easement Area, to the extent such rights are exercised in a way that does not unreasonably interfere with the permitted uses described in **Section 1** or with the exercise of City's rights under this Deed: (i) any and all water, timber, mineral and oil rights of any kind; (ii) any and all rights to use, operate, maintain, repair, enlarge, modify, expand, replace and reconstruct any of Grantor's pre-existing facilities, within portions of the Easement Area, provided the Easement Area remains at least sixty (60) feet in width; (iii) the right to construct, maintain, repair, resurface, remove, replace and relocate Roads located within the Easement Area, parking areas, utility lines, and other improvements on, over, under and across the surface of the Easement Area that will not unreasonably interfere with, damage or endanger any Road or the Easement Area, and (iv) the right to grant future easements, including rights of way, over, across, under, in and upon the Easement Area, provided such easements do not unreasonably interfere with the exercise of City's rights under this Deed.

5. Exercise of Due Care. City shall use, and shall cause its Agents (as defined above) to use due care at all times to avoid any damage or harm to the Easement Area or Grantor's Property, or persons or property located on, in or about the Easement Area or

Grantor's Property, and including any utilities or other facilities located thereon. City agrees to be responsible for the repair of any damage or harm to the Easement Area to the extent caused by City or its Agents, except to the extent caused by the negligence or willful misconduct of Grantor or its Agents. City shall fully pay and discharge all claims for labor, materials and services in connection with any work or improvements it makes on the Grantor's Property and shall take all steps to forestall the assertion of claims against the Grantor's Property as a result of such work, and in no event shall City permit any liens to attach to the Grantor's Property by reason of the exercise of its rights hereunder.

6. Restrictions on Use. City agrees that, by way of example only and without limitation, the following uses of the Easement Area by City, or any other person claiming by or through City, are inconsistent with the purpose of this Deed and are strictly prohibited as provided below:

(a) **Improvements.** Except as otherwise expressly provided herein, City shall not construct or place any permanent structures, improvements, utilities or facilities, in, on, under or about the Easement Area, without the prior written consent of Grantor. City shall not use the Easement Area or permit anything to be done in or about the Easement Area which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated (collectively, "Legal Requirements"). No material or substance that is regulated as a hazardous or toxic waste, substance, pollutant or contaminant under any Legal Requirement shall be used, handled, released or disposed of by City or its employees, agents or representatives, visitors or invitees at or about the Grantor Property without Grantor's prior consent, which consent may be granted, denied, or conditioned in Grantor's reasonable discretion. City shall not use or allow the Easement Area to be used for any improper, unlawful or objectionable purpose, nor shall City cause, maintain or permit any nuisance in, on or about the Grantor Property. City shall not commit or allow to be committed any waste in or upon the Grantor Property.

(b) **Use of Adjoining Land.** Nothing herein authorizes any entry onto or use of any of Grantor's Property other than the Easement Area and the Roads, without the prior written consent of Grantor, in its reasonable discretion, which may include reasonable compensation by City to Grantor for loss of use. City shall minimize its interference with Grantor's use of the Grantor Property to the greatest extent possible, and in no event shall City or its Agents use the Grantor Property for any purposes not related to the work to be performed on the Easement Area.

(c) **Parking.** City shall not park vehicles on the Easement Area, except to the extent reasonably required when performing emergency repairs or maintenance to City's facilities, or Road improvement and maintenance activities expressly permitted under this Deed.

7. Maintenance. Grantor shall maintain the Easement Area and any Road within the Easement Area in good condition and repair, and otherwise in a manner that affords City use of the De-Watering Well Easement in accordance with the terms of this Deed. If Grantor fails to so maintain the Easement Area, City shall provide Grantor written notice of such failure and Grantor shall have thirty (30) days thereafter to perform any necessary repairs or maintenance. City shall be responsible, at its expense, to repair and maintain the Roads only as to wear and tear caused by the proportionate use of the Roads by City and its Agents, and not wear and tear caused by use of the Roads by others.

8. Run with the Land; Successors and Assigns. The provisions of this Deed shall run with the land, burden the Easement Area, and inure to the benefit of and bind the respective successors and assigns of Grantor and City. City shall have no rights to assign any of its rights under this De Watering Well Easement to any non-governmental entity without prior consent of Grantor.

9. As-Is Condition of Easement Area; Disclaimer of Representations. City accepts the Easement Area in its "AS IS" condition, without representation or warranty of any kind by Grantor, its officers, agents or employees and subject to all applicable laws, rules and ordinances governing the use of the Easement Area. Without limiting the foregoing, this Deed is made subject to any and all covenants, conditions, restrictions, easements, encumbrances and other matters affecting title to the Easement Area, whether foreseen or unforeseen, and whether such matters are of record or would be disclosed by an accurate inspection or survey.

10. Insurance. Grantor acknowledges that City self-insures against casualty, property damage and public liability risks and agrees that City may at its sole election, but shall not be required to, carry any third party insurance with respect to the Easement Area or otherwise. If City authorizes any Agent to utilize the De-Watering Well Easement in accordance with the terms of this Deed, and if City requires such Agent to maintain insurance with respect to its activities, or to name City as an additional or named insured on any insurance policy, then City shall also cause such Agent to name Grantor to be named as additional insureds (or as additional named insureds, at Grantor's option) under such insurance policy.

11. Notices. Any notices given under this Deed shall be effective only if in writing and given by delivering the notice in person, by sending it first class mail or certified mail with a return receipt requested, or nationally-recognized overnight courier that guarantees next day delivery and provides a receipt therefor, with postage prepaid, addressed as follows (or such alternative address as may be provided in writing):

If to City: San Francisco Public Utilities Commission
525 Golden Gate Avenue, 10th Floor
San Francisco, California 94102
Attn: Real Estate Director

with a copy to: City and County of San Francisco
Real Estate Division
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property

and: Office of the City Attorney
City and County of San Francisco
Room 234, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102-4682
Attn: Real Estate/Finance Team

If to Grantor: 7484 Sheridan Road
Sunol, California 94586
Attn: Buddhi Dharma Lien Guo Foundation

12. General Provisions. (a) This Deed may be amended or modified only by a writing signed by Grantor and City. (b) No waiver by any party of any of the provisions of this Deed shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. (c) All approvals and determinations of City requested, required or permitted hereunder may be made in the sole and absolute discretion of the General Manager of the San Francisco Public Utilities Commission or other authorized official. (d) The sections and other headings of this Deed are for convenience of reference only and shall be disregarded in the interpretation of this Deed. (e) Time is of the essence in each and every provision herein. (f) This Deed shall be governed by California law and City Charter. (g) If either party commences an administrative or legal action

against the other under this Deed, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees of Grantor and City shall be based on the fees regularly charged by private attorneys in San Francisco with comparable experience. (h) This instrument may be executed in counterparts, each of which shall be an original, but all counterparts shall constitute one instrument.

[SIGNATURES ON FOLLOWING PAGE]

Executed as of this _____ day of _____, 2017.

GRANTOR:

BUDDHI DHARMA LIEN GUO FOUNDATION,

Shuang Xi Yang, Chief Executive Officer

Date: _____

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by this Deed dated _____, 2017, from the Grantor to the City and County of San Francisco, is hereby accepted pursuant to Board of Supervisors Resolution No. 18110 Series of 1939, approved August 7, 1957, and City consents to recordation thereof by its duly authorized officer.

Dated: _____

By: _____

JOHN UPDIKE
Director of Property

EXHIBIT A
Description of Grantor's Property
[see following page]

EXHIBIT B

Depiction of Easement Area

[see following page]

April 08, 2016

Exhibit "A"
LEGAL DESCRIPTION

All that real property situate in Alameda County, State of California, being a portion of lands of the City and County of San Francisco as described in that certain Deed numbered 2013392659, recorded December 27, 2013, Official Records of Alameda County, more particularly described as follows:

BEGINNING at a railroad spike monument numbered MC 3383 shown on sheet 9 of 12 of Record of Survey Number 2295, filed for record in Book 35, Pages 1 through 12, Records of Alameda County;

thence South $37^{\circ}50'10''$ East, 242.00 feet along the centerline of Sheridan Road;

thence leaving said centerline, North $52^{\circ}09'50''$ East, 20.00 feet to the easterly line of said road and the **TRUE POINT OF BEGINNING**;

thence continuing North $52^{\circ}09'50''$ East, 60.00 feet;

thence South $37^{\circ}50'10''$ East, 100.00 feet;

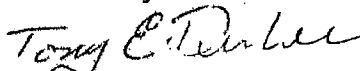
thence South $52^{\circ}09'50''$ West, 60.00 feet to the easterly line of said road;

thence North $37^{\circ}50'10''$ West, along said easterly line, 100.00 feet to the **TRUE POINT OF BEGINNING**.

Containing 6,000 square feet.

A plat showing the above-described parcel is attached herein and made a part hereof as Exhibit "B".

This description was prepared by me or under my direction in conformance with the Professional Land Surveyors' Act.

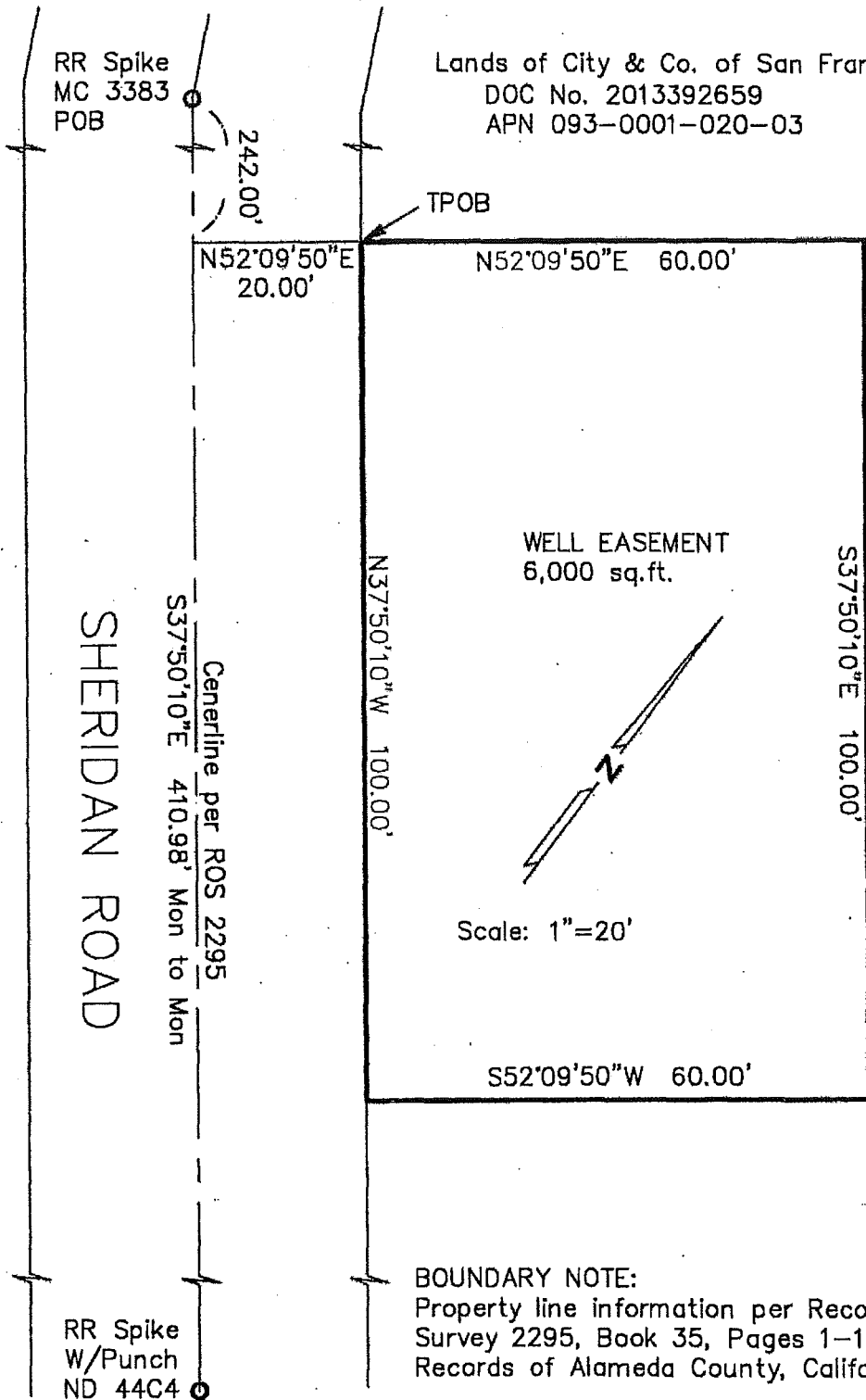

Tony E. Durkee, PLS5773



END OF DESCRIPTION

Exhibit B

Lands of City & Co. of San Francisco
 DOC No. 2013392659
 APN 093-0001-020-03

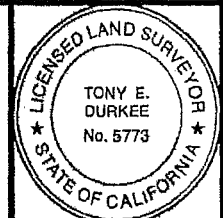


BOUNDARY NOTE:
 Property line information per Record of Survey 2295, Book 35, Pages 1-12, Official Records of Alameda County, California.

