

File No. 130341

Committee Item No. 7

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: 05/22/2013

Board of Supervisors Meeting

Date: \_\_\_\_\_

#### Cmte Board

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

OTHER (Use back side if additional space is needed)

<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____

Completed by: Victor Young

Date May 17, 2013

Completed by: Victor Young

Date \_\_\_\_\_

1 [Real Property Acquisition - Park Purposes - 3861-24<sup>th</sup> Street - \$4,242,510]

2  
3 **Resolution authorizing the acquisition of real property at 3861-24<sup>th</sup> Street, Assessor's**  
4 **Parcel Block No. 6509, Lot No. 040, for \$4,242,510 for park purposes, from the Noe**  
5 **Valley Ministry PCUSA; finding that the proposed transaction is in conformance with**  
6 **the City's General Plan and the priority policies of Planning Code, Section 101.1, and**  
7 **categorically exempt from environmental review as under the California Environmental**  
8 **Quality Act.**

9  
10 WHEREAS, The Noe Valley Ministry PCUSA, and a California corporation, owns the  
11 real property located at 3861 24th Street (Lot 040, Block 6509), located between Sanchez and  
12 Vicksburg Streets (the "Property"), which is comprised of 10,289 square feet of land currently  
13 paved and used as a parking lot and weekly Farmers' Market; and

14 WHEREAS, The Property has been identified by the Recreation and Park Department  
15 ("RPD") as an ideal future neighborhood park, following considerable community outreach;  
16 and

17 WHEREAS, The Director of Property, in consultation with RPD, negotiated a proposed  
18 Purchase and Sale Agreement for the Property, which is on file with the Clerk of the Board of  
19 Supervisors under File No. 130341 (the "Purchase Agreement"), with a purchase price of  
20 \$4,242,510, but with a price reduction (credit) of \$342,510 to be retained by the City to  
21 perform anticipated environmental remediation; and

22 WHEREAS, The City obtained an independent, third party appraisal to confirm that the  
23 proposed purchase price does not exceed the fair market value of the Property based on the  
24 highest and best use of the Property; and

1 WHEREAS, The Director of Property has determined that the proposed sales price is  
2 reasonable and represents fair market value for the Property; and

3 WHEREAS, RPD does not currently have funds available to develop the Property into  
4 a public park, and therefore RPD intends to apply for a grant to fund development of the  
5 Property into a park if the City acquires the Property, and during the interim period from  
6 acquisition until funding availability, RPD intends to operate the Property as an unimproved  
7 public open space; and

8 WHEREAS, The Planning Department, through General Plan Referral Letter dated  
9 February 25, 2013 ("Planning Letter"), which is on file with the Clerk of the Board of  
10 Supervisors under File No. 130341, has verified that the City's acquisition of the Property for  
11 park purposes is consistent with the General Plan and the Eight Priority Policies under the  
12 Planning Code Section 101.1; and

13 WHEREAS, In the Planning Letter, the Major Environmental Analysis Section of the  
14 Department determined that the Project (City acquisition of AB 4750/030) is a nonphysical  
15 project (Class 8; Acquisition of urban open space & Class 4 (b) - Creation of new parks) and  
16 therefore categorically exempt from environmental review under CEQA; and

17 WHEREAS, The Recreation and Park Commission has recommended approval of the  
18 purchase and remediation of the Property using Park, Recreation and Open Space Funds, at  
19 their meeting of April 18, 2013; and

20 WHEREAS, Under the Purchase Agreement, The Noe Valley Ministry PCUSA shall  
21 deliver the Property to the City at the close of escrow, anticipated to occur on or around June  
22 30, 2013, with no occupants or tenants on the Property; now, therefore, be it

23 RESOLVED, That the Board of Supervisors hereby finds that the acquisition of the  
24 Property is consistent with the City's General Plan and the Eight Priority Policies of Planning  
25 Code Section 101.1 and the purchase is Categorically Exempt from CEQA for the same

1 reasons as set forth in the Planning Letter, and hereby incorporates such findings by  
2 reference as though fully set forth in this Resolution; and, be it

3 FURTHER RESOLVED, That in accordance with the recommendations of the Director  
4 of Property and Recreation and Park Commission, the Board of Supervisors hereby approves  
5 the Purchase Agreement, in substantially the form presented to this Board, and authorizes  
6 City staff to take all actions necessary to acquire the Property consistent with the Purchase  
7 Agreement; and, be it

8 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of  
9 Property to complete the purchase of the Property and, working with and through the Director  
10 of Public Works, remediate the Property, using Park, Recreation and Open Space Funds as  
11 contemplated herein; and, be it

12 FURTHER RESOLVED, That the Board of Supervisors urges appropriate funding be  
13 provided to the Recreation and Park Department, through the budget process, to adequately  
14 staff and service any newly acquired park facilities; and, be it

15 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of  
16 Property, in consultation with the City Attorney and General Manager of RPD, to enter into  
17 any additions, amendments or other modifications to the Purchase Agreement that the  
18 Director of Property determines are in the best interests of the City, do not materially increase  
19 the obligations or liabilities of the City or materially decrease the benefits to the City, and are  
20 in compliance with all applicable laws, including the City's Charter; and, be it

21 FURTHER RESOLVED, That the Director of Property is hereby authorized and urged,  
22 in the name and on behalf of the City and County, to accept the Deed to the Property from the  
23 Noe Valley Ministry PCUSA in accordance with the Purchase Agreement, place the Property  
24 under the jurisdiction of RPD, and to take any and all steps (including, but not limited to, the  
25 execution and delivery of any and all certificates, agreements, notices, consents, escrow

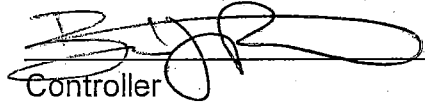
1 instructions, closing documents and other instruments or documents) as the Director of  
2 Property deems necessary or appropriate in order to consummate the purchase of the  
3 Property pursuant to the Purchase Agreement, or to otherwise effectuate the purpose and  
4 intent of this Resolution, such determination to be conclusively evidenced by the execution  
5 and delivery by the Director of Property of any such documents; and, be it

6 FURTHER RESOLVED, That all actions heretofore taken by the officers of the City  
7 with respect to the Purchase Agreement, or authorized and directed by this Resolution, are  
8 hereby ratified, approved and confirmed by this Board of Supervisors.

\$4,242,510 available

Index Code:

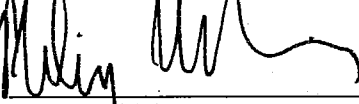
2S OSP CPR, REC2SOSPCPR, CRPACQ01

  
Controller

RECOMMENDED:

  
Director of Property

RECOMMENDED:

  
General Manager  
Recreation and Park Department

<b>Item 7</b> <b>File 13-0341</b>	<b>Department:</b> Recreation and Park Department Real Estate Division
--------------------------------------	--

**EXECUTIVE SUMMARY****Legislative Objective**

- The proposed resolution would approve the Purchase Agreement between Noe Valley Town Ministry PCUSA (Ministry) and the City and County of San Francisco on behalf of the Recreation and Park Department for the purchase of the surface parking lot at 3861 24<sup>th</sup> Street to convert into a park.

**Key Points**

- The Recreation and Park Department (RPD) determined that the proposed property was eligible for acquisition because it meets all three of RPD's Acquisition Policy goals. Ms. Holly Pearson, a Planner with the Recreation and Park Department Property who manages property acquisitions, explained that RPD staff decided to move forward with the acquisition of the proposed property at this time as opposed to the other eligible properties (see Attachment) because (1) there is an opportunity to receive grant funding for the park's development; (2) there is community support and fundraising efforts for the park's development; and (3) the Ministry would like to sell the property at this time and is interested in selling it to the City.
- A third-party environmental consulting firm, Northgate Environmental Management, Inc. (Northgate), conducted an environmental site assessment of the property, which was previously used as a gas station, and found a presence of residual petroleum hydrocarbons in the soil that must be removed prior to developing a park. The estimated environmental remediation costs are \$228,340. Northgate recommended including a 50% contingency as the full extent of the site's soil contamination has not yet been determined, for a total cost of \$342,510.
- There are several technical amendments to that resolution that are being recommended.

**Fiscal Impact**

- The purchase price for the proposed property is \$4,242,510, or approximately \$392 per square foot which is \$87,490 or 2% less than the appraised value of \$4,330,000. Open Space Acquisition Funds will be used to pay for the purchase of the property.
- The Noe Valley Ministry and City agreed that, as an alternative to the Ministry conducting the necessary environmental remediation work, the City would conduct the work instead and the Ministry would credit the City for this work against the purchase price in the amount of \$342,510. If the proposed property is acquired, Ms. Pearson advised that the estimated cost to develop the site into a park is \$1,660,754. If additional park amenities are constructed, such as a restroom and other park elements, estimated development costs increase by \$683,113 to \$2,343,866.
- According to Ms. Pearson, based on preliminary design plans, RPD estimates that the total first year maintenance costs to maintain the developed park with a restroom would be \$67,543, which includes one part-time Custodian and one part-time Apprentice Gardener.

### Policy Considerations

- As of the writing of this report, none of the ten properties on the RPD Acquisition Roster, including the proposed property at 3861 24<sup>th</sup> Street, meet the criteria of being located in high needs areas. According to Ms. Pearson, staff is currently working on other potential property acquisitions in the India Basin, South of Market/Tenderloin, and Russian Hill neighborhoods and hope to complete acquisitions in these areas over the next two to three years. Ms. Pearson noted that RPD staff is working to more proactively identify potential sites for acquisition in high needs areas. For example, RPD staff are currently working to identify potential new park sites in District 6 (Tenderloin and South of Market), much of which is designated as a high needs area, and plan to identify one or more sites in District 6 to add to the RPD Acquisition Roster in the next few months.
- Acquisition of the subject property would result in additional development costs and ongoing maintenance costs to the City for which funding has not been fully secured. Potential sources for development of the park have been identified such as a grant from the State of California Urban Greening Grant program and pledges collected by the Residents for Noe Valley Town Square; however, such funding has not been confirmed as of writing this report. Ongoing maintenance costs of the park would pay for from RPD's operating budget, which would require either additional General Fund appropriation in the annual budget or re-allocation of existing resources.
- The final cost to the city for the environmental remediation work is not known as of the writing of this report. The City has been provided a third party estimate of \$342,510 that includes a 50% contingency; however, the final remediation costs will not be known until the remediation work is completed.

### Recommendations

- Amend the proposed resolution to change the square footage of the proposed property from 10,289 square feet to 10,829 square feet to reflect the correct square footage of the property
- Amend the proposed resolution to specify that the funding for the proposed property would come from the Open Space Acquisition Fund and not the Park, Recreation and Open Space Fund.
- Amend the proposed resolution to specify that the Board of Supervisors should urge appropriate funding for maintenance of the proposed acquisition property at 3861 24th Street, instead of "any newly acquired park facilities".
- Approval of the proposed resolution, as amended, is a policy decision for the Board of Supervisors.



