First Amended and Restated Urban Partnership Agreement
by and between
U.S. Department of Transportation
and its
San Francisco Bay-Area Urban Partner

Executive Summary

This First Amended and Restated Urban Partnership Agreement sets forth an agreement in principle between the U.S. Department of Transportation (the "Department") and the Department's San Francisco Bay-Area Urban Partner, comprised of Alameda-Contra Costa Transit District, the California Department of Transportation ("Caltrans"), the Metropolitan Transportation Commission, the San Francisco Municipal Transportation Agency, the San Francisco County Transportation Authority, the Bay Area Toll Authority, and the Golden Gate Bridge, Highway and Transportation District. Under this agreement, the Urban Partner agrees to (i) vary-price on-street and off-street parking in downtown San Francisco; (ii) improve regional ferry boat service; (iii) develop a simplified travel forecasting approach for a Very Small Starts project in the Grand/MacArthur bus rapid transit ("BRT") corridor; (iv) upgrade the regional 511 system to provide real-time pricing, parking, transit, and trip planning information; (v) create an open architecture Vehicle Infrastructure Integration ("VII") test bed in support of testing a high occupancy toll ("HOT") lane tolling application; and (vi) expand the technical and promotional aspects of San Francisco's telecommuting and related alternative commute programs. In addition, the Urban Partner agrees that all projects will be in operation by not later than April 1, 2010. In exchange for these commitments, the Department intends to allocate $68.89 million in Federal grant funding for projects (i) through (vi), according to the terms of a grant agreement (or a series of grant agreements) to be negotiated by the Department and the Urban Partner. The Urban Partner will be responsible for funding the expansion of the telecommuting and alternative commute programs.

THIS MEMORANDUM OF UNDERSTANDING (this "MOU"), dated as of December 23, 2008 is made by and among the Secretary of Transportation (the "Secretary"), the Federal Highway Administration ("FHWA"), the Federal Transit Administration ("FTA"), the Research and Innovative Technology Administration ("RITA") (the Secretary, FHWA, FTA, RITA, collectively, the "Department"), and the undersigned State, county and/or municipal governmental entities, as the case may be (collectively, the "Urban Partner"). This MOU supersedes, amends and restates in its entirety that certain Memorandum of Understanding, dated as of August 6, 2007, by and between the Department and the Urban Partner.

Agreement in Principle

1. Agreement in Principle. This MOU sets forth an agreement in principle among the undersigned concerning the terms and conditions of Federal assistance to be provided by the Department for the transportation projects described herein. This MOU represents solely the intent of the parties (including, without limitation, the intent of the Department to allocate funds as set forth in Section 4(a) below), and no party shall be legally bound hereby. Any agreement between the Department and the Urban Partner concerning funding of the transportation projects described herein shall be set forth in a grant agreement (or a series of grant agreements) (the "Grant Agreements") to be negotiated and executed by the parties to this MOU. The Department reserves the right, in its discretion, not to fund the transportation projects (or any part thereof) described in this MOU or otherwise set forth in the application filed by the Urban Partner to the Urban Partnership Program.

2. Background. Transportation system congestion is one of the greatest threats to our Nation's economic prosperity and way of life. Whether it takes the form of trucks stalled in traffic, cargo stuck at overwhelmed seaports, or airplanes stuck on the tarmac, congestion costs the Nation an estimated $200 billion a year. The problem of traffic congestion in our major metropolitan areas in particular is severe and worsening.
First Amended and Restated Urban Partnership Agreement  Execution Copy

Page 2 of 5

In 2003, traffic jams in the Nation's largest 85 urban areas cost Americans 3.7 billion hours and 2.3 billion gallons of fuel. Congestion is also affecting the quality of life in America by robbing us of time that could be spent with families and friends and in participation in civic life.

The signatories to this MOU do not believe that gridlock is our inevitable fate. In May 2006, the Department announced a major initiative to reduce transportation system congestion. This plan, the National Strategy to Reduce Congestion on America's Transportation Network (the "Congestion Initiative"), provides a blueprint for Federal, State, and local officials to consider as they work together to reverse the alarming trends of congestion. One major component of the Congestion Initiative is the Urban Partnership Agreement (or "UPA"). As announced in the Department's solicitation for Urban Partners published in the Federal Register on December 8, 2006 (at 71 FR 71231 (2006)) (the "Federal Register Notice"), applicants designated by the Department as Urban Partners would adopt the "Four Ts:" tolling (congestion pricing), transit, telecommuting and technology – strategies believed to be effective on a combined basis in reducing traffic congestion. In return for such commitment, the Department, to the extent requested and appropriate, would support its Urban Partners' implementation of the Four Ts with financial resources, regulatory flexibility, and dedicated expertise and personnel.