This map created from a survey plat provided by Lee Incorporated (job No. 11004)

City and County of San Francisco
 Public Utilities Commission
 Real Estate Services

Well Easement
 Lands formerly of Mackin
 Alameda County, California



Mackin Well Easement.dwg 04/08/16

EXHIBIT D-2

**FORM OF GRANT EASEMENT
(Electrical Tower)**

(see attached)

RECORDING REQUESTED BY,
AND WHEN RECORDED RETURN TO:

San Francisco Public Utilities Commission
Real Estate Services Division
525 Golden Gate Avenue, 10th Floor
San Francisco, California 94102
Attn: Real Estate Director

and

Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property

WITH A COPY TO:

The undersigned hereby declares this instrument to be
exempt from Recording Fees (CA Govt. Code § 27383)
and Documentary Transfer Tax (CA Rev. & Tax Code
§ 11922).

(Space above this line reserved for Recorder's use only)

GRANT OF EASEMENT
(Electrical Tower Easement)

(Portion of Assessor's Parcel No. 096-0001-020-03)

This Grant of Easement Deed ("**Deed**") is granted by BUDDHI DHARMA LIEN GUO FOUNDATION, a Washington nonprofit organization ("**Grantor**"), for the benefit of the City and County of San Francisco, a municipal corporation ("**City**" or "**Grantee**"), acting by and through its Public Utilities Commission

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby quitclaims and conveys to City, a perpetual, nonexclusive right of way easement for the erection, construction, reconstruction, replacement, repair, maintenance and use for the transmission and distribution of electricity, of two lines of towers and wires suspended thereon and supported thereby, and of wires for telephone and telegraph purposes, and all necessary and proper crossarms, braces, connections, fastenings, and other appliances for use in connection therewith (the "**Tower Easement**"), together with the right of ingress and egress from such Tower Easement along, upon and over Grantor's property situated in Alameda County, California, more particularly described in attached **Exhibit A** (the "**Grantor's Property**"), which subject right of way easement is depicted on attached **Exhibit B** (the "**Easement Area**"). Such Exhibits are incorporated into this Deed. The Tower Easement is further described in the indenture recorded August 12, 1924, in Book 742, Page 436 of the Official Records of the County of Alameda.

1. Nature of Easement. The Tower Easement includes the right of City, at any and all times, to use, and to authorize its employees, agents, tenants, contractors, subcontractors, suppliers, consultants, licensees and other persons authorized by City to act for and on behalf of City (collectively, "**Agents**") to: (a) improve, inspect, maintain, repair, operate, and use, on a

nonexclusive basis in accordance with the terms of this Deed, any roadway or roadways located on the Easement Area (the "Road" or "Roads"), the present locations of which are depicted on **Exhibit B** for purposes of ingress, egress and passage of automobiles and other vehicles and equipment to, from and between the Tower Easement and the adjacent public street known as Sheridan Road and depicted on **Exhibit B**, in accordance with the terms of this Deed; and (b) modify, improve, remove or replace each Road within the Easement Area, provided that City obtains Grantor's approval of the proposed modification, removal and/or replacement, which approval shall not be unreasonably withheld, conditioned or delayed. The Tower Easement also includes the right by City and its Agents to conduct road grading, paving, clear any obstructions and vegetation from the Easement Area as are reasonably necessary for the full enjoyment and accomplishment of the purposes of the Tower Easement.

2. Shared Access/Grantor's Right to Install Fences and Gates.

(a) Grantor may install fences and gates along the Easement Area and may change the location of the Road, at its sole cost and expense, provided (i) Grantor shall provide City with reasonable prior notice of such installation; (ii) Grantor shall provide City with fence and gate keys or the equivalent; and (iii) City and its Agents shall be entitled to unrestricted access to the Easement Area at any and all times without prior notice (on a 24 hour per day, 7 days per week basis) for any purpose, including without limitation, construction, maintenance or repair work or equipment transportation to and from the Easement Area.

(b) Except in the event of an emergency or emergency repairs or maintenance affecting the Easement Area and/or City's facilities located thereon, City agrees to use reasonable efforts to avoid interference with uses of the Easement Area by others except to the extent such uses are expressly prohibited by this Agreement.

3. No Structures or Improvements. Grantor shall not do anything in, on, or under the Easement Area that causes damage (other than ordinary wear and tear) to, or disrupts the use of, any Road for its intended purposes by City, or interferes with the exercise of City's easement rights with respect to the Easement Area, without the prior written consent of City. Without limiting the foregoing, Grantor agrees that no structures or improvements, whether permanent or temporary, shall be constructed or placed, and no excavation shall occur, within the Easement Area without the prior written consent of City, except as set forth in **Section 4** below.

4. Rights Reserved to Grantor. Without limiting any of Grantor's rights as owner of the Easement Area, Grantor specifically reserves and retains the following rights relating to the Easement Area, to the extent such rights are exercised in a way that does not unreasonably interfere with the permitted uses described in **Section 1** or with the exercise of City's rights under this Deed: (i) any and all water, timber, mineral and oil rights of any kind; (ii) any and all rights to use, operate, maintain, repair, enlarge, modify, expand, replace and reconstruct any of Grantor's pre-existing facilities, within portions of the Easement Area, provided the Easement Area remains at least one hundred (100) feet in width; (iii) the right to construct, maintain, repair, resurface, remove, replace and relocate Roads located within the Easement Area, parking areas, utility lines, and other improvements on, over, under and across the surface of the Easement Area that will not unreasonably interfere with, damage or endanger any Road or the Easement Area, and (iv) the right to grant future easements, including rights of way, over, across, under, in and upon the Easement Area, provided such easements do not unreasonably interfere with the exercise of City's rights under this Deed.

5. Exercise of Due Care. City shall use, and shall cause its Agents (as defined above) to use due care at all times to avoid any damage or harm to the Easement Area or Grantor's Property, or persons or property located on, in or about the Easement Area or Grantor's Property, and including any utilities or other facilities located thereon. City agrees to be responsible for the repair of any damage or harm to the Easement Area to the extent caused by

City or its Agents, except to the extent caused by the negligence or willful misconduct of Grantor or its Agents. City shall fully pay and discharge all claims for labor, materials and services in connection with any work or improvements it makes on the Grantor's Property and shall take all steps to forestall the assertion of claims against the Grantor's Property as a result of such work, and in no event shall City permit any liens to attach to the Grantor's Property by reason of the exercise of its rights hereunder.

6. Restrictions on Use. City agrees that, by way of example only and without limitation, the following uses of the Easement Area by City, or any other person claiming by or through City, are inconsistent with the purpose of this Deed and are strictly prohibited as provided below:

(a) **Improvements.** Except as otherwise expressly provided herein, City shall not construct or place any permanent structures, improvements, utilities or facilities, in, on, under or about the Easement Area, without the prior written consent of Grantor. City shall not use the Easement Area or permit anything to be done in or about the Easement Area which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated (collectively, "Legal Requirements"). No material or substance that is regulated as a hazardous or toxic waste, substance, pollutant or contaminant under any Legal Requirement shall be used, handled, released or disposed of by City or its employees, agents or representatives, visitors or invitees at or about the Grantor Property without Grantor's prior consent, which consent may be granted, denied, or conditioned in Grantor's reasonable discretion. City shall not use or allow the Easement Area to be used for any improper, unlawful or objectionable purpose, nor shall City cause, maintain or permit any nuisance in, on or about the Grantor Property. City shall not commit or allow to be committed any waste in or upon the Grantor Property.

(b) **Use of Adjoining Land.** Nothing herein authorizes any entry onto or use of any of Grantor's Property other than the Easement Area and the Roads, without the prior written consent of Grantor, in its reasonable discretion, which may include reasonable compensation by City to Grantor for loss of use. City shall minimize its interference with Grantor's use of the Grantor Property to the greatest extent possible, and in no event shall City or its Agents use the Grantor Property for any purposes not related to the work to be performed on the Easement Area.

(c) **Parking.** City shall not park vehicles on the Easement Area, except to the extent reasonably required when performing emergency repairs or maintenance to City's facilities, or Road improvement and maintenance activities expressly permitted under this Deed.

7. Maintenance. Grantor shall maintain the Easement Area and any Road within the Easement Area in good condition and repair, and otherwise in a manner that affords City use of the Tower Easement in accordance with the terms of this Deed. If Grantor fails to so maintain the Easement Area, City shall provide Grantor written notice of such failure and Grantor shall have thirty (30) days thereafter to perform any necessary repairs or maintenance. City shall be responsible, at its expense, to repair and maintain the Roads only as to wear and tear caused by the proportionate use of the Roads by City and its Agents, and not wear and tear caused by use of the Roads by others.

8. Run with the Land; Successors and Assigns. The provisions of this Deed shall run with the land, burden the Easement Area, and inure to the benefit of and bind the respective successors and assigns of Grantor and City. City shall have no right to assign any of its rights under this Agreement to any non-governmental entity without the prior consent of Grantor.

9. As-Is Condition of Easement Area; Disclaimer of Representations. City accepts the Easement Area in its "AS IS" condition, without representation or warranty of any

kind by Grantor, its officers, agents or employees and subject to all applicable laws, rules and ordinances governing the use of the Easement Area. Without limiting the foregoing, this Deed is made subject to any and all covenants, conditions, restrictions, easements, encumbrances and other matters affecting title to the Easement Area, whether foreseen or unforeseen, and whether such matters are of record or would be disclosed by an accurate inspection or survey.

10. Insurance. Grantor acknowledges that City self-insures against casualty, property damage and public liability risks and agrees that City may at its sole election, but shall not be required to, carry any third party insurance with respect to the Easement Area or otherwise. If City authorizes any Agent to utilize the Tower Easement in accordance with the terms of this Deed, and if City requires such Agent to maintain insurance with respect to its activities, or to name City as an additional or named insured on any insurance policy, then City shall also cause such Agent to name Grantor to be named as additional insureds (or as additional named insureds, at Grantor's option) under such insurance policy.

11. Notices. Any notices given under this Deed shall be effective only if in writing and given by delivering the notice in person, by sending it first class mail or certified mail with a return receipt requested, or nationally-recognized overnight courier that guarantees next day delivery and provides a receipt therefor, with postage prepaid, addressed as follows (or such alternative address as may be provided in writing):

If to City: San Francisco Public Utilities Commission
525 Golden Gate Avenue, 10th Floor
San Francisco, California 94102
Attn: Real Estate Director

with a copy to: City and County of San Francisco
Real Estate Division
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property

and: Office of the City Attorney
City and County of San Francisco
Room 234, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102-4682
Attn: Real Estate/Finance Team

If to Grantor: 7484 Sheridan Road
Sunol, California 94586
Attn: Buddhi Dharma Lien Guo Foundation

12. General Provisions. (a) This Deed may be amended or modified only by a writing signed by Grantor and City. (b) No waiver by any party of any of the provisions of this Deed shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. (c) All approvals and determinations of City requested, required or permitted hereunder may be made in the sole and absolute discretion of the General Manager of the San Francisco Public Utilities Commission or other authorized official. (d) The sections and other headings of this Deed are for convenience of reference only and shall be disregarded in the interpretation of this Deed. (e) Time is of the essence in each and every provision herein. (f) This Deed shall be governed by California law and City Charter. (g) If either party commences an administrative or legal action against the other under this Deed, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees of Grantor

and City shall be based on the fees regularly charged by private attorneys in San Francisco with comparable experience. (h) This instrument may be executed in counterparts, each of which shall be an original, but all counterparts shall constitute one instrument.

[SIGNATURES ON FOLLOWING PAGE]

Executed as of this _____ day of _____, 2017.

GRANTOR:

Shuang Xi Yang, Chief Executive Officer

Date: _____

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by this Deed dated _____, 2017, from the Grantor to the City and County of San Francisco, is hereby accepted pursuant to Board of Supervisors Resolution No. 18110 Series of 1939, approved August 7, 1957, and City consents to recordation thereof by its duly authorized officer.

Dated: _____

By: _____

JOHN UPDIKE
Director of Property

EXHIBIT A

Description of Grantor's Property

[see following page]

EXHIBIT B

Depiction of Easement Area

[see following page]

June 26, 2017

Exhibit "A"
LEGAL DESCRIPTION

All that real property situate in the County of Alameda, State of California, being a portion of the Lands described in that certain deed recorded August 12, 1924 in Book number 742, Page number 436, Official Records of Alameda County, State of California, being a strip of land 100.00 feet wide lying 20.00 feet northwesterly and 80.00 feet southeasterly of the following described line, herein after called Survey Line;

BEGINNING at the northeast corner of that certain parcel labeled Lands of Mackin shown on Record of Survey 2295, recorded November 10, 2009 in Book 35 of Records of Survey at Pages 1 through 12, Alameda County, State of California;

thence North $88^{\circ}14'20''$ West, 1,393.76 feet along the northerly line of said parcel as shown on said Record of Survey to the **TRUE POINT OF BEGINNING**;


thence along said Survey Line, South $36^{\circ}12'16''$ West, 904.57 feet to the northeasterly line of Sheridan Road.