## MANDATE STATEMENT

In accordance with Administrative Code Section 23.1, all resolutions and ordinances involving sales, leases, acceptances, and other real estate transactions must be conducted through the Director of Real Estate and approved by the Board of Supervisors.

In accordance with Administrative Code Section 23.4, the Director of Real Estate cannot accept deeds or other instruments granting real property to the City without Board of Supervisors approval.

According to City Charter Section 16.107 (b), the City must set aside from the annual property tax levy an amount equivalent to two and one-half cents (\$0.025) for each one hundred dollars (\$100) assessed property valuation which is to be deposited into the Park, Recreation and Open Space Fund. Charter Section 16.107(f)(3) states that an allocation of not less than 5% of the monies to be deposited in the Fund shall be dedicated to the acquisition of real property.

## BACKGROUND

The Noe Valley Ministry PCUSA (Ministry), a California Corporation and non-profit organization, owns 10,829 square feet (.25 acre) of property at 3861 24<sup>th</sup> Street in Noe Valley. The property is located in the 24<sup>th</sup> Street neighborhood commercial corridor and is currently operated by the Ministry as an asphalt-paved pay parking lot with a parking attendant and a public seating area facing the street. The property is also used for operating the weekly Saturday morning Noe Valley Farmer's Market which has operated on the site for approximately ten years. In 2010, the Ministry announced their plans to sell the property in order to fund renovations to the Church.

According to Ms. Holly Pearson, Recreation and Park Department Planner, who manages property acquisitions, over the past three years Noe Valley community members have shown significant interest in converting the parking lot into a park and requested that the Recreation and Park Department (RPD) consider acquiring this property. Supporters of the project have created a non-profit organization, the Residents for Noe Valley Town Square who have fundraised to help provide money to develop the park.

On January 8, 2013, the members of the Park, Recreation and Open Space Advisory Committee (PROSAC) voted in support of acquiring the property at 3861 24<sup>th</sup> Street. On April 18, 2013 the Recreation and Park Commission voted to recommend that the Board of Supervisors approve the proposed Agreement for the Purchase of Real Property ("Purchase Agreement") between Noe Valley Ministry and the City and County of San Francisco at 3861 24<sup>th</sup> Street.

## DETAILS OF PROPOSED LEGISLATION

The proposed resolution would (a) approve the Purchase Agreement between Noe Valley Ministry PCUSA (Ministry) and the City and County of San Francisco on behalf of RPD for the purchase of the 10,829 square feet of land located at 3861 24<sup>th</sup> Street (Assessor's Block 6509, Lot 040) to convert into a park in the neighborhood of Noe Valley, for a purchase price of \$4,242,510 and authorizes staff to take all actions necessary to acquire the proposed property pursuant to the Purchase Agreement; (b) adopt findings that the acquisition is consistent with the

City's General Plan and Eight Priority Policies of City Planning Code Section 101.1 and is categorically exempt from the California Environmental Quality Act (CEQA); (c) authorize the Director of Property to work with the Director of Public Works to remediate the property from environmental health hazards; (d) urge that appropriate funding be provided to the RPD during the budget process to staff and service any newly acquired park facilities; (e) authorize the Director of Property to enter into any amendments to the Purchase Agreement that do not increase the obligations of the City; and (f) accept the deed to the property from the Noe Valley Ministry PCUSA pursuant to the Purchase Agreement, place the Property under the jurisdiction of RPD and take all steps necessary to purchase the property in accordance with the Purchase Agreement.

#### *RPD's Acquisition Policy and Process*

According to Ms. Pearson, anyone can recommend a potential property for acquisition to RPD staff for consideration; however, in practice, most properties are recommended by community members or RPD staff members who are familiar with the RPD park system and potentially available properties. After a property is recommended for consideration, RPD staff assesses the property based on the property's ability to meet the three policy goals set forth in RPD's Acquisition Policy:

- (1) Serve high needs areas and areas where there is a deficiency in open space;<sup>1</sup>
- (2) Identify funding for the purchase, development and ongoing maintenance; and
- (3) Encourage a variety of potential recreational and open space uses.

After the property is assessed, RPD staff decides whether to add the property to the RPD Acquisition Roster which is shown in the Attachment to this report. The RPD Acquisition Roster contains the list of sites that RPD staff is actively considering acquiring and is used to track the details and status of properties as well as to compare the properties' relative characteristics and strengths. Once RPD staff adds a property to the Acquisition Roster, the Park, Recreation and Open Space Advisory Committee (PROSAC) may support its addition to the Acquisition Roster or recommend removing it.<sup>2</sup>

According to Ms. Pearson, inclusion on the RPD Acquisition Roster does not necessarily mean that a property will be acquired. There are a number of factors in addition to meeting the Acquisition Policy goals that determine whether and when a property may be acquired, including (a) the willingness of the owner to sell at a fair market price; (b) support by local neighborhood residents or other stakeholders; and (c) the availability of outside funding sources to assist with paying for the acquisition, development and maintenance of the property for park purposes.

---

<sup>1</sup> High needs area are areas with (1) a high population density; (2) a large percentage of children and/or seniors (3) areas where households are categorized as low-income; (4) and areas within an Area Plan pursuant to the City's General Plan.

<sup>2</sup> PROSAC is a citizen's advisory committee that advises and provides feedback to RPD on a number of issues including capital planning and property acquisition. It is composed of 23 members with one member appointed by each Supervisor from their supervisorial district and one member appointed by each Supervisor from a list of individuals nominated by organizations having a primary focus in park, environmental, recreational, cultural, sports, youth or senior citizen issues for a total of 22 members appointed by the Board of Supervisors and one member appointed by the Mayor.

According to the RPD General Manager in his April 18, 2013 memorandum to the Recreation and Park Commission, the proposed property at 3861 24<sup>th</sup> Street meets all three of RPD's Acquisition Policy goals:

- (1) It is located in an area of the City that is not within ¼ mile walking distance to a playground and is therefore located within a distribution deficiency gap as defined in the City's General Plan;
- (2) Outside funding has been leveraged by the community for development and possibly for maintenance; and
- (3) It would accommodate both passive and active recreation.

Although there are currently nine other properties on the Acquisition Roster (shown in the Attachment) that meet several or all of the Acquisition Policy goals, Ms. Pearson explained that RPD staff decided to move forward with the acquisition of 3861 24<sup>th</sup> Street as a result of three main factors which are further discussed below.

- (1) The opportunity to apply for and receive grant funding for the park's development;
- (2) A high level of community support and success in raising funds to contribute to the park's development; and
- (3) The property owner's desire and urgency to sell at this time, and specifically their interest in selling the property to the City.

#### *Additional Agreement Details*

According to the Purchase Agreement between the Ministry and the City, the City will be responsible for environmental remediation as there is still a presence of residual petroleum hydrocarbons in the soil from when the site was operated as a gas station prior to the Ministry's ownership. The Ministry and the City have agreed to a reduction to the purchase price of the property in a form of a credit to the City for \$342,510 to perform anticipated remediation to the property as discussed further below.

In the General Plan Referral Letter dated February 25, 2013, the Director of Planning determined that the proposed acquisition and future improvements to convert the property into a park conformed to the General Plan and found that the proposed acquisition was categorically exempt pursuant to the California Environmental Quality Act. Once the development plans for the proposed park are finalized, RPD will have to submit to the San Francisco Planning Department another Environmental Review Application for the project.

The proposed Purchase Agreement would also indemnify the City from all liabilities resulting from any prior occupants' relocation which includes tenants who rent parking spaces on a monthly basis, the Goodwill mobile donation station, and any food trucks or vendors that have occasionally operated on the property. Ms. Pearson noted if the Board of Supervisors approves the proposed resolution, RPD plans to enter into an agreement with the Noe Valley Farmer's Market to continue the Market's weekly operations.

*Square Footage Error*

Due to an administrative error the resolution states that the proposed property is 10,289 square feet; however, the actual square footage of the property is 10,829. The Budget and Legislative Analyst recommends amending the resolution to reflect the accurate square footage consisting of 10,829 square feet.

**FISCAL IMPACT**

On April 17, 2013, the 10,829 square-foot property located at 3861 24<sup>th</sup> Street was appraised by a third-party appraiser, Mr. Lawrence Mansbach of Mansbach Associates, Inc., who was retained by the City's Division of Real Estate. The property was appraised at approximately \$4,330,000 based on an average price of \$400 per square foot.

Pursuant to the proposed Purchase Agreement, Noe Valley Ministry has agreed to sell the property to the City for \$4,242,510, or approximately \$392 per square foot, as shown in Table 1 below, which is \$87,490 or 2% less than the appraised value.

**Table 1**  
**Total Cost to Purchase the Property**

<b>Terms</b>	<b>Amount</b>
Total Square Footage	10,829
Proposed Price Per Square Foot	<u>x \$391.77</u>
Proposed Purchase Price	4,242,510
Escrow, Recording and Policy Fees <sup>3</sup>	<u>1,500</u>
<b>Total Cost to Acquire Property</b>	<b>\$4,244,010</b>

*Environmental Remediation*

As part of the acquisition process, a third-party environmental consulting firm retained by RPD, Northgate Environmental Management, Inc. (Northgate), conducted an environmental site assessment for the property and found a presence of residual petroleum hydrocarbons in the soil that must be removed before it could be developed into a park.

The Noe Valley Ministry (Ministry) and City agreed that, as an alternative to the Ministry conducting the necessary environmental remediation work, the City would conduct the work instead and the Ministry would reimburse the City back for this work as a credit against the purchase price in the amount of \$342,510, as explained below.

Northgate estimated that the remediation costs for the proposed park would be \$228,340 and recommended including an additional 50% contingency since the full extent of the site's soil contamination has not yet been determined, for a total credit of \$342,510, which represents the total estimated remediation costs. The \$342,510 is included in the \$4,244,010 acquisition cost shown in Table 1 above.

<sup>3</sup> According to Mr. John Updike, Director of Real Estate, this is an estimate based on similar valued transaction as closing statements are provided by the title company a week before closing. Mr. Updike noted 90% of the \$1,500 is title insurance cost which is based on the value of the transaction.

Northgate's environmental site assessment was submitted to the San Francisco Department of Public Health (DPH), who reviewed and concurred with Northgate's assessment of the remediation work that had to be conducted. Six weeks prior to remediation work, RPD must submit a Site Mitigation Plan that describes how the site mitigation will be implemented. According to Mr. Scott Nakamura, DPH Program Manager for the Site Assessment and Mitigation Program, the final cost of the remediation is not known until the remediation work is completed.

RPD plans to pay for the remediation costs from the Open Space Acquisition Fund, which according to Mr. Charles Sullivan, Deputy City Attorney, is a qualified acquisition-related expense and can be paid for by using Open Space Acquisition Fund monies.

If the environmental remediation costs exceed the \$342,510 credit, RPD staff must return to the Recreation and Park Commission and Board of Supervisors for appropriation approval of additional funds.