3. Designation as Urban Partner. In accordance with the Federal Register Notice and for purposes of this MOU, the Department designates each of the following entities, collectively, as an "Urban Partner:"

(a) Alameda-Contra Costa Transit District ("AC Transit");
(b) Bay Area Toll Authority ("BATA");
(c) San Francisco County Transportation Authority ("SF CTA");
(d) California Department of Transportation ("Caltrans");
(e) Golden Gate Bridge Highway and Transportation District ("GGBHTD");
(f) Metropolitan Transportation Commission ("MTC"); and
(g) San Francisco Municipal Transportation Agency ("SF MTA").

4. Grant Agreements. The Department and the Urban Partner agree to negotiate a grant agreement (or a series of grant agreements) that would reflect the following terms and conditions:

(a) Federal Projects and Sources of Funding. The Department shall provide funding for each of the following projects (the "Federal Projects") under the Federal programs and in the amounts provided below, in each case subject to the statutes, regulations and the implementing guidance of the Department governing such programs and subject to the Urban Partner's agreement to commence the Local Projects set forth in Section 4(b):

<table>
<thead>
<tr>
<th>Reconstruction and variable pricing projects</th>
<th>Source of Funding</th>
<th>Amount of Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Reconstruction of Doyle Drive. The Urban Partner (SF CTA) will reconstruct Doyle Drive.</td>
<td>• FHWA's Public Landsc Highway Discretionary Program</td>
<td>• $47.3 million in contract authority funds made available for obligation for Fiscal Year 2007</td>
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<tr>
<td>Project Description</td>
<td>Source of Funding</td>
<td>Amount of Funding</td>
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<tr>
<td>Downtown parking pricing (on-street and off-street). The Urban Partner (SF MTA)</td>
<td>FHWA's Value Pricing Pilot Program</td>
<td>$9.4 million in contract authority funding shall be made available for obligation from Fiscal Year 2008</td>
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<td>will implement variable pricing and management of on-street and off-street parking in downtown San Francisco.</td>
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<td>SFCTA Area Wide/HOT Network pricing. The Urban Partner (SF GTA) will further advance work conducted under the Area-wide Value Pricing project and work with Bay Area agencies to coordinate informational initiatives that support HOV to HOT implementation in the region.</td>
<td>FHWA's Value Pricing Pilot Program</td>
<td>$0.6 million in contract authority funding shall be made available for obligation from Fiscal Year 2008</td>
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<td>Transit projects</td>
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<td>Improvements to regional ferry service. The Urban Partner (GGHBD) will carry out a number of projects to improve regional ferry boat service, as described in applications filed by the Golden Gate Bridge Highway and Transportation District for funding under FHWA's Ferry Boat Discretionary Program.</td>
<td>FHWA's Ferry Boat Discretionary Program</td>
<td>$12.8 million in contract authority funds made available for obligation for Fiscal Year 2008 or Fiscal Year 2007</td>
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<td>Improvements to travel forecasting in Oakland. The Urban Partner (AC Transit) will develop a &quot;simplified travel forecasting approach&quot; for a Very Small Starts project in Grand/MacArthur BRT corridor in Oakland.</td>
<td>FTA's Alternative Analysis Discretionary Program</td>
<td>$350,000 In funds appropriated for Fiscal Year 2007</td>
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<td>Technology projects</td>
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<td>511 upgrades. The Urban Partner (MTC) will upgrade the regional 511 system to provide real-time pricing, parking, transit, trip planning information.</td>
<td>RITA's Intelligent Transportation Systems Operational Testing to Mitigate Congestion Program</td>
<td>$5.44 million in funds appropriated when needed and available, but in any event no later than the end of Fiscal Year 2009; funding subject to appropriation</td>
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<tr>
<td>Parking payment. The Urban Partner (MTC with support from SF MTA) will upgrade TRANSLINK to support parking payment and demonstrate the use at up to 5 SF municipal garages.</td>
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<tr>
<td>V2I test bed. The Urban Partner (MTC) will create an open architecture vehicle infrastructure integration test bed in support of a HOT Lane tolling application.</td>
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<td>Evaluation. The Urban Partner (SF MTA with support from MTC) will evaluate the impacts of the parking pricing and traveler information systems.</td>
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</table>

(b) Local Projects to be Implemented by Urban Partner. In connection with the implementation of the Federal Projects, the Urban Partner shall agree to commence the following projects (the "Local Projects"):

(i) The Urban Partner will expand the technical and promotional aspects of San Francisco's telecommuting and related alternative commute programs.
First Amended and Restated Urban Partnership Agreement

Page 4 of 5

(c) **Completion of Projects.** Unless otherwise agreed by the Department and the Urban Partner, both the Federal Projects and the Local Projects shall be in operation by not later than April 1, 2010 (except for reconstruction of Doyle Drive, which shall be completed not later than 2015, and for Phase II of ferry boat-related projects, which shall be completed not later than December 2011, and for VII and 511 web elements, which shall be completed by April 2012). In the event that the action(s) funded in connection with the Urban Partnership Agreement experience delay due to circumstances beyond the control of the Urban Partner, the Department may either negotiate an extended completion date or terminate the action(s).