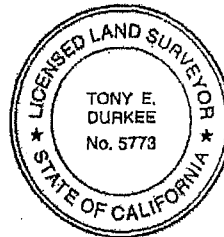
The sidelines of said easement to be extended or shortened to begin at the northerly line of said parcel shown on said Record of Survey as Lands of Mackin and end at the northeasterly line of said Sheridan Road.

Containing 2.15 acres, more or less.

A plat showing the above-described parcel is attached herein and made a part hereof as Exhibit "B".

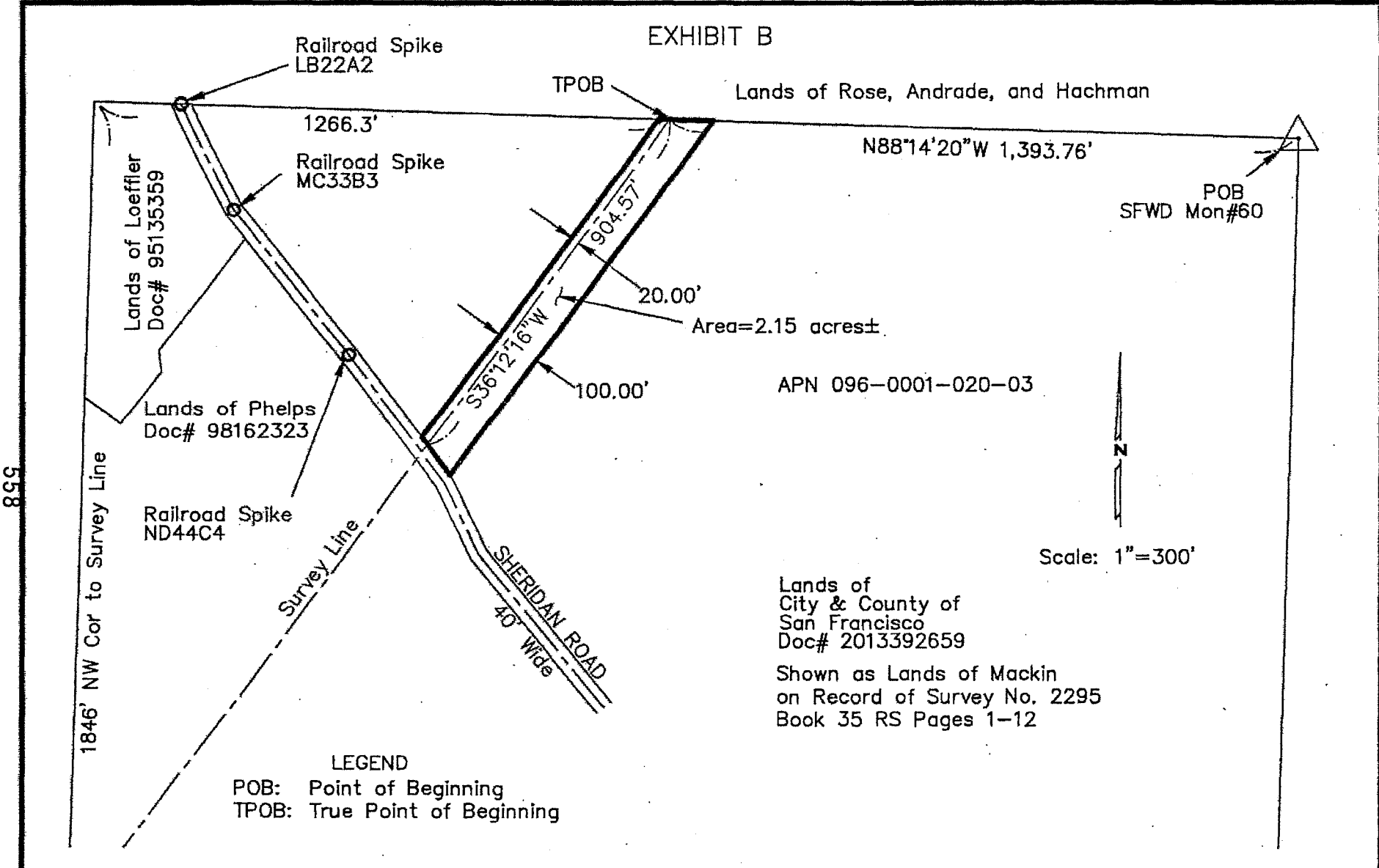
This description was prepared by me or under my direction in conformance with the Professional Land Surveyors' Act.


Tony E. Durkee, PLS5773



END OF DESCRIPTION

EXHIBIT B



858

1846' NW Cor to Survey Line

Railroad Spike LB22A2
 Railroad Spike MC33B3
 Lands of Loeffler Doc# 95135359
 Lands of Phelps Doc# 98162323
 Railroad Spike ND44C4

Lands of Rose, Andrade, and Hachman

N88°14'20"W 1,393.76'

POB SFWD Mon#60

Area=2.15 acres±

APN 096-0001-020-03

Lands of City & County of San Francisco Doc# 2013392659
 Shown as Lands of Mackin on Record of Survey No. 2295 Book 35 RS Pages 1-12



Scale: 1"=300'

LEGEND

POB: Point of Beginning
 TPOB: True Point of Beginning

City and County of San Francisco
 Public Utilities Commission
 Real Estate Services

SFPUC TOWER EASEMENT
 former Lands of Mackin
 Tower Easement-Mackin.dwg

Unincorporated Lands
 County of Alameda
 06/26/2017



EXHIBIT D-3

**FORM OF GRANT EASEMENT
(Tunnel Easement, Electric Transmission Line, and Telephone Line)**

(see attached)

RECORDING REQUESTED BY,
AND WHEN RECORDED RETURN TO:

San Francisco Public Utilities Commission
Real Estate Services Division
525 Golden Gate Avenue, 10th Floor
San Francisco, California 94102
Attn: Real Estate Director

and

Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property

WITH A COPY TO:

The undersigned hereby declares this instrument to be exempt from Recording Fees (CA Govt. Code § 27383) and Documentary Transfer Tax (CA Rev. & Tax Code § 11922).

(Space above this line reserved for Recorder's use only)

GRANT OF EASEMENT

(Subsurface Tunnel Easement and Surface Easement for an Electric Transmission Line and Telephone Line)

(Portion of Assessor's Parcel No. 096-0001-020-03)

This Grant of Easement Deed ("**Deed**") is granted by BUDDHI DHARMA LIEN GUOFOUNDATION, a Washington non-profit organization ("**Grantor**"), for the benefit of the City and County of San Francisco, a municipal corporation ("**City**" or "**Grantee**"), acting by and through its Public Utilities Commission.

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby quitclaims and conveys to City, a perpetual, exclusive subsurface right of way easement for the construction, maintenance and use of two aqueduct tunnels, together with the right to construct, replace, patrol and operate an electric transmission line consisting of conductors supported on one line of poles, with all necessary accessories, and a telephone line of one or more circuits supported on one line of poles, with all necessary accessories (the "**Tunnel Easement**"), along, upon and over the surface of such real property, and the right of ingress to and egress from such rights of way situated in Alameda County, California, more particularly described in attached **Exhibit A** (the "**Grantor's Property**"), which subject right of way easement is depicted on attached **Exhibit B** (the "**Easement Area**"). Such Exhibits are incorporated into this Deed. The Tunnel Easement is further described in the indenture recorded October 26, 1928, in Book 1971, Page 225 of the Official Records of the County of Alameda.

1. Nature of Easement. The Tunnel Easement includes the right of City, at any and all times, to use, and to authorize its employees, agents, tenants, contractors, subcontractors, suppliers, consultants, licensees and other persons authorized by City to act for and on behalf of

City (collectively, "Agents") to: (a) improve, inspect, maintain, repair, operate, and use, on an exclusive basis in accordance with the terms of this Deed, any roadway or roadways located on the Easement Area (the "Road" or "Roads"), the present locations of which are depicted on **Exhibit B** for purposes of ingress, egress and passage of automobiles and other vehicles and equipment to, from and between the Tunnel Easement and the adjacent public street known as Sheridan Road and depicted on **Exhibit B**, in accordance with the terms of this Deed; and (b) modify, improve, remove or replace each Road within the Easement Area, provided that City obtains Grantor's approval of the proposed modification, removal and/or replacement, which approval shall not be unreasonably withheld, conditioned or delayed. The Tunnel Easement also includes the right by City and its Agents to conduct road grading, paving, clear any obstructions and vegetation from the Easement Area as are reasonably necessary for the full enjoyment and accomplishment of the purposes of the Tunnel Easement.

2. Shared Access/Grantor's Right to Install Fences and Gates.

(a) Grantor may install fences and gates along the Easement Area and may change the location of the Road, at its sole cost and expense, provided (i) Grantor shall provide City with reasonable prior notice of such installation; (ii) Grantor shall provide City with fence and gate keys or the equivalent; and (iii) City and its Agents shall be entitled to unrestricted access to the Easement Area at any and all times without prior notice (on a 24 hour per day, 7 days per week basis) for any purpose, including without limitation, construction, maintenance or repair work or equipment transportation to and from the Easement Area.

(b) Except in the event of an emergency or emergency repairs or maintenance affecting the Easement Area and/or City's facilities located thereon, City agrees to use reasonable efforts to avoid interference with uses of the Easement Area by others except to the extent such uses are expressly prohibited by this Tunnel Easement.

3. No Structures or Improvements. Grantor shall not do anything in, on, or under the Easement Area that causes damage (other than ordinary wear and tear) to, or disrupts the use of, any Road for its intended purposes by City, or interferes with the exercise of City's easement rights with respect to the Easement Area, without the prior written consent of City. Without limiting the foregoing, Grantor agrees that no structures or improvements, whether permanent or temporary, shall be constructed or placed, and no excavation shall occur, within the Easement Area without the prior written consent of City, except as set forth in **Section 4** below.

4. Rights Reserved to Grantor. Without limiting any of Grantor's rights as owner of the Easement Area, Grantor specifically reserves and retains the following rights relating to the Easement Area, to the extent such rights are exercised in a way that does not unreasonably interfere with the permitted uses described in **Section 1** or with the exercise of City's rights under this Deed: (i) any and all water, timber, mineral and oil rights of any kind; (ii) any and all rights to use, operate, maintain, repair, enlarge, modify, expand, replace and reconstruct any of Grantor's pre-existing facilities, within portions of the Easement Area, provided the Easement Area remains at least two hundred and fifty (250) feet in width; and (iii) the right to construct, maintain, repair, resurface, remove, replace and relocate Roads located within the Easement Area, parking areas, utility lines, and other improvements on, over, under and across the surface of the Easement Area that will not unreasonably interfere with, damage or endanger any Road or the Easement Area.

5. Exercise of Due Care. City shall use, and shall cause its Agents (as defined above) to use due care at all times to avoid any damage or harm to the Easement Area or Grantor's Property, or persons or property located on, in or about the Easement Area or Grantor's Property, and including any utilities or other facilities located thereon. City agrees to be responsible for the repair of any damage or harm to the Easement Area to the extent caused by City or its Agents, except to the extent caused by the negligence or willful misconduct of Grantor

or its Agents. City shall fully pay and discharge all claims for labor, materials and services in connection with any work or improvements it makes on the Grantor's Property and shall take all steps to forestall the assertion of claims against the Grantor's Property as a result of such work, and in no event shall City permit any liens to attach to the Grantor's Property by reason of the exercise of its rights hereunder.

6. Restrictions on Use. City agrees that, by way of example only and without limitation, the following uses of the Easement Area by City, or any other person claiming by or through City, are inconsistent with the purpose of this Deed and are strictly prohibited as provided below:

(a) **Improvements.** Except as otherwise expressly provided herein, City shall not construct or place any permanent structures, improvements, utilities or facilities, in, on, under or about the Easement Area, without the prior written consent of Grantor. City shall not use the Easement Area or permit anything to be done in or about the Easement Area which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated (collectively, "Legal Requirements"). No material or substance that is regulated as a hazardous or toxic waste, substance, pollutant or contaminant under any Legal Requirement shall be used, handled, released or disposed of by City or its employees, agents or representatives, visitors or invitees at or about the Grantor Property without Grantor's prior consent, which consent may be granted, denied, or conditioned in Grantor's reasonable discretion. City shall not use or allow the Easement Area to be used for any improper, unlawful or objectionable purpose, nor shall City cause, maintain or permit any nuisance in, on or about the Grantor Property. City shall not commit or allow to be committed any waste in or upon the Grantor Property.