#### *Open Space Acquisition Fund*

According to the proposed resolution, the acquisition of the subject property, including the remediation costs, would be funded with monies from the Park, Recreation and Open Space Fund ("Open Space Fund") which, pursuant to Charter Section 16.107, receives an annual property tax set aside equal to two and one-half cents (\$.025) for each one hundred dollars (\$100) in assessed property value.

Monies from the Open Space Fund are used to provide enhanced park and recreational services and facilities. City Charter Section 16.107 (f)(3) mandates that an allocation of no less than 5% of the monies deposited into the Open Space Fund must be dedicated to property acquisitions for conversion into park and open space. The RPD separates the 5% allocation into the Open Space Acquisition Fund.

According to Mr. Katharine Petrucione, RPD's Director of Administration and Finance, funding for the proposed property would come from the Open Space Acquisition Fund and not from the Open Space Fund as stated in the proposed resolution. Additionally, the resolution states that the Recreation and Park Commission recommended approval for the purchase and remediation of the proposed property using Open Space Funds at their April 18, 2013 meeting; however, the Recreation and Park Commission actually recommended that the property should be paid for from the Open Space Acquisition Fund. Therefore, the resolution should be amended to reflect the correct source of funding.

As of the writing this report, the balance in the Open Space Acquisition Fund is \$11,283,684. If the proposed property is acquired for \$4,244,010 (see Table 2 below), the remaining Open Space Acquisition Fund balance would be \$7,039,674 as of June 30, 2013.

**Table 2**  
**Open Space Acquisition Fund Balance**

<b>Open Space Acquisition Fund</b>	<b>Amount</b>
Total Fund Balance	11,283,684
Less Proposed Acquisition	(4,244,010)
<b>Fund Balance After Proposed Acquisition<sup>4</sup></b>	<b>\$7,039,674</b>

*Development Costs*

If the proposed property is acquired, Ms. Pearson advised that the estimated cost to develop the site into a park is \$1,660,754, as shown in Table 3 below. If additional park amenities are constructed, such as a restroom and other amenities as shown in Table 3, the estimated development costs increase by \$683,113 to \$2,343,867.

**Table 3**  
**Estimated Development Costs for 3861 24<sup>th</sup> Street**

<b>Item</b>	<b>Amount</b>
Site Clearing and Demolition	\$64,100
Drainage, Electrical, Irrigation and Planting	58,360
Earthwork, Soil Preparation and Paving	338,168
Site Furniture and Park Elements	94,550
Pervious Paving	85,051
<i>Subtotal Construction Costs</i>	<i>\$640,229</i>
Bonding Cost, General Conditions, Contractors Overhead and Fees, Mobilization - 40% Total Cost of Construction (TCC)	394,092
Construction Contingency - 15% TCC	147,784
Escalation (Start of Construction February 2015) - 15% TCC	147,784
Design Contingency - 20% TCC	197,046
Testing & Inspection - 2% TCC	19,705
Project Management/Construction Management - 6% TCC	59,114
Permits and Labor Compliance Program	55,000
<i>Subtotal Other Costs</i>	<i>1,020,525</i>
<b>Total Estimated Development Costs for Base Project</b>	<b>\$ 1,660,754</b>
Restroom	131,750
Arbor Structure	180,000
Stage Canopy	137,550
<i>Subtotal Additional Park Amenities</i>	<i>\$683,113</i>
<b>Total Estimated Base Project and Additional Amenities Costs</b>	<b>\$2,343,867</b>

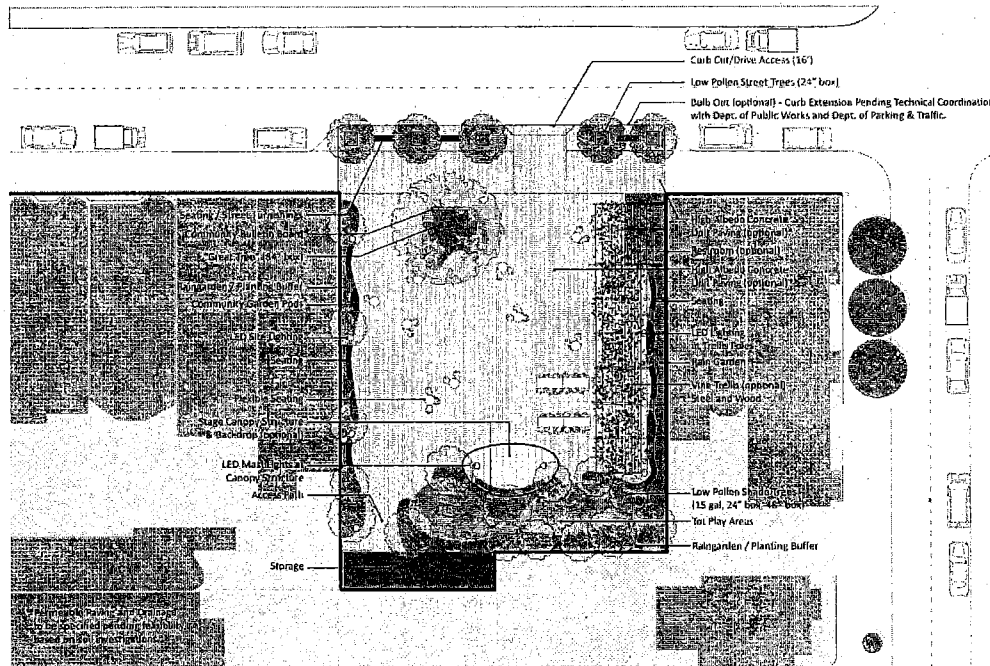
Figure 1 below is one of four concept design plans developed for the proposed park by CMG, a landscape architecture firm, in collaboration with the Residents for Noe Valley Town Square and the community. According to Ms. Pearson, RPD has not yet approved or endorsed a development plan for the property as the project is still in the preliminary stages of planning;

<sup>4</sup> RPD staff expect to receive an additional allotment of \$2,028,000 deposit in FY 2013-14 as part of the annual tax-set aside which would increase the Open Space Acquisition Fund balance to approximately \$9,067,674 if the proposed property is acquired.

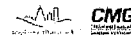
however, Ms. Pearson noted that the concept designs created through the community's outreach process are generally consistent with what the City would like to develop at the site

**Figure 1**  
**Proposed Development Plan for 3861 24<sup>th</sup> Street**

CONCEPT PLAN



Town Square  
CONCEPT DESIGN



A portion of the development costs for the property are proposed to be paid by the Residents for Noe Valley Town Square who have secured pledges of \$484,000 as of writing this report, or approximately 20.6% of the property's preliminary estimation of the development costs of \$2,343,867 including potential additional park amenities. According to Todd David, Residents for Noe Valley Town Square Board Member, pledges will begin to be collected once it is certain that the City will purchase the property. Mr. David further noted that the organization plans to raise additional funds for the proposed park's development.

RPD has also submitted a preliminary grant application to the State for a California Urban Greening Grant for \$720,000 to partially fund the park development costs. According to Ms. Toni Moran, the Grants Manager for RPD's Capital and Planning Division, the proposed park development is a competitive project for this grant because 1) the park is located in area that has less than .19 acres of open space per 1,000 residents; 2) the grant's program goal to reduce climate change impacts by slowing down storm water and adding carbon sequestering trees and planting in urban areas is consistent with the proposed project design; 3) the project was initiated

by the community and has pledges of funding for development; and 4) the farmers' market which operates on the site is considered an additional public benefit.

Ms. Pearson advised that if RPD is not awarded the Urban Greening Grant funding, RPD will look to other external grant funding sources (state, federal, private foundation, etc.) as well as City grant programs such as the Community Opportunity Fund (part of the 2012 Clean & Safe Neighborhood Parks Bond) or the Community Challenge Grant program.

#### *Maintenance Costs*

According to Ms. Pearson, based on preliminary design plans, RPD estimates that the total first year maintenance costs to maintain the developed park, including a restroom, would be \$67,543, which includes one part-time Custodian and one part-time Apprentice Gardener.<sup>5</sup>

Approval of the proposed resolution would urge that appropriate funding be provided to RPD through the budget process to adequately maintain any newly acquired park facilities. If additional resources are not provided for maintenance of the proposed park through the budget process, then existing RPD staff would be responsible for maintaining the property.

Because the subject of the proposed resolution is specifically for the acquisition of property at 3861 24<sup>th</sup> Street, the proposed resolution should be amended to "urge appropriate funding to staff and service" this specific property located on 3861 24<sup>th</sup> Street instead of "any newly acquired park facilities."

### **POLICY CONSIDERATION**

#### **RPD Plans to Acquire Properties in Addition to 3861 24<sup>th</sup> Street**

The proposed property acquisition of 3861 24<sup>th</sup> Street is to be paid for with funds from the Open Space Acquisition Fund. The Open Space Acquisition Fund currently has a balance of \$11,283,684 as shown in Table 2 above. This balance would be reduced to \$7,039,674 upon acquisition of the property.

RPD staff is currently working on other potential property acquisitions in the India Basin, South of Market/Tenderloin, and Russian Hill neighborhoods and hope to complete acquisitions in these areas over the next two to three years. According to Ms. Pearson, development impact fees may partially fund acquisition of these properties, but it is likely that these future acquisitions will require monies from the Open Space Acquisition Fund.

As shown in Attachment I, RPD lists two criteria as "most desirable" when considering acquiring a property: (1) located within or serves a high needs area; and (2) located within a distribution deficiency gap.

None of the ten properties on the RPD Acquisition Roster, including the proposed property at 3861 24<sup>th</sup> Street, meet the criteria of being located in high needs areas<sup>6</sup>. According to Ms.

<sup>5</sup> Staff needs are based on the frequency of landscape maintenance tasks and grounds maintenance task, the size of the property and the park facilities. Estimates for the developed park include 0.70 FTE Custodian and 0.30 FTE Apprentice Gardener and includes benefits.



Pearson, this is because RPD's acquisition process is highly community-driven and in most cases, properties that are included on the RPD Acquisition Roster are recommended by community members; therefore, the RPD Acquisition Roster reflects the areas of the City where residents have requested that RPD consider a particular property. Ms. Pearson noted that RPD staff is working to more proactively identify potential sites for acquisition in high needs areas. For example, RPD staff are currently working to identify potential new park sites in District 6 (Tenderloin and South of Market), much of which is designated as a high needs area, and plan to identify one or more sites in District 6 to add to the RPD Acquisition Roster in the next few months.

Six of the ten properties, including the subject 3861 24<sup>th</sup> Street, meet the criteria of being located within a distribution deficiency gap area. As noted above, 3861 24<sup>th</sup> Street is located in an area of the City that is not within ¼ mile walking distance to a playground and is therefore located within a distribution deficiency gap as defined in the City's General Plan.