(d) **Other Terms and Conditions.** Each of the Grant Agreements shall additionally provide that:

(i) The $1.6 million in funds originally obligated to the San Francisco County Transportation Authority Partner under the Value Pricing Pilot Program will be reallocated. $1 million will be obligated to fund project management and coordination activities associated with implementing the SFpark pricing project. The remainder of the funds (approximately $600,000) will be used to further develop the Value Pricing Pilot Program funded area-wide pricing study, including coordination of high occupancy vehicle (“HOV”) to HOT implementation and informational initiatives underway in the Bay area;

(ii) The Department reserves the right to de-obligate funds obligated under any of the Grant Agreements (or to require the return of such funds) in the event a recipient breaches or otherwise fails to perform under any of the Grant Agreements;

(iii) The recipient shall not assess congestion charges against any vehicles owned or operated by any foreign government or international organization or its representatives, officers, or employees if notified by the U.S. Department of State that, pursuant to U.S. international legal obligations, the vehicles are exempt from such charges;

(iv) The recipient makes customary representations to the Department that the Federal Projects comply (or will comply) with all applicable Federal, State and local laws;

(v) The recipient agrees to provide to the Department (and its designee) access to the Federal Projects and all data collected by the recipient with respect to the Federal Projects for purposes of the Department’s oversight of the Federal Projects; and

(vi) To the extent requested by the Department, the recipient agrees to designate an independent third party to perform all program evaluations required by law or as reasonably directed by the Department in order to assist in the evaluation of the Federal Projects.

(e) **Actions Prior to Execution of Grant Agreements.** Prior to the execution of the Grant Agreements, the Department shall have received the following, in addition to usual and customary deliverables an opinion of counsel from each respective recipient, satisfactory in form and substance to the Department, concerning the Federal Projects.

[Signatures appear on the following page.]
First Amended and Restated Urban Partnership Agreement

Page 5 of 5

United States Department of Transportation

Signature __________________________ Date ________________

D. J. Gribbin, General Counsel, United States Department of Transportation

Signature __________________________ Date ________________

Thomas J. Madison Jr., Federal Highway Administrator

Signature __________________________ Date ________________

Sherry Little, Acting Federal Transit Administrator

Signature __________________________ Date 1.9.09

Paul Brubaker, Research and Innovative Technology Administrator

Urban Partner

Signature __________________________ Date ________________

Will Kempton, Director, California Department of Transportation

Signature __________________________ Date 12/31/08

Steve Heminger, Executive Director, Metropolitan Transportation Commission

Signature __________________________ Date ________________

Nathaniel P. Ford, Sr., Executive Director & Chief Executive Officer, San Francisco Municipal Transportation Agency

Signature __________________________ Date ________________

Rick Fernandez, General Manager, Alameda-Contra Costa Transit District

Signature __________________________ Date 12/31/08

Steve Heminger, Executive Director, Bay Area Toll Authority

Signature __________________________ Date ________________

Cella Kupersmith, General Manager, Golden Gate Bridge Highway and Transportation District

Signature __________________________ Date ________________

José Luis Moscovich, Executive Director, San Francisco County Transportation Authority
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Signature_________________________ Date ______________________

Nathaniel P. Ford, Sr., Executive Director & Chief Executive Officer, San Francisco Municipal Transportation Agency

Signature_________________________ Date 11/30/99

Rick Fernandez, General Manager, Alameda-Contra Costa Transit District

Signature_________________________ Date ______________________

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Cella Kupersmith, General Manager, Golden Gate Bridge Highway and Transportation District

Signature_________________________ Date 1/5/09

José Luis Moscovich, Executive Director, San Francisco County Transportation Authority
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Execution Copy

Page 5 of 5

United States Department of Transportation

Signature                                     Date 1/8/09
D. J. Gribbin, General Counsel, United States Department of Transportation

Signature                                     Date 1/8/09
Thomas J. Madison Jr., Federal Highway Administrator

Signature                                     Date 1/12/09
Sherry Little, Acting Federal Transit Administrator

Signature                                     Date
Paul Brubaker, Research and Innovative Technology Administrator

Urban Partner

Signature  Will Kempton                      Date 12/31/08
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