(b) **Use of Adjoining Land.** Nothing herein authorizes any entry onto or use of any of Grantor's Property other than the Easement Area and the Roads, without the prior written consent of Grantor, in its reasonable discretion, which may include reasonable compensation by City to Grantor for loss of use. City shall minimize its interference with Grantor's use of the Grantor Property to the greatest extent possible, and in no event shall City or its Agents use the Grantor Property for any purposes not related to the work to be performed on the Easement Area.

(c) **Parking.** City shall not park vehicles on the Easement Area, except to the extent reasonably required when performing emergency repairs or maintenance to City's facilities, or Road improvement and maintenance activities expressly permitted under this Deed.

7. Maintenance. Grantor shall maintain the Easement Area and any Road within the Easement Area in good condition and repair, and otherwise in a manner that affords City use of the Tunnel Easement in accordance with the terms of this Deed. If Grantor fails to so maintain the Easement Area, City shall provide Grantor written notice of such failure and Grantor shall have thirty (30) days thereafter to perform any necessary repairs or maintenance. City shall be responsible, at its expense, to repair and maintain the Roads only as to wear and tear caused by the proportionate use of the Roads by City and its Agents, and not wear and tear caused by use of the Roads by others.

8. Run with the Land; Successors and Assigns. The provisions of this Deed shall run with the land, burden the Easement Area, and inure to the benefit of and bind the respective successors and assigns of Grantor and City. City shall have no right to assign any of its rights under this Tunnel Easement to any non-governmental entity without the prior consent of Grantor.

9. As-Is Condition of Easement Area; Disclaimer of Representations. City accepts the Easement Area in its "AS IS" condition, without representation or warranty of any kind by Grantor, its officers, agents or employees and subject to all applicable laws, rules and

ordinances governing the use of the Easement Area. Without limiting the foregoing, this Deed is made subject to any and all covenants, conditions, restrictions, easements, encumbrances and other matters affecting title to the Easement Area, whether foreseen or unforeseen, and whether such matters are of record or would be disclosed by an accurate inspection or survey.

10. Insurance. Grantor acknowledges that City self-insures against casualty, property damage and public liability risks and agrees that City may at its sole election, but shall not be required to, carry any third party insurance with respect to the Easement Area or otherwise. If City authorizes any Agent to utilize the Tunnel Easement in accordance with the terms of this Deed, and if City requires such Agent to maintain insurance with respect to its activities, or to name City as an additional or named insured on any insurance policy, then City shall also cause such Agent to name Grantor to be named as additional insureds (or as additional named insureds, at Grantor's option) under such insurance policy.

11. Notices. Any notices given under this Deed shall be effective only if in writing and given by delivering the notice in person, by sending it first class mail or certified mail with a return receipt requested, or nationally-recognized overnight courier that guarantees next day delivery and provides a receipt therefor, with postage prepaid, addressed as follows (or such alternative address as may be provided in writing):

If to City: San Francisco Public Utilities Commission
525 Golden Gate Avenue, 10th Floor
San Francisco, California 94102
Attn: Real Estate Director

with a copy to: City and County of San Francisco
Real Estate Division
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property

and: Office of the City Attorney
City and County of San Francisco
Room 234, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102-4682
Attn: Real Estate/Finance Team

If to Grantor: 7484 Sheridan Road
Sunol, California 94586
Attn: Buddhi Dharma Lien Guo Foundation

12. General Provisions. (a) This Deed may be amended or modified only by a writing signed by Grantor and City. (b) No waiver by any party of any of the provisions of this Deed shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. (c) All approvals and determinations of City requested, required or permitted hereunder may be made in the sole and absolute discretion of the General Manager of the San Francisco Public Utilities Commission or other authorized official. (d) The sections and other headings of this Deed are for convenience of reference only and shall be disregarded in the interpretation of this Deed. (e) Time is of the essence in each and every provision herein. (f) This Deed shall be governed by California law and City's Charter. (g) If either party commences an administrative or legal action against the other under this Deed, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees of Grantor and City shall be based on the fees regularly charged by private attorneys in San Francisco with

comparable experience. (h) This instrument may be executed in counterparts, each of which shall be an original, but all counterparts shall constitute one instrument.

[SIGNATURES ON FOLLOWING PAGE]

Executed as of this _____ day of _____, 2017.

GRANTOR:

BUDDHI DHARMA LIEN GUO FOUNDATION,

Shuang Xi Yang, Chief Executive Officer

Date: _____

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by this Deed dated _____, 2017, from the Grantor to the City and County of San Francisco, is hereby accepted pursuant to Board of Supervisors Resolution No. 18110 Series of 1939, approved August 7, 1957, and City consents to recordation thereof by its duly authorized officer.

Dated: _____

By: _____

JOHN UPDIKE
Director of Property

EXHIBIT A
Description of Grantor's Property
[see following page]

EXHIBIT B

Depiction of Easement Area

[see following page]

June 26, 2017

Exhibit "A"
LEGAL DESCRIPTION

All that real property situate in the County of Alameda, State of California, being a portion of the Lands described in that certain deed recorded October 26, 1928 in Book number 1971, Page number 225, Official Records of Alameda County, State of California, being a strip of land 250.00 feet wide lying 25.00 feet northerly and 225.00 feet southerly of the following described line, herein after called T Line:

PARCEL 1

BEGINNING at the northeast corner of that certain parcel labeled Lands of Mackin shown on Record of Survey 2295, recorded November 10, 2009 in Book 35 of Records of Survey at Pages 1 through 12, Alameda County, State of California;

THENCE North 88°14'20" West, 949.90 feet along the northerly line of said parcel as shown on said Record of Survey to the **TRUE POINT OF BEGINNING**;

THENCE along said T Line, South 80°02'55" West, 1,360.71 feet to the northeasterly line of Sheridan Road.

The sidelines of said easement to be extended or shortened to begin at the northerly and easterly lines of said parcel shown on said Record of Survey as Lands of Mackin and end at the northeasterly line of said Sheridan Road.


Containing 10.21 acres, more or less.

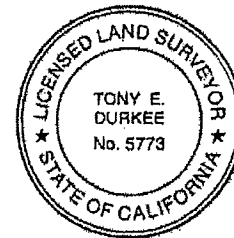
PARCEL 2

An easement for an overhead electric transmission line and a telephone line along said T line as described above.

A plat showing the above-described parcels is attached herein and made a part hereof as Exhibit "B".

This description was prepared by me or under my direction in conformance with the Professional Land Surveyors' Act.


Tony E. Durkee, PLS5773



END OF DESCRIPTION

EXHIBIT B

Lands of Loeffler
Doc# 95135359

Railroad Spike
LB22A2

Lands of Rose, Andrade, and Hachman

SFWD Mon#60
POB

354.54'
Property Cor.
to T Line

Railroad Spike
MC33B3

N88°14'20"W 1,393.76'

949.90'

T Line

25.00'

S80°02'55"W

250.00'

Area=10.21 acres±

TPOB

APN 096-0001-020-03

Lands of Phelps
Doc# 98162323

Railroad Spike
ND44C4

SHERIDAN ROAD
40' Wide

Scale: 1"=300'

Lands of
City & County of
San Francisco
Doc# 2013392659

Shown as Lands of Mackin
on Record of Survey No. 2295
Book 35 RS Pages 1-12

LEGEND

POB: Point of Beginning

TPOB: True Point of Beginning

City and County of San Francisco
Public Utilities Commission
Real Estate Services

SFPUC TUNNEL EASEMENTS
former Lands of Mackin

Unincorporated Lands
County of Alameda

Tunnel Easement-Mackin.dwg

06/26/2017



5/7

EXHIBIT E

FORM OF BILL OF SALE

For good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City"), does hereby sell, transfer, and convey to _____, a _____ ("Buyer"), the personal property described in the attached Schedule 1 and used in connection with the operation of that certain real property located at _____, San Francisco, California.

WITHOUT LIMITING ANY OF THE PROVISIONS OF THE AGREEMENT OF PURCHASE AND SALE BETWEEN CITY AND BUYER, BUYER ACKNOWLEDGES AND AGREES THAT CITY IS SELLING AND BUYER IS PURCHASING SUCH PERSONAL PROPERTY ON AN "AS-IS WITH ALL FAULTS" BASIS AND THAT BUYER IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM CITY, ITS AGENTS, EMPLOYEES, OR OFFICERS, AS TO ANY MATTERS CONCERNING SUCH PERSONAL PROPERTY, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Executed as of this _____ day of _____, 20__.

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: _____
Michelle W. Sexton
Deputy City Attorney

RECORDING REQUESTED BY,
AND WHEN RECORDED RETURN TO:

San Francisco Public Utilities Commission
Real Estate Services Division
525 Golden Gate Avenue, 10th Floor
San Francisco, California 94102
Attn: Real Estate Director

and

Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property

WITH A COPY TO:

The undersigned hereby declares this instrument to be
exempt from Recording Fees (CA Govt. Code § 27383)
and Documentary Transfer Tax (CA Rev. & Tax Code
§ 11922).

(Space above this line reserved for Recorder's use only)

GRANT OF EASEMENT
(De-Watering Well Easement)

(Portion of Assessor's Parcel No. 096-0001-020-03)

This Grant of Easement Deed ("**Deed**") is granted by BUDDHI DHARMA LIEN GUO FOUNDATION, a Washington non-profit organization ("**Grantor**"), for the benefit of the City and County of San Francisco, a municipal corporation ("**City**" or "**Grantee**"), acting by and through its Public Utilities Commission.

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby quitclaims and conveys to City, a perpetual, nonexclusive subsurface easement and nonexclusive surface easement, and access easement for the right to perform repair or replacement work, and extract groundwater from entering the work area in the event City needs to perform such work during any construction activity on City's subsurface water transmission tunnels (the "**De-Watering Well Easement**"), together with the right of ingress and egress from such De-Watering Well Easement along, upon and over a portion of Grantor's property situated in Alameda County, California, more particularly described in attached **Exhibit A** (the "**Grantor's Property**"), which subject portion is depicted on attached **Exhibit B** (the "**Easement Area**"). Such Exhibits are incorporated into this Deed. The Easement Area will not be occupied by City unless and only to the extent a future project to perform repairs or replacement of City's subsurface water transmission tunnels is required. However, if Grantor's groundwater is temporarily diminished during such construction activity, the San Francisco Public Utilities Commission shall provide potable water to Grantor until such time Grantor's groundwater reverts to customary levels.

1. Nature of Easement. The De-Watering Well Easement includes the right of City, at any and all times, to use, and to authorize its employees, agents, tenants, contractors,

subcontractors, suppliers, consultants, licensees and other persons authorized by City to act for and on behalf of City (collectively, "Agents") to: (a) improve, inspect, maintain, repair, operate, and use, on a nonexclusive basis in accordance with the terms of this Deed, the existing roadway or roadways located on the Easement Area (the "Road" or "Roads"), in the locations as depicted on **Exhibit B** for purposes of ingress, egress and passage of automobiles and other vehicles and equipment to, from and between the De-Watering Well Easement and the adjacent public street known as Sheridan Road and depicted on **Exhibit B**, in accordance with the terms of this Deed; and (b) modify, improve, remove or replace each Road within the Easement Area, provided that City obtains Grantor's approval of the proposed modification, removal and/or replacement, which approval shall not be unreasonably withheld, conditioned or delayed. The De-Watering Well Easement also includes the right by City and its Agents to conduct road grading, paving, clear any obstructions and vegetation from the Easement Area, as are reasonably necessary for the full enjoyment and accomplishment of the purposes of the De-Watering Well Easement.

2. Shared Access/Grantor's Right to Install Fences and Gates.

(a) Grantor may install fences and gates along the Easement Area and may change the location of the Road, at its sole cost and expense, provided (i) Grantor shall provide City with reasonable prior notice of such installation; (ii) Grantor shall provide City with fence and gate keys or the equivalent; and (iii) City and its Agents shall be entitled to unrestricted access to the Easement Area at any and all times without prior notice (on a 24 hour per day, 7 days per week basis) for any purpose, including without limitation, construction, maintenance or repair work or equipment transportation to and from the Easement Area.

(b) Except in the event of an emergency or emergency repairs or maintenance affecting the Easement Area and/or City's facilities located thereon, City agrees to use reasonable efforts to avoid interference with uses of the Easement Area by others, except to the extent such uses are expressly prohibited by this De Watering Well Easement.

3. No Structures or Improvements. Grantor shall not do anything in, on, or under the Easement Area that causes damage (other than ordinary wear and tear) to, or disrupts the use of, any Road for its intended purposes by City, or interferes with the exercise of City's easement rights with respect to the Easement Area, without the prior written consent of City. Without limiting the foregoing, Grantor agrees that no structures or improvements, whether permanent or temporary, shall be constructed or placed, and no excavation shall occur, within the Easement Area without the prior written consent of City, except as set forth in **Section 4** below.