**The Proposed Property Acquisition Creates New and Ongoing Costs to the City  
The Final Cost to the City for the Environmental Remediation Work Are Not  
Known as of the Writing of This Report**

Acquisition of the subject property would result in additional development costs and ongoing maintenance costs to the City for which funding has not been fully secured. The total cost to the City to purchase the property would be \$4,244,010, including the environmental remediation costs, which will be paid with funds from the Open Space Acquisition Fund. The Ministry would credit the City back in an amount of \$342,510 for the estimated remediation costs. As noted above, the estimated remediation costs of \$342,510 include a 50% contingency, since the full extent of the site's soil contamination has not yet been determined, and the final remediation costs will not be known until the remediation work is completed.

As shown in Table 3 above, the development costs to convert the property into a park are estimated to be \$2,343,866 for base improvements and potential additional park amenities. Potential funding sources for development of the park include a grant from the State of California Urban Greening Grant program and \$484,000 in pledges to the Residents for Noe Valley Town Square. However, such funding has not been confirmed as of writing this report. Ongoing maintenance costs of the park after it is developed would cost approximately \$67,543 for the first year and would be paid for from RPD's operating budget, which would require either an additional General Fund appropriation in the annual budget or re-allocation of existing resources.

---

<sup>6</sup> As noted above, a high needs area is defined as an area with (1) a high population density; (2) a large percentage of children and/or seniors (3) areas where households are categorized as low-income; (4) and areas within an Area Plan pursuant to the City's General Plan.

**RECOMMENDATIONS**

1. Amend the proposed resolution to change the square footage of the proposed property from 10,289 square feet to 10,829 square feet to reflect the correct square footage of the property
2. Amend the proposed resolution to specify that the funding for the proposed property would come from the Open Space Acquisition Fund and not the Park, Recreation and Open Space Fund.
3. Amend the proposed resolution to specify that the Board of Supervisors should urge appropriate funding for maintenance of the proposed acquisition property at 3861 24<sup>th</sup> Street, instead of “any newly acquired park facilities”.
4. Approval of the proposed resolution, as amended, is a policy decision for the Board of Supervisors.

## RECREATION and PARK DEPARTMENT ACQUISITION ROSTER

POLICY GOALS 1-3	MOST DESIRABLE	Located within or Serves a High Needs Area					Project Title	Property Description and Site	Important Attributes & Notes From Site Info Sheet	PROSAC Findings	Date Listed
		Located within or Serves a High Needs Area	Deficiency Gap	Leverages Other Funding for Acquisition	Leverages other Funding for Construction	Leverages other Funding for Maintenance					
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED										
POLICY GOALS 1-3	DESIRED	</									



# SAN FRANCISCO PLANNING DEPARTMENT

## General Plan Referral

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

Reception:  
**415.558.6378**

Fax:  
**415.558.6409**

Planning  
Information:  
**415.558.6377**

*Date:* February 25, 2013  
*Case No.* Case No. 2013.0082R  
Acquisition of 10,829 Square Foot Parking Lot and Future Improvement as Public Open Space. Improvements may include new paving with sustainable stormwater management features, children's play equipment, seating, landscaping a small restroom (approx. 350-400 sf), and similar recreational amenities.

*Block/Lot No.:* 6509/040  
*Project Sponsor:* Holly Pearson  
SF Recreation and Parks Department  
Capital and Planning Division  
30 Van Ness Ave., 4<sup>th</sup> Floor  
San Francisco, CA 94102

*Applicant:* Same as Above

*Staff Contact:* Paul Chasan -- (415) 575-9065  
[paul.chasan@sfgov.org](mailto:paul.chasan@sfgov.org)

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

*Recommended By:*   
John Rahaim, Director of Planning

### PROJECT DESCRIPTION

Acquisition of a 10,829 square foot parking lot and future improvements as public open space. Improvements may include new paving with sustainable stormwater management features, children's play equipment, seating, landscaping, a small restroom (approx. 350-400 s.f.), and similar recreational amenities. The existing weekly Noe Valley' Farmer's Market is anticipated to continue operating on the site.

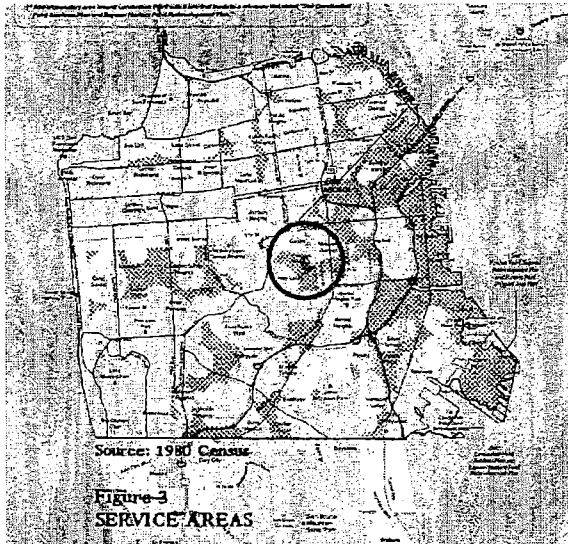
The submittal is for a General Plan Referral to recommend whether the Project is in conformity with the General Plan, pursuant to Section 4.105 of the Charter, and Section 2A.52 and 2A.53 of the Administrative Code.



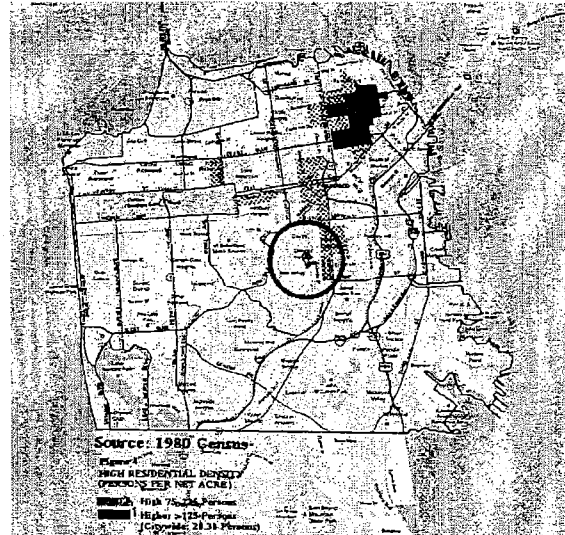
# SAN FRANCISCO PLANNING DEPARTMENT

## Policy 4.4 Graphics

Figure 3 Needs Overlay



Residential Density Overlay



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

ception:  
15.558.6378

x:  
15.558.6409

anning  
formation:  
15.558.6377

Policy 4.7 discusses the importance of providing open spaces adjacent to or within commercial districts. The location of the property along the 24<sup>th</sup> Street Commercial Corridor is thus in accordance with this policy.

## RECREATION AND OPEN SPACE ELEMENT (Update 2009, Pending final approval)

Numerous policies in the 2009 update to the Recreation and Open Space element are aligned with the proposed park at 3861 24<sup>th</sup> Street. These range from policies that relate to the proposed design and program of the space as well as its impact and context within larger urban systems like the park system and transportation systems.

**Objective 1** (Policies 1.1, 1.2, 1.5, 1.9, 1.11) all support the project. The design encourages dynamic activation and flexible programming of the space (policy 1.1), by incorporating artwork and other recreational facilities that provide community benefits (Policies 1.5, 1.11). Like the legacy version it will replace, the 2009 Draft Recreation and Open Space Element also identifies Noe Valley as a high needs area prioritized for future open space development (Policy 1.2—see graphic below).

### URBAN DESIGN ELEMENT

The Urban Design Element makes numerous references to both the salubrious and community-building effects that well designed open spaces have on neighborhoods. It also makes numerous references to the deleterious effects that parking has on neighborhoods.

For example the introduction of the urban design element includes a discussion on the value of open space to neighborhoods.

...Another element of good neighborhoods is the presence of open space and recreation opportunities. The most satisfying recreation space is close by and visible, with a feeling of nature and a variety of facilities for all age groups. Such recreation space may be found on private properties, in neighborhood parks, along the sidewalks and in undeveloped street areas...

...Freedom from the clutter of open parking lots, large signs and overhead wires can also make the difference between an agreeable living environment and one that is disquieting or even blighted.

**Objective 4** of the Urban Design Element discusses the value the physical environment plays in public safety, comfort, civic pride and so on. **Objective 4** lists 31 "Fundamental Principals for Neighborhood Environment" (Sic.). Of these, **Principals 3, 4, and 9** are relevant to this project. **Principals 3 and 4** discuss benefits that generous landscaping brings to the public realm, and the ability for open spaces to contribute to neighborhood identity. **Principal 9** discusses negative effects that surface parking lots such as the one the Department of Recreation and Parks intends to replace with park have on neighborhood character.

Several policies under **Objective 4** relate to the project.

**Policy 4.8**, calls on the City to provide "convenient access to a variety of recreation opportunities" such as parks.

**Policy 4.14** which seeks to remove visual clutter from the physical environment continues the discussion on the negative effects that surface parking lots have on the public realm.

No other element in the street environment is more disrupting than exposed parking. Parking lots and open parking decks break

**GENERAL PLAN REFERRAL  
ACQUISITION OF 3861 24<sup>TH</sup> ST FOR NEW COMMUNITY OPEN SPACE  
THE DEPARTMENT OF RECREATION AND PARKS**

**CASE NO.  
2013.0082R**

The transportation element is very supportive of reducing parking supply in residential areas.

<b>RECOMMENDATION:</b>	<b>Finding the Project, on balance, in-conformity with the General Plan</b>
------------------------	---

cc: Holly Pearson, Recreation and Parks

AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE

by and between

Noe Valley Ministry PCUSA, a California Corporation,  
as Seller

and

CITY AND COUNTY OF SAN FRANCISCO,  
as Buyer

For the purchase and sale of

Lot 040, Block 6509 (aka 3861 24<sup>th</sup> Street)  
San Francisco, California

May \_\_\_\_, 2013



## TABLE OF CONTENTS

	<u>Page</u>
1. PURCHASE AND SALE .....	1
1.1 Property Included in Sale .....	1
2. PURCHASE PRICE .....	1
2.1 Purchase Price .....	1
2.2 Payment .....	1
2.3 Funds .....	2
3. TITLE TO THE PROPERTY .....	2
3.1 Conveyance of Title to the Property .....	2
3.2 Title Insurance .....	2
4. BUYER'S DUE DILIGENCE INVESTIGATIONS .....	2
4.1 Due Diligence .....	2
4.2 Entry .....	3
5. CONDITIONS PRECEDENT .....	3
5.1 City's Conditions to Closing .....	3
5.2 Cooperation with City .....	5
6. ESCROW AND CLOSING .....	5
6.1 Opening of Escrow .....	5
6.2 Closing Date .....	5
6.3 Seller's Delivery of Documents .....	6
6.4 City's Delivery of Documents and Funds .....	6
6.5 Other Documents .....	6
7. EXPENSES AND TAXES .....	7
7.1 Apportionments .....	7
7.2 Closing Costs .....	7
7.3 Real Estate Taxes and Special Assessments .....	7
7.4 Post-Closing Reconciliation .....	7
7.5 Survival .....	8
8. REPRESENTATIONS AND WARRANTIES .....	8
8.1 Representations and Warranties of Seller .....	8
8.2 Indemnity .....	10
9. RISK OF LOSS AND POSSESSION .....	11
9.1 Risk of Loss .....	11
9.2 Insurance .....	11
9.3 Possession .....	11
10. MAINTENANCE; CONSENT TO NEW CONTRACTS .....	11
10.1 Maintenance of the Property by Seller .....	11
10.2 City's Consent to New Contracts Affecting the Property; Termination of Existing Contracts .....	11
11. GENERAL PROVISIONS .....	12
11.1 Notices .....	12
11.2 Brokers and Finders .....	12