4. Rights Reserved to Grantor. Without limiting any of Grantor's rights as owner of the Easement Area, Grantor specifically reserves and retains the following rights relating to the Easement Area, to the extent such rights are exercised in a way that does not unreasonably interfere with the permitted uses described in **Section 1** or with the exercise of City's rights under this Deed: (i) any and all water, timber, mineral and oil rights of any kind; (ii) any and all rights to use, operate, maintain, repair, enlarge, modify, expand, replace and reconstruct any of Grantor's pre-existing facilities, within portions of the Easement Area, provided the Easement Area remains at least sixty (60) feet in width; (iii) the right to construct, maintain, repair, resurface, remove, replace and relocate Roads located within the Easement Area, parking areas, utility lines, and other improvements on, over, under and across the surface of the Easement Area that will not unreasonably interfere with, damage or endanger any Road or the Easement Area, and (iv) the right to grant future easements, including rights of way, over, across, under, in and upon the Easement Area, provided such easements do not unreasonably interfere with the exercise of City's rights under this Deed.

5. Exercise of Due Care. City shall use, and shall cause its Agents (as defined above) to use due care at all times to avoid any damage or harm to the Easement Area or Grantor's Property, or persons or property located on, in or about the Easement Area or

Grantor's Property, and including any utilities or other facilities located thereon. City agrees to be responsible for the repair of any damage or harm to the Easement Area to the extent caused by City or its Agents, except to the extent caused by the negligence or willful misconduct of Grantor or its Agents. City shall fully pay and discharge all claims for labor, materials and services in connection with any work or improvements it makes on the Grantor's Property and shall take all steps to forestall the assertion of claims against the Grantor's Property as a result of such work, and in no event shall City permit any liens to attach to the Grantor's Property by reason of the exercise of its rights hereunder.

6. Restrictions on Use. City agrees that, by way of example only and without limitation, the following uses of the Easement Area by City, or any other person claiming by or through City, are inconsistent with the purpose of this Deed and are strictly prohibited as provided below:

(a) Improvements. Except as otherwise expressly provided herein, City shall not construct or place any permanent structures, improvements, utilities or facilities, in, on, under or about the Easement Area, without the prior written consent of Grantor. City shall not use the Easement Area or permit anything to be done in or about the Easement Area which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated (collectively, "Legal Requirements"). No material or substance that is regulated as a hazardous or toxic waste, substance, pollutant or contaminant under any Legal Requirement shall be used, handled, released or disposed of by City or its employees, agents or representatives, visitors or invitees at or about the Grantor Property without Grantor's prior consent, which consent may be granted, denied, or conditioned in Grantor's reasonable discretion. City shall not use or allow the Easement Area to be used for any improper, unlawful or objectionable purpose, nor shall City cause, maintain or permit any nuisance in, on or about the Grantor Property. City shall not commit or allow to be committed any waste in or upon the Grantor Property.

(b) Use of Adjoining Land. Nothing herein authorizes any entry onto or use of any of Grantor's Property other than the Easement Area and the Roads, without the prior written consent of Grantor, in its reasonable discretion, which may include reasonable compensation by City to Grantor for loss of use. City shall minimize its interference with Grantor's use of the Grantor Property to the greatest extent possible, and in no event shall City or its Agents use the Grantor Property for any purposes not related to the work to be performed on the Easement Area.

(c) Parking. City shall not park vehicles on the Easement Area, except to the extent reasonably required when performing emergency repairs or maintenance to City's facilities, or Road improvement and maintenance activities expressly permitted under this Deed.

7. Maintenance. Grantor shall maintain the Easement Area and any Road within the Easement Area in good condition and repair, and otherwise in a manner that affords City use of the De-Watering Well Easement in accordance with the terms of this Deed. If Grantor fails to so maintain the Easement Area, City shall provide Grantor written notice of such failure and Grantor shall have thirty (30) days thereafter to perform any necessary repairs or maintenance. City shall be responsible, at its expense, to repair and maintain the Roads only as to wear and tear caused by the proportionate use of the Roads by City and its Agents, and not wear and tear caused by use of the Roads by others.

8. Run with the Land; Successors and Assigns. The provisions of this Deed shall run with the land, burden the Easement Area, and inure to the benefit of and bind the respective successors and assigns of Grantor and City. City shall have no rights to assign any of its rights under this De Watering Well Easement to any non-governmental entity without prior consent of Grantor.

9. As-Is Condition of Easement Area; Disclaimer of Representations. City accepts the Easement Area in its "AS IS" condition, without representation or warranty of any kind by Grantor, its officers, agents or employees and subject to all applicable laws, rules and ordinances governing the use of the Easement Area. Without limiting the foregoing, this Deed is made subject to any and all covenants, conditions, restrictions, easements, encumbrances and other matters affecting title to the Easement Area, whether foreseen or unforeseen, and whether such matters are of record or would be disclosed by an accurate inspection or survey.

10. Insurance. Grantor acknowledges that City self-insures against casualty, property damage and public liability risks and agrees that City may at its sole election, but shall not be required to, carry any third party insurance with respect to the Easement Area or otherwise. If City authorizes any Agent to utilize the De-Watering Well Easement in accordance with the terms of this Deed, and if City requires such Agent to maintain insurance with respect to its activities, or to name City as an additional or named insured on any insurance policy, then City shall also cause such Agent to name Grantor to be named as additional insureds (or as additional named insureds, at Grantor's option) under such insurance policy.

11. Notices. Any notices given under this Deed shall be effective only if in writing and given by delivering the notice in person, by sending it first class mail or certified mail with a return receipt requested, or nationally-recognized overnight courier that guarantees next day delivery and provides a receipt therefor, with postage prepaid, addressed as follows (or such alternative address as may be provided in writing):

If to City: San Francisco Public Utilities Commission
525 Golden Gate Avenue, 10th Floor
San Francisco, California 94102
Attn: Real Estate Director

with a copy to: City and County of San Francisco
Real Estate Division
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property

and: Office of the City Attorney
City and County of San Francisco
Room 234, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102-4682
Attn: Real Estate/Finance Team

If to Grantor: 7484 Sheridan Road
Sunol, California 94586
Attn: Buddhi Dharma Lien Guo Foundation

12. General Provisions. (a) This Deed may be amended or modified only by a writing signed by Grantor and City. (b) No waiver by any party of any of the provisions of this Deed shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. (c) All approvals and determinations of City requested, required or permitted hereunder may be made in the sole and absolute discretion of the General Manager of the San Francisco Public Utilities Commission or other authorized official. (d) The sections and other headings of this Deed are for convenience of reference only and shall be disregarded in the interpretation of this Deed. (e) Time is of the essence in each and every provision herein. (f) This Deed shall be governed by California law and City Charter. (g) If either party commences an administrative or legal action

against the other under this Deed, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees of Grantor and City shall be based on the fees regularly charged by private attorneys in San Francisco with comparable experience. (h) This instrument may be executed in counterparts, each of which shall be an original, but all counterparts shall constitute one instrument.

[SIGNATURES ON FOLLOWING PAGE]

Executed as of this _____ day of _____, 2017.

GRANTOR:

BUDDHI DHARMA LIEN GUO FOUNDATION,

Shuang Xi Yang, Chief Executive Officer

Date: _____

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by this Deed dated _____, 2017, from the Grantor to the City and County of San Francisco, is hereby accepted pursuant to Board of Supervisors Resolution No. 18110 Series of 1939, approved August 7, 1957, and City consents to recordation thereof by its duly authorized officer.

Dated: _____

By: _____

JOHN UPDIKE
Director of Property

EXHIBIT A
Description of Grantor's Property
[see following page]

EXHIBIT B
Depiction of Easement Area
[see following page]

RECORDING REQUESTED BY,
AND WHEN RECORDED RETURN TO:

San Francisco Public Utilities Commission
Real Estate Services Division
525 Golden Gate Avenue, 10th Floor
San Francisco, California 94102
Attn: Real Estate Director

and

Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property

WITH A COPY TO:

The undersigned hereby declares this instrument to be exempt from Recording Fees (CA Govt. Code § 27383) and Documentary Transfer Tax (CA Rev. & Tax Code § 11922).

(Space above this line reserved for Recorder's use only)

GRANT OF EASEMENT
(Electrical Tower Easement)

(Portion of Assessor's Parcel No. 096-0001-020-03)

This Grant of Easement Deed ("**Deed**") is granted by BUDDHI DHARMA LIEN GUO FOUNDATION, a Washington nonprofit organization ("**Grantor**"), for the benefit of the City and County of San Francisco, a municipal corporation ("**City**" or "**Grantee**"), acting by and through its Public Utilities Commission.

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby quitclaims and conveys to City, a perpetual, nonexclusive right of way easement for the erection, construction, reconstruction, replacement, repair, maintenance and use for the transmission and distribution of electricity, of two lines of towers and wires suspended thereon and supported thereby, and of wires for telephone and telegraph purposes, and all necessary and proper crossarms, braces, connections, fastenings, and other appliances for use in connection therewith (the "**Tower Easement**"), together with the right of ingress and egress from such Tower Easement along, upon and over Grantor's property situated in Alameda County, California, more particularly described in attached **Exhibit A** (the "**Grantor's Property**"), which subject right of way easement is depicted on attached **Exhibit B** (the "**Easement Area**"). Such Exhibits are incorporated into this Deed. The Tower Easement is further described in the indenture recorded August 12, 1924, in Book 742, Page 436 of the Official Records of the County of Alameda.

1. Nature of Easement. The Tower Easement includes the right of City, at any and all times, to use, and to authorize its employees, agents, tenants, contractors, subcontractors, suppliers, consultants, licensees and other persons authorized by City to act for and on behalf of City (collectively, "**Agents**") to: (a) improve, inspect, maintain, repair, operate, and use, on a

nonexclusive basis in accordance with the terms of this Deed, any roadway or roadways located on the Easement Area (the "Road" or "Roads"), the present locations of which are depicted on **Exhibit B** for purposes of ingress, egress and passage of automobiles and other vehicles and equipment to, from and between the Tower Easement and the adjacent public street known as Sheridan Road and depicted on **Exhibit B**, in accordance with the terms of this Deed; and (b) modify, improve, remove or replace each Road within the Easement Area, provided that City obtains Grantor's approval of the proposed modification, removal and/or replacement, which approval shall not be unreasonably withheld, conditioned or delayed. The Tower Easement also includes the right by City and its Agents to conduct road grading, paving, clear any obstructions and vegetation from the Easement Area as are reasonably necessary for the full enjoyment and accomplishment of the purposes of the Tower Easement.

2. Shared Access/Grantor's Right to Install Fences and Gates.

(a) Grantor may install fences and gates along the Easement Area and may change the location of the Road, at its sole cost and expense, provided (i) Grantor shall provide City with reasonable prior notice of such installation; (ii) Grantor shall provide City with fence and gate keys or the equivalent; and (iii) City and its Agents shall be entitled to unrestricted access to the Easement Area at any and all times without prior notice (on a 24 hour per day, 7 days per week basis) for any purpose, including without limitation, construction, maintenance or repair work or equipment transportation to and from the Easement Area.

(b) Except in the event of an emergency or emergency repairs or maintenance affecting the Easement Area and/or City's facilities located thereon, City agrees to use reasonable efforts to avoid interference with uses of the Easement Area by others except to the extent such uses are expressly prohibited by this Agreement.

3. No Structures or Improvements. Grantor shall not do anything in, on, or under the Easement Area that causes damage (other than ordinary wear and tear) to, or disrupts the use of, any Road for its intended purposes by City, or interferes with the exercise of City's easement rights with respect to the Easement Area, without the prior written consent of City. Without limiting the foregoing, Grantor agrees that no structures or improvements, whether permanent or temporary, shall be constructed or placed, and no excavation shall occur, within the Easement Area without the prior written consent of City, except as set forth in **Section 4** below.

4. Rights Reserved to Grantor. Without limiting any of Grantor's rights as owner of the Easement Area, Grantor specifically reserves and retains the following rights relating to the Easement Area, to the extent such rights are exercised in a way that does not unreasonably interfere with the permitted uses described in **Section 1** or with the exercise of City's rights under this Deed: (i) any and all water, timber, mineral and oil rights of any kind; (ii) any and all rights to use, operate, maintain, repair, enlarge, modify, expand, replace and reconstruct any of Grantor's pre-existing facilities, within portions of the Easement Area, provided the Easement Area remains at least one hundred (100) feet in width; (iii) the right to construct, maintain, repair, resurface, remove, replace and relocate Roads located within the Easement Area, parking areas, utility lines, and other improvements on, over, under and across the surface of the Easement Area that will not unreasonably interfere with, damage or endanger any Road or the Easement Area, and (iv) the right to grant future easements, including rights of way, over, across, under, in and upon the Easement Area, provided such easements do not unreasonably interfere with the exercise of City's rights under this Deed.