11.3	Successors and Assigns.....	13
11.4	Amendments .....	13
11.5	Continuation and Survival of Representations and Warranties .....	13
11.6	Governing Law .....	13
11.7	Merger of Prior Agreements .....	13
11.8	Parties and Their Agents; Approvals .....	13
11.9	Interpretation of Agreement.....	14
11.10	Attorneys' Fees.....	14
11.11	Sunshine Ordinance .....	14
11.12	Conflicts of Interest.....	14
11.13	Notification of Limitations on Contributions .....	15
11.14	Non-Liability of City Officials, Employees and Agents .....	15
11.15	Earned Income Credit (EIC) Forms .....	15
11.16	Counterparts .....	16
11.17	Effective Date .....	16
11.18	Severability .....	16
11.19	Agreement Not to Market Prior to Effective Date.....	16
11.20	Acceptance of Agreement by Seller .....	16
11.21	Cooperative Drafting. ....	16

## LIST OF EXHIBITS

EXHIBIT A	– Real Property Description
EXHIBIT B	– Grant Deed
EXHIBIT C	– Certificate of Transferor Other Than An Individual (FIRPTA Affidavit)
EXHIBIT D	– Designation Agreement
SCHEDULE 1	– Environmental Reports

**AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE**  
(Lot 040, Block 6509, San Francisco)

THIS AGREEMENT OF PURCHASE AND SALE FOR REAL ESTATE (this "Agreement") dated for reference purposes only as of May \_\_, 2013 is by and between Noe Valley Ministry PCUSA, a California corporation ("Seller"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("Buyer" or "City").

IN CONSIDERATION of the respective agreements contained hereinbelow, Seller and City agree as follows:

**1. PURCHASE AND SALE**

**1.1 Property Included in Sale**

Seller agrees to sell and convey to City, and City agrees to purchase from Seller, subject to the terms, covenants and conditions hereinafter set forth, the following:

(a) the real property consisting of approximately 10,829 square feet of land (per appraisal), located in the City and County of San Francisco, commonly known as 3861 Twenty-fourth Street, Lot 040, Block 6509 and more particularly described in Exhibit A attached hereto (the "Land");

(b) the improvements, which consist solely of an asphalt parking lot and one parking attendant shed located on the Land (collectively, the "Improvements");

(c) any and all rights, privileges, and easements incidental or appurtenant to the Land or Improvements, including, without limitation, any and all minerals, oil, gas and other hydrocarbon substances on and under the Land, as well as any and all development rights, air rights, water, water rights, riparian rights and water stock relating to the Land, and any and all easements, rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Land or Improvements, and any and all of Seller's right, title and interest in and to all roads and alleys adjoining or servicing the Land or Improvements (collectively, the "Appurtenances");

All of the items referred to in Subsections (a), (b), and (c) above are collectively referred to as the "Property."

**2. PURCHASE PRICE**

**2.1 Purchase Price**

The total purchase price for the Property is Four Million Two Hundred Forty-Two Thousand Five Hundred Ten and no/100 Dollars (\$4,242,510.00) (the "Purchase Price"), Seller and City agree, however, to a price reduction to the Purchase Price in the form of a credit in the amount of Three Hundred Forty-Two Thousand Five Hundred Ten and no/100 Dollars (\$342,510.00) (the "Remediation Credit") to be retained by the City to perform anticipated remediation of the Property and City's agreement to purchase the Property in its "AS-IS" condition as set forth in this Agreement.

**2.2 Payment**

On the Closing Date (as defined in Section 6.2 [Closing Date]), City shall pay the Purchase Price, adjusted pursuant to the provisions of Article 7 [Expenses and Taxes], and

reduced by any credits due City hereunder, including, without limitation, the Remediation Credit described in Section 2.1 above.

Seller acknowledges and agrees that if Seller fails at Closing to deliver to City the documents required under Subsections 6.3(b) and (c) [Seller's Delivery of Documents], City may be required to withhold a portion of the Purchase Price pursuant to Section 1445 of the United States Internal Revenue Code of 1986, as amended (the "Federal Tax Code"), or Section 18662 of the California Revenue and Taxation Code (the "State Tax Code"). Any amount properly so withheld by City shall be deemed to have been paid by City as part of the Purchase Price, and Seller's obligation to consummate the transaction contemplated herein shall not be excused or otherwise affected thereby.

## **2.3 Funds**

All payments made by any party hereto shall be in legal tender of the United States of America, paid by Controller's warrant or in cash or by wire transfer of immediately available funds to Title Company (as defined below), as escrow agent.

## **3. TITLE TO THE PROPERTY**

### **3.1 Conveyance of Title to the Property**

At the Closing Seller shall convey to City, or its nominee, insurable fee simple title to the Land, the Improvements and the Appurtenances, by duly executed and acknowledged grant deed in the form attached hereto as Exhibit B (the "Deed"), subject to the Accepted Conditions of Title (as defined in Section 5.1(a) [Title Insurance]).

### **3.2 Title Insurance**

It shall be a condition precedent to City's obligation to close the purchase of the Property that Chicago Title Company (the "Title Company") shall be irrevocably committed to issue to City a CLTA owner's policy of title insurance (the "Title Policy") in the amount of the Purchase Price, insuring fee simple title to the Land, the Appurtenances and the Improvements in City free of the liens of any and all deeds of trust, mortgages, assignments of rents, financing statements, creditors' claims, rights of tenants or other occupants, and all other exceptions, liens and encumbrances except solely for the Accepted Conditions of Title pursuant to Subsection 5.1(a) below. The Title Policy shall provide full coverage against mechanics' and materialmen's liens arising out of the construction, repair or alteration of any of the Property, and shall contain an affirmative endorsement that there are no violations of restrictive covenants, if any, affecting the Property and such special endorsements as City may reasonably request.

## **4. BUYER'S DUE DILIGENCE INVESTIGATIONS**

### **4.1 Due Diligence**

City has been given a full opportunity to investigate the Property, either independently or through agents of City's own choosing, including, without limitation, the opportunity to conduct such appraisals, inspections, tests, audits, verifications, inventories, investigations and other due diligence regarding the economic, physical, environmental, title and legal conditions of the Property as City deems fit, as well as the suitability of the Property for City's intended uses.

## 4.2 Entry

At all times prior to the Closing Date Seller shall afford City and its Agents reasonable access to the Property for the purposes of satisfying City with respect to the representations, warranties and covenants of Seller contained herein. City hereby agrees to indemnify and hold Seller harmless from any damage or injury to persons or property caused by the negligence or willful misconduct of City or its Agents during any such entries onto the Property prior to the Closing, except to the extent such damage or injury is caused by the acts or omissions of Seller or any of its Agents. In the event this Agreement is terminated for any reason other than Seller's default hereunder, City shall restore the Property to substantially the condition it was found subject to applicable laws. This indemnity shall survive the termination of this Agreement or the Closing, as applicable, provided that Seller must give notice of any claim it may have against City under such indemnity within three (3) months of such termination or the Closing Date, as applicable, if the claim involves damage to Seller's Property or any other claim not brought by a third party against the Seller.

## 5. CONDITIONS PRECEDENT

### 5.1 City's Conditions to Closing

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

(a) City shall have reviewed and approved title to the Property, as follows:

(i) Within five (5) days after the date City and Seller execute this Agreement, Title Company shall deliver to City a current extended coverage preliminary report on the Real Property, issued by Title Company, accompanied by copies of all documents referred to in the report (collectively, the "Preliminary Report"); and

(ii) Within the period referred to in clause (i) above, Seller shall deliver to Buyer copies of any existing or proposed easements, covenants, restrictions, agreements or other documents that affect the Property, and are not disclosed by the Preliminary Report, or, if Seller knows of no such documents, a written certification of Seller to that effect.

City shall advise Seller, no later than twenty-five (25) days prior to the Closing Date, what exceptions to title, if any, City is willing to accept (the "Accepted Conditions of Title"). City's failure to so advise Seller within such period shall be deemed approval of title. Seller shall have ten (10) days after receipt of City's notice of any objections to title to give City: (A) evidence satisfactory to City of the removal of all objectionable exceptions from title or that such exceptions will be removed or cured on or before the Closing; or (B) notice that Seller elects not to cause such exceptions to be removed. If Seller gives notice under clause (B), City shall have ten (10) business days to elect to proceed with the purchase or terminate this Agreement. If City shall fail to give Seller notice of its election within such ten (10) days, City shall be deemed to have elected to terminate this Agreement. If Seller gives notice pursuant to clause (A) and fails to remove any such objectionable exceptions from title prior to the Closing Date, and City is unwilling to take title subject thereto, Seller shall be in default hereunder and City shall have the rights and remedies provided in the last paragraph of this Section 5.1.

(b) City's review and approval of the physical and environmental conditions of the Property. Such review may include an examination for the presence or absence of any Hazardous Material (as defined in Subsection 8.1(l))

(c) City's review and approval of the compliance of the Property with all applicable laws, regulations, permits and approvals.

(d) City's review and approval of (i) the following documents, all to the extent such documents exist and are either in the possession or control of Seller or may be obtained by Seller through the exercise of commercially reasonable efforts: site plans; utility contracts; maintenance contracts; employment contracts, management contracts; brokerage and leasing commission agreements which may continue after Closing; certificates of occupancy; insurance policies, and reports of insurance carriers insuring the Property and each portion thereof respecting the claims history of the Property; environmental reports, studies, surveys, tests and assessments; soils and geotechnical reports; and any other contracts or documents of significance to the Property (collectively, the "Documents"); and (ii) such other information relating to the Property that is specifically requested by City of Seller in writing no later than thirty (30) days prior to the Closing Date (collectively, the "Other Information").

(e) Seller shall not be in default in the performance of any covenant or agreement to be performed by Seller under this Agreement, and all of Seller's representations and warranties contained in or made pursuant to this Agreement shall have been true and correct when made and shall be true and correct as of the Closing Date. At the Closing Seller shall deliver to City a certificate certifying that each of Seller's representations and warranties contained in Section 8.1 [Representations and Warranties of Seller] below are true and correct as of the Closing Date.

(f) The physical condition of the Property shall be substantially the same on the Closing Date as on the date of City's execution of this Agreement, reasonable wear and tear and loss by casualty excepted (subject to the provisions of Section 9.1 [Risk of Loss]), and, as of the Closing Date, there shall be no litigation or administrative agency or other governmental proceeding, pending or threatened, which after the Closing would materially adversely affect the value of the Property or the ability of City to operate the Property for its intended use, and no proceedings shall be pending or threatened which could or would cause the change, redesignation or other modification of the zoning classification of, or of any building or environmental code requirements applicable to, any of the Property.

(g) Title Company shall be committed at the Closing to issue to City, or its nominee, (i) the Title Policy as provided in Section 3.2 [Title Insurance].

(h) After completion of all required environmental review, including, without limitation, under the California Environmental Quality Act ("CEQA"), the City's Mayor and the Board of Supervisors, in the respective sole discretion of each, shall have enacted a resolution approving, adopting and authorizing this Agreement and the transactions on or before June 15, 2013.

(i) Seller shall have delivered the items described in Section 6.3 below [Seller's Delivery of Documents] on or before the Closing.

The Conditions Precedent contained in the foregoing Subsections (a) through (i) are solely for the benefit of City. If any Condition Precedent is not satisfied, City shall have the right in its sole discretion either to waive in writing the Condition Precedent in question and proceed with the purchase or, in the alternative, terminate this Agreement, provided that the Conditions Precedent described in item h above may not be waived. The waiver of any Condition Precedent shall not relieve Seller of any liability or obligation with respect to any representation, warranty, covenant or agreement of Seller. If City shall not have approved or waived in writing all of the Conditions Precedent in items (a) through (i) by a date five (5) days prior to the Closing Date, then this Agreement shall automatically terminate. In addition, the

Closing Date may be extended by mutual agreement of City and Seller, for a reasonable period of time specified by City, to allow such Conditions Precedent to be satisfied, subject to City's further right to terminate this Agreement upon the expiration of the period of any such extension if all such Conditions Precedent have not been satisfied.

In the event the sale of the Property is not consummated because of a default under this Agreement on the part of Seller or if a Condition Precedent cannot be fulfilled because Seller frustrated such fulfillment by some affirmative act or negligent omission, and Seller has failed to cure such default within ten (10) business days after Seller's receipt of City's notice of Seller's default (said cure period of ten (10) business days shall not extend beyond June 28, 2013), City may, at its sole election, elect to do one of the following: (1) waive the default or the applicable Condition(s) Precedent and proceed to Closing, (2) terminate this Agreement by delivery of notice of termination to Seller, whereupon Seller shall pay to City any title, escrow, legal and inspection fees incurred by City and any other expenses incurred by City in connection with the performance of its due diligence review of the Property, not to exceed Twenty-Five Thousand and no/100 Dollars (\$25,000.00), and neither party shall have any further rights or obligations hereunder except to the extent otherwise specified in this Agreement, or (3) continue this Agreement and bring an action for specific performance hereof.

## **5.2 Cooperation with City**

Seller shall cooperate with City and do all acts as may be reasonably requested by City with regard to the fulfillment of any Conditions Precedent including, without limitation, execution of any documents, applications or permits, but Seller's representations and warranties to City shall not be affected or released by City's waiver or fulfillment of any Condition Precedent. Seller hereby irrevocably authorizes City and its Agents to make all inquiries with and applications to any person or entity, including, without limitation, any regulatory authority with jurisdiction as City may reasonably require to complete its due diligence investigations.

## **6. ESCROW AND CLOSING**

### **6.1 Opening of Escrow**

On or before the Effective Date (as defined in Section 11.17 [Effective Date]), the parties shall open escrow by depositing an executed counterpart of this Agreement with Title Company, and this Agreement shall serve as instructions to Title Company as the escrow holder for consummation of the purchase and sale contemplated hereby. Seller and City agree to execute such additional or supplementary instructions as may be appropriate to enable the escrow holder to comply with the terms of this Agreement and close the transaction; provided, however, that in the event of any conflict between the provisions of this Agreement and any additional supplementary instructions, the terms of this Agreement shall control.

### **6.2 Closing Date**

The consummation of the purchase and sale contemplated hereby (the "Closing") 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 Title Company located at 455 Market Street, Suite 2100, San Francisco, California 94105, on June 28, 2013, or on such earlier date as City and Seller may mutually agree (the "Closing Date"), subject to the provisions of Article 5 [Conditions Precedent]. The Closing Date may not be extended without the prior written approval of both Seller and City. In the event the Closing does not occur on or before the Closing Date, Title Company shall, unless it is notified by both parties to the contrary within five (5) days after the Closing Date, return to the depositor thereof items which may have been deposited hereunder. Any such return shall

not, however, limit the provisions hereof or otherwise relieve either party hereto of any liability it may have for its wrongful failure to close.

### **6.3 Seller's Delivery of Documents**

At or before the Closing, Seller shall deliver to City through escrow, the following:

- (a) a duly executed and acknowledged Deed;
- (b) a properly executed affidavit pursuant to Section 1445(b)(2) of the Federal Tax Code in the form attached hereto as Exhibit C, and on which City is entitled to rely, that Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Federal Tax Code;
- (c) a properly executed California Franchise Tax Board Form 590 certifying that Seller is a California resident if Seller is an individual or Seller has a permanent place of business in California or is qualified to do business in California if Seller is a corporation or other evidence satisfactory to City that Seller is exempt from the withholding requirements of Section 18662 of the State Tax Code;
- (d) such resolutions, authorizations, or other partnership documents or agreements relating to Seller and its partners as City or the Title Company may reasonably require to demonstrate the authority of Seller to enter into this Agreement and consummate the transactions contemplated hereby, and such proof of the power and authority of the individuals executing any documents or other instruments on behalf of Seller to act for and bind Seller;
- (e) Seller's closing statement in form and content satisfactory to Seller; and
- (f) the duly executed certificate regarding the continued accuracy of Seller's representations and warranties as required by Subsection 5.1(e) hereof.

### **6.4 City's Delivery of Documents and Funds**

At or before the Closing, City shall deliver to Seller through escrow the following:

- (a) an acceptance of the Deed executed by City's Director of Property;
- (b) Buyer's closing statement in form and content satisfactory to City; and
- (c) the Purchase Price, as provided in Article 2 hereof.

### **6.5 City's Default.**

In the event the sale of the Property is not consummated because of a default under this Agreement on the part of City, and City has failed to cure such default within ten (10) business days after City's receipt of Seller's notice of City's default (said cure period of ten (10) business days shall not extend beyond June 28, 2013), Seller may, at its sole election, elect to terminate this Agreement by delivery of notice of termination to City and neither party shall have any further rights or obligations hereunder except to the extent otherwise specified in this Agreement.

### **6.6 Other Documents**

Seller and City shall each deposit such other instruments as are reasonably required by Title Company as escrow holder or otherwise required to close the escrow and consummate the



purchase of the Property in accordance with the terms hereof, including, without limitation, an agreement (the "Designation Agreement") designating Title Company as the "Reporting Person" for the transaction pursuant to Section 6045(e) of the Federal Tax Code and the regulations promulgated thereunder, and executed by Seller, City and Title Company. The Designation Agreement shall be substantially in the form attached hereto as Exhibit D and, in any event, shall comply with the requirements of Section 6045(e) of the Federal Tax Code and the regulations promulgated thereunder.

## **7. EXPENSES AND TAXES**

### **7.1 Apportionments**

The following are to be apportioned through escrow as of the Closing Date:

#### **(a) Utility Charges**

Seller shall contact all utility service providers for the Property as to the Closing Date and transfer of the Property, and will be responsible for the cost of all utilities used prior to the Closing Date. All utility deposits paid by Seller shall remain the property of Seller and City shall reasonably cooperate to cause such deposits to be returned to Seller to the extent Seller is entitled thereto.

#### **(b) Other Apportionments**

Amounts payable under any contracts assumed pursuant hereto, annual or periodic permit or inspection fees (calculated on the basis of the period covered), and liability for other normal Property operation and maintenance expenses and other recurring costs shall be apportioned as of the Closing Date.

### **7.2 Closing Costs**

City shall pay the premium for the Title Policy and the cost of the endorsements thereto, and escrow and recording fees. Seller shall pay the cost of any transfer taxes applicable to the sale. Seller shall be responsible for all costs incurred in connection with the prepayment or satisfaction of any loan, bond or other indebtedness secured by the Property including, without limitation, any prepayment fees, penalties or charges. Any other costs and charges of the escrow for the sale not otherwise provided for in this Section or elsewhere in this Agreement shall be allocated in accordance with the closing customs for San Francisco County, as determined by Title Company.

### **7.3 Real Estate Taxes and Special Assessments**

General real estate taxes payable for the tax year prior to year of Closing and all prior years shall be paid by Seller at or before the Closing. General real estate taxes and special assessments, inclusive of interest, payable for the tax year of the Closing shall be prorated through escrow by Seller and City as of the Closing Date.

### **7.4 Post-Closing Reconciliation**

If any of the foregoing proration cannot be calculated accurately on the Closing Date, then they shall be calculated as soon after the Closing Date as feasible. Either party owing the other party a sum of money based on such subsequent proration shall promptly pay such sum to the other party.

## **7.5 Survival**

The provisions of this Section shall survive the Closing.

## **8. REPRESENTATIONS AND WARRANTIES**

### **8.1 Representations and Warranties of Seller**

Seller represents and warrants to and covenants with City as follows:

(a) To the best of Seller's knowledge, there are now, and at the time of the Closing will be, no material physical or mechanical defects of the Property, and no violations of any laws, rules or regulations applicable to the Property, including, without limitation, any earthquake, life safety and handicap laws (including, but not limited to, the Americans with Disabilities Act).

(b) The Documents and Other Information furnished to City are the same and are complete copies of all such materials in the possession or control of Seller.

(c) No document furnished or to be furnished by the Seller to the 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.

(d) Seller does not have knowledge of any condemnation, either instituted or planned to be instituted by any governmental or quasi-governmental agency other than City, which could detrimentally affect the use, operation or value of the Property.

(e) To Seller's knowledge, the Property is serviced by water, sewer, gas, electric, telephone, and drainage facilities.

(f) To Seller's knowledge, there are no easements or rights of way which have been acquired by prescription or which are otherwise not of record with respect to the Property, and there are no easements, rights of way, permits, licenses or other forms of agreement which afford third parties the right to traverse any portion of the Property to gain access to other real property. There are no disputes with regard to the location of any fence or other monument of the Property's boundary nor any claims or actions involving the location of any fence or boundary.

(g) There is no litigation pending or, after due and diligent inquiry, to the best of Seller's knowledge, threatened, against Seller or any basis therefor that arises out of the ownership of the Property or that might detrimentally affect the use or operation of the Property for its intended purpose or the value of the Property or the ability of Seller to perform its obligations under this Agreement.

(h) Seller is the legal and equitable owner of the Property, with full right to convey the same, and without limiting the generality of the foregoing, Seller has not granted any option or right of first refusal or first opportunity to any third party to acquire any interest in any of the Property.