5. Exercise of Due Care. City shall use, and shall cause its Agents (as defined above) to use due care at all times to avoid any damage or harm to the Easement Area or Grantor's Property, or persons or property located on, in or about the Easement Area or Grantor's Property, and including any utilities or other facilities located thereon. City agrees to be responsible for the repair of any damage or harm to the Easement Area to the extent caused by

City or its Agents, except to the extent caused by the negligence or willful misconduct of Grantor or its Agents. City shall fully pay and discharge all claims for labor, materials and services in connection with any work or improvements it makes on the Grantor's Property and shall take all steps to forestall the assertion of claims against the Grantor's Property as a result of such work, and in no event shall City permit any liens to attach to the Grantor's Property by reason of the exercise of its rights hereunder.

6. Restrictions on Use. City agrees that, by way of example only and without limitation, the following uses of the Easement Area by City, or any other person claiming by or through City, are inconsistent with the purpose of this Deed and are strictly prohibited as provided below:

(a) **Improvements.** Except as otherwise expressly provided herein, City shall not construct or place any permanent structures, improvements, utilities or facilities, in, on, under or about the Easement Area, without the prior written consent of Grantor. City shall not use the Easement Area or permit anything to be done in or about the Easement Area which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated (collectively, "Legal Requirements"). No material or substance that is regulated as a hazardous or toxic waste, substance, pollutant or contaminant under any Legal Requirement shall be used, handled, released or disposed of by City or its employees, agents or representatives, visitors or invitees at or about the Grantor Property without Grantor's prior consent, which consent may be granted, denied, or conditioned in Grantor's reasonable discretion. City shall not use or allow the Easement Area to be used for any improper, unlawful or objectionable purpose, nor shall City cause, maintain or permit any nuisance in, on or about the Grantor Property. City shall not commit or allow to be committed any waste in or upon the Grantor Property.

(b) **Use of Adjoining Land.** Nothing herein authorizes any entry onto or use of any of Grantor's Property other than the Easement Area and the Roads, without the prior written consent of Grantor, in its reasonable discretion, which may include reasonable compensation by City to Grantor for loss of use. City shall minimize its interference with Grantor's use of the Grantor Property to the greatest extent possible, and in no event shall City or its Agents use the Grantor Property for any purposes not related to the work to be performed on the Easement Area.

(c) **Parking.** City shall not park vehicles on the Easement Area, except to the extent reasonably required when performing emergency repairs or maintenance to City's facilities, or Road improvement and maintenance activities expressly permitted under this Deed.

7. Maintenance. Grantor shall maintain the Easement Area and any Road within the Easement Area in good condition and repair, and otherwise in a manner that affords City use of the Tower Easement in accordance with the terms of this Deed. If Grantor fails to so maintain the Easement Area, City shall provide Grantor written notice of such failure and Grantor shall have thirty (30) days thereafter to perform any necessary repairs or maintenance. City shall be responsible, at its expense, to repair and maintain the Roads only as to wear and tear caused by the proportionate use of the Roads by City and its Agents, and not wear and tear caused by use of the Roads by others.

8. Run with the Land; Successors and Assigns. The provisions of this Deed shall run with the land, burden the Easement Area, and inure to the benefit of and bind the respective successors and assigns of Grantor and City. City shall have no right to assign any of its rights under this Agreement to any non-governmental entity without the prior consent of Grantor.

9. As-Is Condition of Easement Area; Disclaimer of Representations. City accepts the Easement Area in its "AS IS" condition, without representation or warranty of any

kind by Grantor, its officers, agents or employees and subject to all applicable laws, rules and ordinances governing the use of the Easement Area. Without limiting the foregoing, this Deed is made subject to any and all covenants, conditions, restrictions, easements, encumbrances and other matters affecting title to the Easement Area, whether foreseen or unforeseen, and whether such matters are of record or would be disclosed by an accurate inspection or survey.

10. Insurance. Grantor acknowledges that City self-insures against casualty, property damage and public liability risks and agrees that City may at its sole election, but shall not be required to, carry any third party insurance with respect to the Easement Area or otherwise. If City authorizes any Agent to utilize the Tower Easement in accordance with the terms of this Deed, and if City requires such Agent to maintain insurance with respect to its activities, or to name City as an additional or named insured on any insurance policy, then City shall also cause such Agent to name Grantor to be named as additional insureds (or as additional named insureds, at Grantor's option) under such insurance policy.

11. Notices. Any notices given under this Deed shall be effective only if in writing and given by delivering the notice in person, by sending it first class mail or certified mail with a return receipt requested, or nationally-recognized overnight courier that guarantees next day delivery and provides a receipt therefor, with postage prepaid, addressed as follows (or such alternative address as may be provided in writing):

If to City: San Francisco Public Utilities Commission
525 Golden Gate Avenue, 10th Floor
San Francisco, California 94102
Attn: Real Estate Director

with a copy to: City and County of San Francisco
Real Estate Division
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property

and: Office of the City Attorney
City and County of San Francisco
Room 234, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102-4682
Attn: Real Estate/Finance Team

If to Grantor: 7484 Sheridan Road
Sunol, California 94586
Attn: Buddhi Dharma Lien Guo Foundation

12. General Provisions. (a) This Deed may be amended or modified only by a writing signed by Grantor and City. (b) No waiver by any party of any of the provisions of this Deed shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. (c) All approvals and determinations of City requested, required or permitted hereunder may be made in the sole and absolute discretion of the General Manager of the San Francisco Public Utilities Commission or other authorized official. (d) The sections and other headings of this Deed are for convenience of reference only and shall be disregarded in the interpretation of this Deed. (e) Time is of the essence in each and every provision herein. (f) This Deed shall be governed by California law and City Charter. (g) If either party commences an administrative or legal action against the other under this Deed, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees of Grantor

and City shall be based on the fees regularly charged by private attorneys in San Francisco with comparable experience. (h) This instrument may be executed in counterparts, each of which shall be an original, but all counterparts shall constitute one instrument.

[SIGNATURES ON FOLLOWING PAGE]

Executed as of this _____ day of _____, 2017.

GRANTOR:

Shuang Xi Yang, Chief Executive Officer

Date: _____

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by this Deed dated _____, 2017, from the Grantor to the City and County of San Francisco, is hereby accepted pursuant to Board of Supervisors Resolution No. 18110 Series of 1939, approved August 7, 1957, and City consents to recordation thereof by its duly authorized officer.

Dated: _____

By: _____

JOHN UPDIKE
Director of Property

EXHIBIT A

Description of Grantor's Property

[see following page]

EXHIBIT B

Depiction of Easement Area

[see following page]

RECORDING REQUESTED BY,
AND WHEN RECORDED RETURN TO:

San Francisco Public Utilities Commission
Real Estate Services Division
525 Golden Gate Avenue, 10th Floor
San Francisco, California 94102
Attn: Real Estate Director

and

Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property

WITH A COPY TO:

The undersigned hereby declares this instrument to be exempt from Recording Fees (CA Govt. Code § 27383) and Documentary Transfer Tax (CA Rev. & Tax Code § 11922).

(Space above this line reserved for Recorder's use only)

GRANT OF EASEMENT

(Subsurface Tunnel Easement and Surface Easement for an
Electric Transmission Line and Telephone Line)

(Portion of Assessor's Parcel No. 096-0001-020-03)

This Grant of Easement Deed ("**Deed**") is granted by BUDDHI DHARMA LIEN GUOFOUNDATION, a Washington non-profit organization ("**Grantor**"), for the benefit of the City and County of San Francisco, a municipal corporation ("**City**" or "**Grantee**"), acting by and through its Public Utilities Commission.

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby quitclaims and conveys to City, a perpetual, exclusive subsurface right of way easement for the construction, maintenance and use of two aqueduct tunnels, together with the right to construct, replace, patrol and operate an electric transmission line consisting of conductors supported on one line of poles, with all necessary accessories, and a telephone line of one or more circuits supported on one line of poles, with all necessary accessories (the "**Tunnel Easement**"), along, upon and over the surface of such real property, and the right of ingress to and egress from such rights of way situated in Alameda County, California, more particularly described in attached **Exhibit A** (the "**Grantor's Property**"), which subject right of way easement is depicted on attached **Exhibit B** (the "**Easement Area**"). Such Exhibits are incorporated into this Deed. The Tunnel Easement is further described in the indenture recorded October 26, 1928, in Book 1971, Page 225 of the Official Records of the County of Alameda.

1. **Nature of Easement.** The Tunnel Easement includes the right of City, at any and all times, to use, and to authorize its employees, agents, tenants, contractors, subcontractors, suppliers, consultants, licensees and other persons authorized by City to act for and on behalf of

City (collectively, "Agents") to: (a) improve, inspect, maintain, repair, operate, and use, on an exclusive basis in accordance with the terms of this Deed, any roadway or roadways located on the Easement Area (the "Road" or "Roads"), the present locations of which are depicted on **Exhibit B** for purposes of ingress, egress and passage of automobiles and other vehicles and equipment to, from and between the Tunnel Easement and the adjacent public street known as Sheridan Road and depicted on **Exhibit B**, in accordance with the terms of this Deed; and (b) modify, improve, remove or replace each Road within the Easement Area, provided that City obtains Grantor's approval of the proposed modification, removal and/or replacement, which approval shall not be unreasonably withheld, conditioned or delayed. The Tunnel Easement also includes the right by City and its Agents to conduct road grading, paving, clear any obstructions and vegetation from the Easement Area as are reasonably necessary for the full enjoyment and accomplishment of the purposes of the Tunnel Easement.

2. Shared Access/Grantor's Right to Install Fences and Gates.

(a) Grantor may install fences and gates along the Easement Area and may change the location of the Road, at its sole cost and expense, provided (i) Grantor shall provide City with reasonable prior notice of such installation; (ii) Grantor shall provide City with fence and gate keys or the equivalent; and (iii) City and its Agents shall be entitled to unrestricted access to the Easement Area at any and all times without prior notice (on a 24 hour per day, 7 days per week basis) for any purpose, including without limitation, construction, maintenance or repair work or equipment transportation to and from the Easement Area.

(b) Except in the event of an emergency or emergency repairs or maintenance affecting the Easement Area and/or City's facilities located thereon, City agrees to use reasonable efforts to avoid interference with uses of the Easement Area by others except to the extent such uses are expressly prohibited by this Tunnel Easement.

3. No Structures or Improvements. Grantor shall not do anything in, on, or under the Easement Area that causes damage (other than ordinary wear and tear) to, or disrupts the use of, any Road for its intended purposes by City, or interferes with the exercise of City's easement rights with respect to the Easement Area, without the prior written consent of City. Without limiting the foregoing, Grantor agrees that no structures or improvements, whether permanent or temporary, shall be constructed or placed, and no excavation shall occur, within the Easement Area without the prior written consent of City, except as set forth in **Section 4** below.

4. Rights Reserved to Grantor. Without limiting any of Grantor's rights as owner of the Easement Area, Grantor specifically reserves and retains the following rights relating to the Easement Area, to the extent such rights are exercised in a way that does not unreasonably interfere with the permitted uses described in **Section 1** or with the exercise of City's rights under this Deed: (i) any and all water, timber, mineral and oil rights of any kind; (ii) any and all rights to use, operate, maintain, repair, enlarge, modify, expand, replace and reconstruct any of Grantor's pre-existing facilities, within portions of the Easement Area, provided the Easement Area remains at least two hundred and fifty (250) feet in width; and (iii) the right to construct, maintain, repair, resurface, remove, replace and relocate Roads located within the Easement Area, parking areas, utility lines, and other improvements on, over, under and across the surface of the Easement Area that will not unreasonably interfere with, damage or endanger any Road or the Easement Area.

5. Exercise of Due Care. City shall use, and shall cause its Agents (as defined above) to use due care at all times to avoid any damage or harm to the Easement Area or Grantor's Property, or persons or property located on, in or about the Easement Area or Grantor's Property, and including any utilities or other facilities located thereon. City agrees to be responsible for the repair of any damage or harm to the Easement Area to the extent caused by City or its Agents, except to the extent caused by the negligence or willful misconduct of Grantor

or its Agents. City shall fully pay and discharge all claims for labor, materials and services in connection with any work or improvements it makes on the Grantor's Property and shall take all steps to forestall the assertion of claims against the Grantor's Property as a result of such work, and in no event shall City permit any liens to attach to the Grantor's Property by reason of the exercise of its rights hereunder.