(i) Seller is a corporation duly organized and validly existing under the laws of the State of California and is in good standing under the laws of the State of California; this Agreement and all documents executed by Seller which are to be delivered to City at the Closing are, or at the Closing will be, duly authorized, executed and delivered by Seller, are, or at the

Closing will be, legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, are, and at the Closing will be, sufficient to convey good title (if they purport to do so), and do not, and at the Closing will not, violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

(j) Seller 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 Seller has been so suspended, disbarred, disciplined or prohibited from contracting with any governmental agency, it shall immediately notify the 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.

(k) Seller hereby represents and warrants to and covenants with City that the following statements are true and correct and will be true and correct as of the Closing Date: (i) to the best of Seller's knowledge, the Property is not in violation of any Environmental Laws; (ii) the Property is not now used in any manner for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Material; (iii) to Seller's knowledge, there has been no release and there is no threatened release of any Hazardous Material in, on, under or about the Property; (iv) to Seller's knowledge, and except as outlined in Environmental Reports obtained by City and referenced in Schedule 1, there are not now any underground storage tanks, septic tanks or wells or any aboveground storage tanks used to store Hazardous Material located in, on or under the Property, or if there have been or are any such tanks or wells located on the Property, their location, type, age and content has been specifically identified in Environmental Reports obtained by City and referenced in Schedule 1, they have been properly registered with all appropriate authorities, they are in full compliance with all applicable statutes, ordinances and regulations; (v) to Seller's knowledge, the Property does not consist of any landfill or of any building materials that contain Hazardous Material; and (vi) to Seller's knowledge, the Property is not subject to any claim by any governmental regulatory agency or third party related to the release or threatened release of any Hazardous Material, and there is no inquiry by any governmental agency (including, without limitation, the California Department of Toxic Substances Control or the Regional Water Quality Control Board) with respect to the presence of Hazardous Material in, on, under or about the Property, or the migration of Hazardous Material from or to other property except as outlined in Environmental Reports obtained by City and referenced in Schedule 1. As used herein, the following terms shall have the meanings below:

(i) "Environmental Laws" shall mean any existing federal, state or local laws, ordinances, regulations or policies relating to Hazardous Material (including, without limitation, their use, handling, transportation, production, disposal, discharge or storage) or to health and safety, industrial hygiene or environmental conditions in, on, under or about the Property, including, without limitation, soil, air and groundwater conditions.

(ii) "Hazardous Material" shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is 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. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Section 9601 et seq.) or pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of the Improvements or are naturally occurring substances on or about the Property; petroleum, including crude oil or

any fraction thereof, natural gas or natural gas liquids; and "source," "special nuclear" and "by-product" material as defined in the Atomic Energy Act of 1985, 42 U.S.C. Section 3011 et seq.

(iii) "Release" or "threatened release" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside any of the improvements, or in, on, under or about the Property. Release shall include, without limitation, "release" as defined in Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601).

(l) At the time of Closing there will be no leases or other occupancy agreements affecting any of the Property. At the time of Closing there will be no outstanding written or oral contracts made by Seller for any of the Improvements that have not been fully paid for and Seller shall cause to be discharged all mechanics' or materialmen's liens arising from any labor or materials furnished to the Property prior to the time of Closing. To Seller's knowledge, there are no obligations in connection with the Property which will be binding upon City after Closing except for matters which are set forth in the Preliminary Report.

(m) Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Federal Tax Code.

All representations and warranties made by Seller in this Agreement shall survive the execution and delivery of this Agreement and the Closing for a period of twenty-four (24) months.

## **8.2 Indemnity and Seller's Knowledge**

Seller, on behalf of itself and its successors and assigns, hereby agrees to indemnify, defend and hold harmless City, its Agents and their respective successors and assigns, from and against any and all liabilities, claims, demands, damages, liens, costs, penalties, losses and expenses, including, without limitation, reasonable attorneys' and consultants' fees, resulting from any misrepresentation or breach of warranty or breach of covenant made by Seller in this Agreement or in any document, certificate, or exhibit given or delivered to City pursuant to or in connection with this Agreement. Seller further agrees to indemnify, defend and hold harmless City, its Agents and their respective successors and assigns, from and against any all liabilities, claims, demands, damages, liens, costs, penalties, losses and expenses, including, without limitation, reasonable attorneys' and consultants' fees, resulting from any relocation claim from any person or occupant of the Property. The foregoing indemnities include, without limitation, costs incurred in connection with the investigation of site conditions and all activities required to locate, assess, evaluate, remediate, cleanup, remove, contain, treat, stabilize, monitor or otherwise control any Hazardous Material. The indemnification provisions of this Section shall survive beyond the Closing, or, if title is not transferred pursuant to this Agreement, beyond any termination of this Agreement.

For purposes of this Agreement and any document delivered at Closing, whenever the phrase "to the best of Seller's knowledge" or the "knowledge" of Seller or words of similar import are used, they shall be deemed to mean and are limited to the current actual knowledge only of the current members of the Session (the Board of Directors) of Seller (whose names are Cindy Cake, Diana Cheifitz, Dawn Holliday, Bill Jackson, Chris Keene and Kathy Williams), at the times indicated only, and not any implied, imputed or constructive knowledge of such individual or of Seller, and without any independent investigation or inquiry having been made or any implied duty to investigate, make any inquiries or review any studies, reports or other documents. Furthermore, it is understood and agreed that any such individuals shall have no personal liability in any manner whatsoever hereunder or otherwise related to the transactions contemplated hereby.

### **8.3 AS-IS**

Except as expressly set forth in Section 8.1 [Representations and Warranties of Seller] above, and in consideration of the credit to the Purchase Price as described in Section 2.1 above, City specifically acknowledges and agrees that Seller is selling and City is purchasing the Property on an "AS IS WITH ALL FAULTS" basis and that City is not relying on any representations or warranties of any kind whatsoever, express or implied, from Seller as to any matter concerning the Property, including, without limitation: (i) the quality, nature, adequacy and physical condition and aspects of the Property, including, but not limited to, the structural elements, seismic aspects of the Property, foundation, appurtenances, access, landscaping, parking facilities and the electrical, mechanical, plumbing, sewage, and utility systems, facilities and appliances, or the square footage of the Property, (ii) the quality, nature, adequacy, and physical condition of soils, geology and any groundwater, (iii) the existence, quality, nature, adequacy and physical condition of utilities serving the Property, (iv) the development potential of the Property, and the Property's use, habitability, merchantability, or fitness, suitability, value or adequacy of the Property for any particular purpose, (v) the zoning or other legal status of the Property or any other public or private restrictions on use of the Property, (vi) the compliance of the Property or its operation with any applicable codes, laws, regulations, statutes, ordinances, covenants, conditions and restrictions of any governmental or quasi-governmental entity or of any other person or entity, (vii) the condition of title to the Property, or (ix) the value or economics of the operation or income potential of the Property.

## **9. RISK OF LOSS AND POSSESSION**

### **9.1 Risk of Loss**

If any of the Property is damaged or destroyed prior to the Closing Date, this Agreement shall remain unaffected.

### **9.2 Insurance**

Through the Closing Date, Seller shall continue to maintain or cause to be maintained, at Seller's sole cost and expense, its existing policy or policies of property insurance. Seller shall furnish City with evidence of such insurance upon request by City.

### **9.3 Possession**

Possession of the Property shall be delivered to City on the Closing Date.

## **10. MAINTENANCE; CONSENT TO NEW CONTRACTS**

### **10.1 Maintenance of the Property by Seller**

Between the date of Seller's execution of this Agreement and the Closing, Seller shall maintain the Property in good order, condition and repair, reasonable wear and tear excepted, and shall make all repairs, maintenance and replacements of the Improvements and otherwise operate the Property in the same manner as before the making of this Agreement, as if Seller were retaining the Property.

### **10.2 City's Consent to New Contracts Affecting the Property; Termination of Existing Contracts**

After the Effective Date, Seller shall not enter into any lease, occupancy agreement or contract, or any amendment thereof, or permit any tenant of the Property to enter into any

sublease, assignment or agreement pertaining to the Property, without in each instance obtaining City's prior written consent. City and Seller agree that City may withhold or delay any such consent. Seller shall terminate prior to the Closing, at no cost or expense to City, any and all management and/or operating agreements affecting the Property that City does not agree in writing prior to the Closing to assume.

## **11. GENERAL PROVISIONS**

### **11.1 Notices**

Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon (i) hand delivery, upon receipt, (ii) one (1) day after being deposited with a reliable overnight courier service, or (iii) two (2) days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

City:

Real Estate Division  
City and County of San Francisco  
25 Van Ness Avenue, Suite 400  
San Francisco, California 94102  
Attn: Director of Property  
Re: Noe Valley Town Square  
Facsimile No.: (415) 552-9216

with copy to:

Office of the City Attorney  
City Hall, Room 234  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4682  
Attn: Real Estate/Finance Team  
Re: Noe Valley Town Square

Seller:

Noe Valley Ministry PCUSA  
3749 22nd Street  
San Francisco, California 94114  
Attn: William R. Jackson

With a copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Facsimile No.: ( )

or to such other address as either party may from time to time specify in writing to the other upon five (5) days prior written notice in the manner provided above. For convenience of the parties, copies of notices may also be given by telefacsimile, to the telephone number listed above, or such other numbers as may be provided from time to time. However, neither party may give official or binding notice by facsimile. The effective time of a notice shall not be affected by the receipt, prior to receipt of the original, of a telefacsimile copy of the notice.

### **11.2 Brokers and Finders**

Neither party has had any contact or dealings regarding the Property, or any communication in connection with the subject matter of this transaction, through any licensed

real estate broker or other person who could claim a right to a commission or finder's fee in connection with the purchase and sale contemplated herein. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes his or her claim shall be responsible for such commission or fee and shall indemnify and hold harmless the other party from all claims, costs, and expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by the indemnified party in defending against the same. The provisions of this Section shall survive the Closing.

### **11.3 Successors and Assigns**

This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns.

### **11.4 Amendments**

Except as otherwise provided herein, this Agreement may be amended or modified only by a written instrument executed by City and Seller.

### **11.5 Continuation and Survival of Representations and Warranties**

All representations and warranties by the respective parties contained herein or made in writing pursuant to this Agreement are intended to be, and shall remain, true and correct as of the Closing, shall be deemed to be material, and, together with all conditions, covenants and indemnities made by the respective parties contained herein or made in writing pursuant to this Agreement (except as otherwise expressly limited or expanded by the terms of this Agreement), shall survive the execution and delivery of this Agreement and the Closing, or, to the extent the context requires, beyond any termination of this Agreement. All statements contained in any certificate or other instrument delivered at any time by or on behalf of Seller in conjunction with the transaction contemplated hereby shall constitute representations and warranties hereunder.

### **11.6 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

### **11.7 Merger of Prior Agreements**

The parties intend that this Agreement (including all of the attached exhibits and schedules, which are incorporated into this Agreement by reference) shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous oral or written agreements. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including, without limitation, prior drafts or changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Agreement.