6. Restrictions on Use. City agrees that, by way of example only and without limitation, the following uses of the Easement Area by City, or any other person claiming by or through City, are inconsistent with the purpose of this Deed and are strictly prohibited as provided below:

(a) Improvements. Except as otherwise expressly provided herein, City shall not construct or place any permanent structures, improvements, utilities or facilities, in, on, under or about the Easement Area, without the prior written consent of Grantor. City shall not use the Easement Area or permit anything to be done in or about the Easement Area which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated (collectively, "Legal Requirements"). No material or substance that is regulated as a hazardous or toxic waste, substance, pollutant or contaminant under any Legal Requirement shall be used, handled, released or disposed of by City or its employees, agents or representatives, visitors or invitees at or about the Grantor Property without Grantor's prior consent, which consent may be granted, denied, or conditioned in Grantor's reasonable discretion. City shall not use or allow the Easement Area to be used for any improper, unlawful or objectionable purpose, nor shall City cause, maintain or permit any nuisance in, on or about the Grantor Property. City shall not commit or allow to be committed any waste in or upon the Grantor Property.

(b) Use of Adjoining Land. Nothing herein authorizes any entry onto or use of any of Grantor's Property other than the Easement Area and the Roads, without the prior written consent of Grantor, in its reasonable discretion, which may include reasonable compensation by City to Grantor for loss of use. City shall minimize its interference with Grantor's use of the Grantor Property to the greatest extent possible, and in no event shall City or its Agents use the Grantor Property for any purposes not related to the work to be performed on the Easement Area.

(c) Parking. City shall not park vehicles on the Easement Area, except to the extent reasonably required when performing emergency repairs or maintenance to City's facilities, or Road improvement and maintenance activities expressly permitted under this Deed.

7. Maintenance. Grantor shall maintain the Easement Area and any Road within the Easement Area in good condition and repair, and otherwise in a manner that affords City use of the Tunnel Easement in accordance with the terms of this Deed. If Grantor fails to so maintain the Easement Area, City shall provide Grantor written notice of such failure and Grantor shall have thirty (30) days thereafter to perform any necessary repairs or maintenance. City shall be responsible, at its expense, to repair and maintain the Roads only as to wear and tear caused by the proportionate use of the Roads by City and its Agents, and not wear and tear caused by use of the Roads by others.

8. Run with the Land; Successors and Assigns. The provisions of this Deed shall run with the land, burden the Easement Area, and inure to the benefit of and bind the respective successors and assigns of Grantor and City. City shall have no right to assign any of its rights under this Tunnel Easement to any non-governmental entity without the prior consent of Grantor.

9. As-Is Condition of Easement Area; Disclaimer of Representations. City accepts the Easement Area in its "AS IS" condition, without representation or warranty of any kind by Grantor, its officers, agents or employees and subject to all applicable laws, rules and

ordinances governing the use of the Easement Area. Without limiting the foregoing, this Deed is made subject to any and all covenants, conditions, restrictions, easements, encumbrances and other matters affecting title to the Easement Area, whether foreseen or unforeseen, and whether such matters are of record or would be disclosed by an accurate inspection or survey.

10. Insurance. Grantor acknowledges that City self-insures against casualty, property damage and public liability risks and agrees that City may at its sole election, but shall not be required to, carry any third party insurance with respect to the Easement Area or otherwise. If City authorizes any Agent to utilize the Tunnel Easement in accordance with the terms of this Deed, and if City requires such Agent to maintain insurance with respect to its activities, or to name City as an additional or named insured on any insurance policy, then City shall also cause such Agent to name Grantor to be named as additional insureds (or as additional named insureds, at Grantor's option) under such insurance policy.

11. Notices. Any notices given under this Deed shall be effective only if in writing and given by delivering the notice in person, by sending it first class mail or certified mail with a return receipt requested, or nationally-recognized overnight courier that guarantees next day delivery and provides a receipt therefor, with postage prepaid, addressed as follows (or such alternative address as may be provided in writing):

If to City: San Francisco Public Utilities Commission
525 Golden Gate Avenue, 10th Floor
San Francisco, California 94102
Attn: Real Estate Director

with a copy to: City and County of San Francisco
Real Estate Division
25 Van Ness Avenue, Suite 400
San Francisco, California 94102
Attn: Director of Property

and: Office of the City Attorney
City and County of San Francisco
Room 234, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102-4682
Attn: Real Estate/Finance Team

If to Grantor: 7484 Sheridan Road
Sunol, California 94586
Attn: Buddhi Dharma Lien Guo Foundation

12. General Provisions. (a) This Deed may be amended or modified only by a writing signed by Grantor and City. (b) No waiver by any party of any of the provisions of this Deed shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. (c) All approvals and determinations of City requested, required or permitted hereunder may be made in the sole and absolute discretion of the General Manager of the San Francisco Public Utilities Commission or other authorized official. (d) The sections and other headings of this Deed are for convenience of reference only and shall be disregarded in the interpretation of this Deed. (e) Time is of the essence in each and every provision herein. (f) This Deed shall be governed by California law and City's Charter. (g) If either party commences an administrative or legal action against the other under this Deed, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees of Grantor and City shall be based on the fees regularly charged by private attorneys in San Francisco with

comparable experience. (h) This instrument may be executed in counterparts, each of which shall be an original, but all counterparts shall constitute one instrument.

[SIGNATURES ON FOLLOWING PAGE]

Executed as of this _____ day of _____, 2017.

GRANTOR:

BUDDHI DHARMA LIEN GUO FOUNDATION,

Shuang Xi Yang, Chief Executive Officer

Date: _____

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by this Deed dated _____, 2017, from the Grantor to the City and County of San Francisco, is hereby accepted pursuant to Board of Supervisors Resolution No. 18110 Series of 1939, approved August 7, 1957, and City consents to recordation thereof by its duly authorized officer.

Dated: _____

By: _____

JOHN UPDIKE
Director of Property

EXHIBIT A

Description of Grantor's Property

[see following page]

EXHIBIT B

Depiction of Easement Area

[see following page]



SAN FRANCISCO PLANNING DEPARTMENT

General Plan Referral

Date: June 15, 2017
Case No. Case No. 2017-007550GPR
Sale of Property at 7484 Sheridan Road, Sunol, CA

Project Location: 7484 Sheridan Road, Sunol, CA

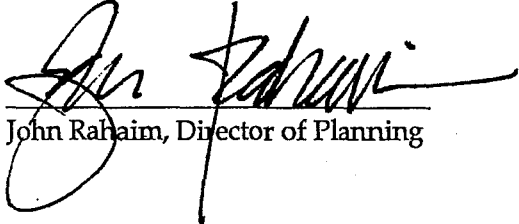
Block/Lot No.: Assessor's Parcels (Sunol):
0096-0001-020-0

Project Sponsor: San Francisco Public Utilities Commission
Janice Levy, Real Estate Services
525 Golden Gate Avenue, 10th Floor
San Francisco, CA 94102

Applicant: Same As Above

Staff Contact: Pedro Peterson – (415) 575-9163
pedro.peterson@sfgov.org

Recommendation: Finding the project, on balance, is in conformity with
the General Plan

Recommended By: 
John Rahaim, Director of Planning

PROJECT DESCRIPTION

The San Francisco Public Utilities Commission (SFPUC) proposes to sell 84 acres of real property in Sunol, Alameda County. As part of the sale, the SFPUC will obtain a new dewatering well easement for future utilities use and will retain existing easements for electrical towers and subsurface aqueduct tunnels. The SFPUC intends to sell the property "as is." The revenue from the sale will support the SFPUC in its pursuit of its core mission "to provide our customers with high quality, efficient and reliable water, power, and sewer services in a manner that is inclusive of environmental and community interests, and that sustains the resources entrusted to our care." Specifically, the revenue from the property sale will be recognized as miscellaneous revenue for the Water Enterprise and will be closed out to Fund Balance at the end of the fiscal year. The Fund Balance supports the Enterprise's core mission and provides reserves required under the debt (bonds) indenture.

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

IN ACCORDANCE WITH THE CALIFORNIA GOVERNMENT CODE SECTION 54220 THROUGH 54233 AND THE SAN FRANCISCO ADMINISTRATIVE CODE CHAPTER 23A (SURPLUS PROPERTY ORDINANCE), THE SFPUC NOTIFIED RELEVANT PUBLIC AGENCIES AND NON-PROFIT HOUSING DEVELOPERS OF THE PROPERTY'S AVAILABILITY. THE REQUIRED NOTICING PERIOD EXPIRED AND THE SFPUC DID NOT RECEIVE INTEREST FROM ANY PUBLIC AGENCY OR AFFORDABLE HOUSING PROVIDER.

SITE DESCRIPTION AND PRESENT USE

The 84-acre site is located at 7484 Sheridan Road, Sunol, California. The land is zoned agricultural with one single-family home, metal barns, pole barns, sheds, and other agriculture-related facilities. The SFPUC purchased the property as a part of its New Irvington Tunnel Project, which has been completed. Prior to purchasing the property, the SFPUC obtained easements for power line transmission and two subsurface water transmission pipelines known as the Irvington and New Irvington Tunnels. As a part of this transaction, the SFPUC will retain those existing facilities and easements; in addition, the SFPUC will reserve a new easement across a portion of the property to be used in the event the SFPUC needs to de-water the two subsurface water transmission tunnels to facilitate future repair work. This potential future utility use is not planned or contemplated at this time.

ENVIRONMENTAL REVIEW

The sale of land is not a project under CEQA Guidelines Sections 15060(c) and 15378 because there is no direct or indirect physical change in the environment.

GENERAL PLAN COMPLIANCE AND BASIS FOR RECOMMENDATION

The proposed sale of real property is found, **on balance**, in conformity with the General Plan, as described in the body of this Report.

Note: General Plan Objectives are shown in **BOLD UPPER CASE** font; Policies are in **Bold** font; staff comments are in *italic* font.

ENVIRONMENTAL PROTECTION ELEMENT

OBJECTIVE 5

ASSURE A PERMANENT AND ADEQUATE SUPPLY OF FRESH WATER TO MEET THE PRESENT AND FUTURE NEEDS OF SAN FRANCISCO.

POLICY 5.1 - Maintain an adequate water distribution system within San Francisco.

POLICY 5.2 - Exercise controls over development to correspond to the capabilities of the water supply and distribution system.

POLICY 5.3 - Ensure water purity.

The revenue from the property sale will be recognized as miscellaneous revenue for the Water Enterprise and will be closed out to Fund Balance at the end of the fiscal year. The Fund Balance supports the Enterprise's core mission and provides reserves required under the debt (bonds) indenture. As the revenue supports the Water Enterprise, the revenues will allow the SFPUC to continue to manage a complex water supply system—one that stretches from the Sierra to the City. The revenues will allow the SFPUC, including the Water Enterprise, to achieve the objective and policies stated above.

HOUSING ELEMENT

OBJECTIVE 8

BUILD PUBLIC AND PRIVATE SECTOR CAPACITY TO SUPPORT, FACILITATE, PROVIDE AND MAINTAIN AFFORDABLE HOUSING.

POLICY 8.1 - Support the production and management of permanently affordable housing.

The City's Director of Property issued a notice of public sale to all applicable public agencies in compliance with California Government Code Section 54220 through 54233 and the San Francisco Administrative Code Chapter 23A (Surplus Property Ordinance). Additionally, the City received a request to be noticed from the Non-Profit Housing Association of Northern California, which represents 750 affordable housing organizations. As required by Section 50074 of the California Health and Safety Code, the SFPUC issued notice to the organization and its members. The required noticing period expired, and the SFPUC received no interest from any public agency or affordable housing provider. In complying with these regulations, the SFPUC made a good faith effort to facilitate the production of affordable housing.

PROPOSITION M FINDINGS – PLANNING CODE SECTION 101.1

Planning Code Section 101.1 establishes Eight Priority Policies and requires review of discretionary approvals and permits for consistency with said policies. The Project is found to be consistent with the Eight Priority Policies as set forth in Planning Code Section 101.1 for the following reasons:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced.

The property zoned for agricultural uses, outside of the City of San Francisco and, therefore, could not be used for commercial purposes or San Francisco resident employment.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhood.

The property does not lie in a San Francisco neighborhood, and therefore would not impact the cultural and economic diversity or the character of any San Francisco neighborhoods. The land is being sold as-is; future uses are subject to Sunol zoning regulations.

3. That the City's supply of affordable housing be preserved and enhanced.

The property includes one single-family home and it is zoned for agricultural uses, so it is not a suitable site for affordable housing development and the sale of the property would not affect any existing affordable housing. The SFPUC did make non-profit housing developers aware of the land's availability. The agency has not received interest from any affordable housing provider.

4. That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking.

The proposed sale would not have any direct impact on Muni transit service or neighborhood parking.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for residential employment and ownership in these sectors be enhanced.

The proposed sale would not adversely affect the industrial and service sectors; it would not displace any industrial uses or occupy land designated for such uses.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The proposed sale is the as-is sale of agricultural land with one single-family home and structures geared to agricultural uses (a barn and a shed).. Its sale would have no impact on earthquake preparedness, injury, or loss of life.