### **11.8 Parties and Their Agents; Approvals**

The term "Seller" as used herein shall include the plural as well as the singular. If there is more than one (1) Seller, then the obligations under this Agreement imposed on Seller 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. All approvals, consents or other determinations permitted or required by City hereunder shall be

made by or through City's Director of Property unless otherwise provided herein, subject to applicable law.

### **11.9 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.

### **11.10 Attorneys' Fees**

In the event that either party hereto fails to perform any of its obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the defaulting party or the non-prevailing party in such dispute, as the case may be, shall pay the prevailing party reasonable attorneys' and experts' fees and costs, and all court costs and other costs of action incurred by the prevailing party in connection with the prosecution or defense of such action and enforcing or establishing its rights hereunder (whether or not such action is prosecuted to a judgment). For purposes of this Agreement, reasonable attorneys' fees of the City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney. The term "attorneys' fees" shall also include, without limitation, all such fees incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees were incurred. The term "costs" shall mean the costs and expenses of counsel to the parties, which may include printing, duplicating and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, and others not admitted to the bar but performing services under the supervision of an attorney.

### **11.11 Sunshine Ordinance**

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

### **11.12 Conflicts of Interest**

Through its execution of this Agreement, Seller acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provision, and agrees that if Seller becomes



aware of any such fact during the term of this Agreement, Seller shall immediately notify the City.

### **11.13 Notification of Limitations on Contributions**

Through its execution of this Agreement, Seller 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 the City for the selling or leasing of any land or building to or from the City whenever such transaction would require approval by a City elective officer, the board on which that City elective officer serves, or a board on which an appointee of that individual serves, from making any campaign contribution to (a) the City elective officer, (b) a candidate for the office held by such individual, or (c) a committee controlled by such individual or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Seller acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Seller further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Seller's board of directors, and Seller's chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than twenty percent (20%) in Seller; any subcontractor listed in the contract; and any committee that is sponsored or controlled by Seller. Additionally, Seller acknowledges that Seller must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Seller further agrees to provide to City the name of the each person, entity or committee described above.

### **11.14 Non-Liability of Officials, Officers, Members, 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 Seller, its successors and assigns, in the event of any default or breach by City or for any amount which may become due to Seller, its successors and assigns, or for any obligation of City under this Agreement. Notwithstanding anything to the contrary in this Agreement, no elective or appointive board, commission, member, officer, employee or agent of Seller shall be personally liable to City, its successors and assigns, in the event of any default or breach by Seller or for any amount which may become due to City, its successors and assigns, or for any obligation of Seller under this Agreement.

### **11.15 Earned Income Credit (EIC) Forms**

San Francisco Administrative Code Section 12O requires that employers provide their employees with IRS Form W-5 (Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

(a) Seller shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty (30) days following the date on which this Agreement becomes effective (unless Seller has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Seller; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

(b) Failure to comply with any requirement contained in Subsection (a) of this Section shall constitute a material breach by Seller of the terms of this Agreement. If, within thirty (30) days after Seller receives written notice of such a breach, Seller fails to cure such

breach or, if such breach cannot reasonably be cured within such period of thirty (30) days, Seller fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law.

(c) Any Subcontract entered into by Seller shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this Section.

(d) Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

#### **11.16 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.

#### **11.17 Effective Date**

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

#### **11.18 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.

#### **11.19 Agreement Not to Market Prior to Effective Date**

Seller agrees that unless and until this Agreement terminates pursuant to its terms, Seller shall not negotiate with any other parties pertaining to the sale of the Property and shall not market the Property to third parties.

#### **11.20 Acceptance of Agreement by Seller**

This Agreement shall be null and void unless Seller accepts it and returns to City three (3) fully executed counterparts hereof on or before 5:00 p.m. San Francisco Time on May \_\_\_, 2013.

#### **11.21 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, SELLER ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS AGREEMENT UNLESS AND UNTIL APPROPRIATE LEGISLATION 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 LEGISLATION, 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 ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY BY ANY DEPARTMENT, COMMISSION OR AGENCY OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH LEGISLATION WILL BE ENACTED NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON CITY.

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

SELLER:

NOE VALLEY MINISTRY PCUSA,  
a California corporation

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

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

Date: \_\_\_\_\_

CITY:

CITY AND COUNTY OF  
SAN FRANCISCO, a municipal corporation

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

Date: \_\_\_\_\_

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: \_\_\_\_\_  
Anita L. Wood  
Deputy City Attorney

Title Company agrees to act as escrow holder in accordance with the terms of this Agreement and to execute the Designation Agreement (attached hereto as Exhibit D) and act as the Reporting Person (as such term is defined in the Designation Agreement). Title Company's failure to execute below shall not invalidate the Agreement between City and Seller.

TITLE COMPANY:

Chicago Title Company

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

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A**

**REAL PROPERTY DESCRIPTION**

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

**EXHIBIT B**

**GRANT DEED**

RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:

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

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 and S.F. Bus. & Tax Reg. Code § 1105)

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

**GRANT DEED**

(Assessor's Parcel No. Lot 040, Block 6509)

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, NOE VALLEY MINISTRY PCUSA, a California corporation, hereby grants to the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, 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 (the "Property").

TOGETHER WITH any and all rights, privileges and easements incidental or appurtenant to the Property, including, without limitation, any and all minerals, oil, gas and other hydrocarbon substances on and under the Property, as well as any and all development rights, air rights, water, water rights, riparian rights and water stock relating to the Property, and any and all easements, rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Land and all of Grantor's right, title and interest in and to any and all roads and alleys adjoining or servicing the Property.

Executed as of this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

NOE VALLEY MINISTRY PCUSA,  
a California corporation

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

Its: \_\_\_\_\_

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

Its: \_\_\_\_\_



State of California                   )  
County of San Francisco         ) ss

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)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the foregoing Grant Deed to the City and County of San Francisco, a municipal corporation, is hereby accepted pursuant to Board of Supervisors' Resolution No. 18110 Series of 1939, approved August 7, 1957, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: \_\_\_\_\_

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

## EXHIBIT A TO GRANT DEED

### REAL PROPERTY DESCRIPTION

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



**EXHIBIT C**

**CERTIFICATE OF TRANSFEROR  
OTHER THAN AN INDIVIDUAL  
(FIRPTA Affidavit)**

Section 1445 of the Internal Revenue Code provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, the transferee of certain real property located in the City and County of San Francisco, California, that withholding of tax is not required upon the disposition of such U.S. real property interest by NOE VALLEY MINISTRY PCUSA, a California corporation ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor's U.S. employer identification number is \_\_\_\_\_; and
3. Transferor's office address is \_\_\_\_\_

Transferor understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalty of perjury, I declare that I have examined this certificate and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated: \_\_\_\_\_, 2013.

On behalf of:

NOE VALLEY MINISTRY PCUSA,  
a California corporation

By: \_\_\_\_\_  
[NAME]

Its: \_\_\_\_\_

## **EXHIBIT D**

### **DESIGNATION AGREEMENT**

This DESIGNATION AGREEMENT (the "Agreement") dated as of \_\_\_\_\_, 2013, is by and between NOE VALLEY MINISTRY PCUSA, a California corporation ("Seller"), the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City"), and CHICAGO TITLE INSURANCE COMPANY ("Title Company").

A. Pursuant to that certain Purchase Agreement entered into by and between Seller and City, dated \_\_\_\_\_, 2013 (the "Purchase Agreement"), Seller has agreed to sell to City, and City has agreed to purchase from Seller, certain real property located in City and County of San Francisco, California, more particularly described in Exhibit A attached hereto (the "Property"). The purchase and sale of the Property is sometimes hereinbelow referred to below as the "Transaction").

B. Section 6045(e) of the United States Internal Revenue Code of 1986 and the regulations promulgated thereunder (collectively, the "Reporting Requirements") require an information return to be made to the United States Internal Revenue Service, and a statement to be furnished to Seller, in connection with the Transaction.

C. Pursuant to Subsection 2(b)(i) of the Purchase Agreement, an escrow has been opened with Title Company, Escrow No. \_\_\_\_\_, through which the Transaction will be or is being accomplished. Title Company is either (i) the person responsible for closing the Transaction (as described in the Reporting Requirements) or (ii) the disbursing title or escrow company that is most significant in terms of gross proceeds disbursed in connection with the Transaction (as described in the Reporting Requirements).

D. Seller, City and Title Company desire to designate Title Company as the "Reporting Person" (as defined in the "Reporting Requirements") with respect to the Transactions.

ACCORDINGLY, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Seller, City and Title Company agree as follows:

1. Title Company is hereby designated as the Reporting Person for the Transaction. Title Company shall perform all duties that are required by the Reporting Requirements to be performed by the Reporting Person for the Transaction.

2. Seller and City shall furnish to Title Company, in a timely manner, any information requested by Title Company and necessary for Title Company to perform its duties as Reporting Person for the transaction.

3. Title Company hereby requests Seller to furnish to Title Company Seller's correct taxpayer identification number. Seller acknowledges that any failure by Seller to provide Title Company with Seller's correct taxpayer identification number may subject Seller to civil or criminal penalties imposed by law. Accordingly, Seller hereby certifies to Title Company, under penalties of perjury, that Seller's correct taxpayer identification number is \_\_\_\_\_.

4. The names and addresses of the parties hereto are as follows:

SELLER:

NOE VALLEY MINISTRY PCUSA

Attn: \_\_\_\_\_

Facsimile No.: ( ) \_\_\_\_\_

CITY:

Director of Property

25 Van Ness Avenue, Suite 400

San Francisco, CA 94102

Facsimile No.: ( ) \_\_\_\_\_

TITLE COMPANY:

Attn: \_\_\_\_\_

Facsimile No.: ( ) \_\_\_\_\_

5. Each of the parties hereto shall retain this Agreement for a period of four (4) years following the calendar year during which the date of closing of the Transaction occurs.



IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date and year first above written.

SELLER:

NOE VALLEY MINISTRY PCUSA,  
a California corporation

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

Its: \_\_\_\_\_

Date: \_\_\_\_\_

CITY:

CITY AND COUNTY OF  
SAN FRANCISCO, a municipal corporation

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

JOHN UPDIKE  
Director of Property

Date: \_\_\_\_\_

Title Company:

CHICAGO TITLE INSURANCE COMPANY

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

Its: \_\_\_\_\_

Date: \_\_\_\_\_

## SCHEDULE 1

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

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

<b>Contractor Information</b> (Please print clearly.)	
Name of contractor: Noe Valley Ministry PCUSA, a California corporation	
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. Board of Directors: Cindy Cake, Diana Cheifitz, Dawn Holliday, Bill Jackson, Chris Keene (Clerk), Kathy Williams	
Contractor address: 1021 Sanchez Street, San Francisco, CA 94114	
Date that contract was approved:	Amount of contract: \$4,242,510
Describe the nature of the contract that was approved: Acquisition of Real Estate at 3861 24 <sup>th</sup> Street, San Francisco	
Comments:	

This contract was approved by (check applicable):

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

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

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

Print Name of Board

<b>Filer Information</b> (Please print clearly.)	
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