7. That landmarks and historic buildings be preserved.

The proposed sale would not affect any landmarks or historic buildings.

8. That our parks and open space and their access to sunlight and vistas be protected from development.

The proposed sale would not cast any shadows on parks or open spaces nor impact any vistas.

RECOMMENDATION:	Finding the Project, on balance, in-conformity with the General Plan
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San Francisco
Water Power Sewer

Services of the San Francisco Public Utilities Commission

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

525 Golden Gate Avenue, 13th Floor
San Francisco, CA 94102
T 415.554.3155
F 415.554.3161
TTY 415.554.3400

2017 SEP 22 PM 1:52

TO: Angela Calvillo, Clerk of the Board *AC*

FROM: Sara Chandler, Policy and Government Affairs

DATE: September 21, 2017

SUBJECT: Purchase and Sale Agreement – 7484 Sheridan Road, Sunol
CA – Buddhi Dharma Lien Guo Foundation - \$3,305,000

Attached please find an original and one copy of a proposed resolution approving and authorizing the execution of a Purchase and Sale Agreement with the Buddhi Dharma Lien Guo Foundation (“Buyer”) or Buyer’s assignee, for the sale by the City and County of San Francisco, acting through the San Francisco Public Utilities Commission, to Buyer of approximately 84 acres of improved real property located at 7484 Sheridan Road, Sunol, California for \$3,305,000; adopting findings under the California Environmental Quality Act; adopting findings that the sale is consistent with the General Plan and the priority policies of Planning Code Section 101.1; and authorizing the Director of Property and/or the SFPUC’s General Manager to execute documents, make certain modifications, and take certain actions in furtherance of this Resolution.

The following is a list of accompanying documents (2 sets):

1. Board of Supervisors Resolution
2. SFPUC Resolution No. 13-0173
3. SFPUC Resolution No. 17-0200
4. Purchase and Sale Agreement
5. San Francisco Planning Dept. Letter – General Plan Referral
6. Form SFEC-126

Please contact Sara Chandler (415) 934-3906 if you need additional information on these items.

Edwin M. Lee
Mayor

Anson Moran
President

Ike Kwon
Vice President

Ann Moller Caen
Commissioner

Francesca Vietor
Commissioner

Vince Courtney
Commissioner

Harlan L. Kelly,
General Manager



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

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors

Contractor Information <i>(Please print clearly.)</i>
Name of contractor: The Buddhi Dharma Lien Guo Foundation
<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>
<ol style="list-style-type: none"> 1. Shangxi Yang, Celine Lee, Yuehling Huang, Sharlene Chu 2. The Contractors Chief Executive Officer: Yuehling Huang Chief Financial Officer: Celine Lee Chief Operating Officer: Sharlene Chu 3. None 4. None 5. None
Contractor address: 13624 E. Temple Ave. La Puente, CA 91746
Date that contract was approved: 9-12-2017
Amount of contract: \$3,305,000
Describe the nature of the contract that was approved: Purchase and Sale Agreement -- 7484 Sheridan Road, Sunol, CA.
Comments: Shangxi Yang is Chairman of the Board. All the members of the Contractors Board of Directors are volunteer.

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 _____

Print Name of Board

- the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Relocation Appeals Board, and Local Workforce Investment Board) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information <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.Supervisors@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



File # 171038
Received in Committee
10/19/17
gr.

Services of the San Francisco Public Utilities Commission

SFPUC Sale of Underutilized Property 7484 Sheridan Road, Sunol CA

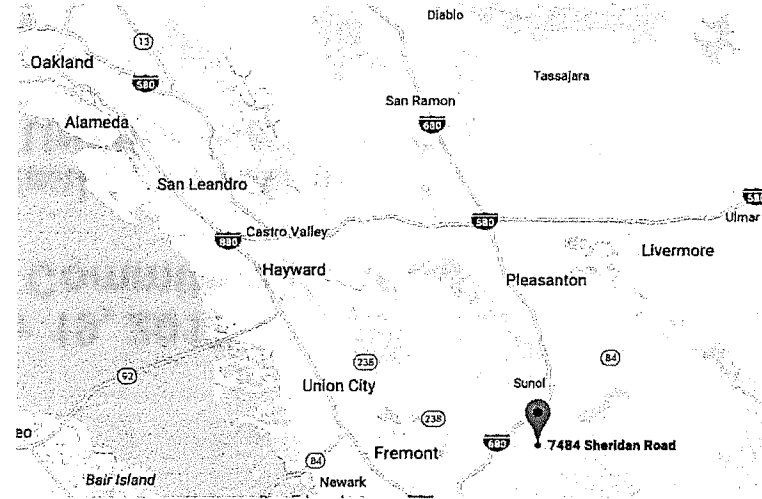
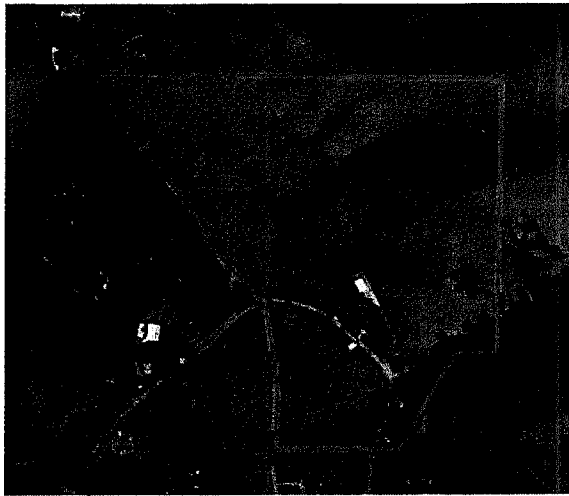
**September 19, 2017
Budget and Finance Committee Hearing**

**Rosanna Russell, Real Estate Director
San Francisco Public Utilities Commission**



San Francisco
**Water
Power
Sewer**

7484 Sheridan Road, Sunol, CA



612

- **Location:** 7484 Sheridan Road, Sunol (the “Property”)
- **Size:** Approximately 84 acres
- **Current Use:** Agricultural with two residences
- **Zoning:** Agricultural

New Irvington Tunnel Project

- The SFPUC acquired the Property as a part of the New Irvington Tunnel Project (the “Project”).
- The Project was a key component of the SFPUC’s Water System Improvement Program.
- The purpose of the Project was to install a new 3.5-mile water transmission tunnel in Alameda County, parallel to the existing Irvington Tunnel.

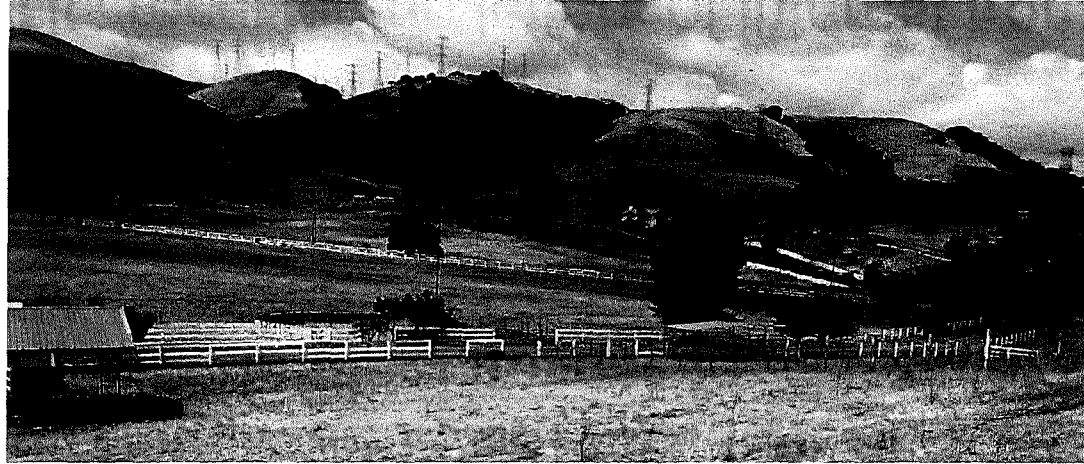




Acquisition of the Property

- In 2011, the SFPUC purchased a temporary construction easement (“TCE”) for the Project from Janice and Paul Mackin, the owners of the Property.
- In 2013, the Mackins were unwilling to extend the term of the TCE when the Project schedule was extended.
- The Mackins offered to sell the Property to the SFPUC and marketed it for sale for \$4 million.
- The SFPUC purchased the Property in 2013 for \$3,721,500.

Sale of the Property



- The New Irvington Tunnel Project reached substantial completion on September 19, 2015.
- On December 18, 2015, SFPUC Executive Management determined that the Property was not essential for the SFPUC's utility needs and authorized SFPUC Real Estate Services to begin marketing the Property for sale.



Compliance with Surplus Property Statutes

- The SFPUC complied with the California Surplus Property Statute and the San Francisco Surplus Property Ordinance.
- In 2016, on behalf of the SFPUC, the City's Real Estate Division issued statutory notices to all required public entities (CA Government Code § 54222 and 50079) and housing sponsors (California Government Code § 5422(a)).
- The SFPUC received no letters of interest from housing sponsors or public entities.



Bidding Process

- Prior to soliciting formal bids, the City's Real Estate Broker ("Colliers") actively marketed the Property for approximately one year.
- Colliers called for offers between May 10, 2017 and May 19, 2017.
- On July 14, 2017, the Buddhi Dharma Lein Guo Foundation's (the "Buyer") offer of \$3,305,000 was determined to be the highest and best responsible offer.
- The purchase price was above the appraised value of \$3,290,000.



Purchase and Sale Agreement

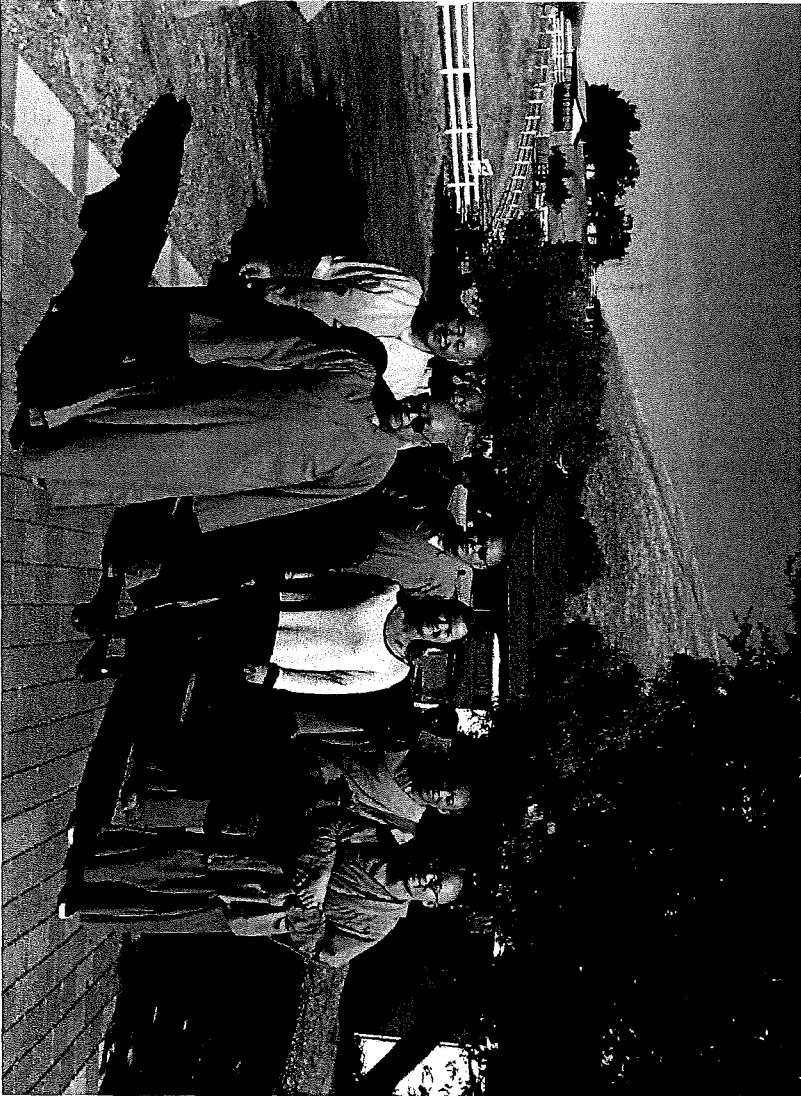
Terms and Conditions

Purchase Price:	\$3,305,000
Deposit Amount:	\$350,000
Contingency Period:	None
Estimated Net Proceeds:	\$3,212,412
(Less Broker's commission and closing costs)	

- The revenue from the sale will be used to support revenue-funded capital programs.
- The SFPUC will save approximately \$5,886 per month in property taxes, maintenance costs, and property management costs.



San Francisco
**Water
Power
Sewer**



Questions?

