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City and County of San Francisco
San Francisco Public Utilities Commission
Real Estate Director
525 Golden Gate Avenue, 10th Floor
San Francisco, CA 94102

The undersigned City declares this instrument to be exempt from recording fees (Govt. Code §6103 and 27383)

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EASEMENT AGREEMENT

(Conveyance of Natural Gas Valve Station Easement, Power Line Easement and Temporary Construction Easement; Modification of Existing Easements)
PG&E Crystal Springs Valve Lot - LD# 2304-05-1444
(Portion of San Mateo County APN 093-070-072)

This **EASEMENT AGREEMENT** ("**Agreement**"), dated for reference purposes only as of _____, 2013, is by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**City**"), acting through its Public Utilities Commission ("**SFPUC**"), and PACIFIC GAS AND ELECTRIC COMPANY, a California corporation ("**PG&E**").

RECITALS

A. City owns certain real property located in unincorporated San Mateo County, California, described as "Parcel 31: Crystal Springs, San Andreas and Pilarcitos Reservoirs and Watershed Lands" in the deed from Spring Valley Water Company to the City and County of San Francisco, dated March 3, 1930, and recorded in Book 491 at Page 1 with the San Mateo County Recorder (the "**Property**").

B. Pursuant to that certain Exchange Deed dated September 24, 1973, recorded with the San Mateo County Recorder as Document 83400AG on October 16, 1973, PG&E acquired a right of way easement fifteen (15) feet in width, to construct, reconstruct, install, maintain, patrol, repair, renew, operate and use, from time to time pipes and pipelines with the usual appurtenances thereto for the conveying and transporting of natural gas over a portion of City's Property as further described in such deed. Pursuant to that certain deed dated June 13, 1932, recorded with the San Mateo County Recorder on August 17, 1932, in Book 570, Page 294, PG&E acquired a right of way easement ten (10) feet in width, to construct, reconstruct, install, maintain, patrol, repair, renew, operate and use, from time to time, pipes and pipelines, with the usual and necessary appurtenances, for conveying and transporting natural gas, across a portion of the Property as further described in such deed. Such easements are referred to herein collectively as the "**Existing Easements**" and the locations of the Existing Easements within the Property are referred to herein collectively as the "**Existing Easement Area**"). A portion of the Existing Easement Area is shown on attached **Exhibit B-1**.

C. PG&E desires to acquire two additional permanent easements and one temporary construction easement in, on, over and across portions of the Property for purposes of expanding its

existing valve station and installing new gas transmission safety infrastructure, and City is willing to quitclaim such easements to PG&E on the terms and conditions set forth herein, which include the modification of the terms and conditions of the Existing Easements.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

1. Definitions. The defined terms below apply to this entire document.

a. **"Approved Plans"** means the drawings and photographs described in **Exhibit E** which depict PG&E's proposed improvements for the Valve Station Easement Area and Power Line Easement Area, and the required realignment of the existing access road

b. **"Commission"** means the five-member body nominated by the Mayor of San Francisco and approved by the Board of Supervisors of San Francisco that provides operational oversight for the City's water, power and sewer utilities.

c. **"Easements"** means the new Valve Station Easement (as defined in **Section 2**), the new Power Line Easement (as defined in **Section 2**), the Temporary Construction Easement (as defined in **Section 2**), and the Existing Easements (as defined in **Recital B**), collectively.

d. **"Effective Date"** means the date on which this Agreement has been executed and delivered by both parties and approved by resolution of SFPUC's Commission and by ordinance or resolution of City's Board of Supervisors and Mayor.

e. **"Exhibit A"** means the Crystal Springs Valve Lot legal description attached to this Agreement, titled "Exhibit A" with identification number LD 2304-05-1444 at the top of the page and bearing the signature and seal of California Licensed Land Surveyor, Christopher A. Chu on October 9, 2012.

f. **"Exhibit B-1"** means the Crystal Springs Valve Lot drawing attached to this Agreement, depicting the Valve Station Easement Area, the Power Line Easement Area, portions of the Existing Easement Area, and the surrounding property, titled "Exhibit B-1", labeled "Drawing Number L-9265" in the lower right corner, and bearing the signature and seal of California Licensed Land Surveyor, Christopher A. Chu on May 22, 2013.

g. **"Exhibit B-2"** means the drawing attached to this Agreement, depicting the approximate boundaries of the Temporary Construction Easement Area, titled "Exhibit B-2", and labeled "Drawing Number L-9349" in the lower right corner, and bearing the date May 21, 2013.

h. Exhibit C is intentionally omitted.

i. **"Exhibit D"** means the attached pages titled "Exhibit D" detailing PG&E's obligations to carry insurance.

j. **"Exhibit E"** means the attached page titled "Exhibit E" that describes the drawings and photographs depicting PG&E's proposed improvements for the Valve Station Easement Area and Power Line Easement Area, the proposed realignment of the existing access road, and the Certificate of

Completion of Project Review Process dated August 28, 2012, which drawings, photographs and documents are incorporated into this Agreement by reference.

k. **"Exhibit F"** means the attached pages titled "Exhibit F" detailing SFPUC's Heavy Equipment Restrictions.

l. **"Existing Easement Area"** is defined in **Recital B**.

m. **"Existing Easement Deeds"** means the two deeds described in **Recital B**, by which PG&E acquired the Existing Easements.

n. **"Existing Easements"** is defined in **Recital B**.

o. **"Initial Work"** means the construction and installation of the improvements, fixtures and equipment as depicted in the Approved Plans.

p. **"New Easement Area"** means, collectively, the Valve Station Easement Area, the Power Line Easement Area, and, for the duration of the Temporary Construction Easement, the Temporary Construction Easement Area.

q. **"New Easements"** means the Valve Station Easement, the Power Line Easement, and the Temporary Construction Easement, collectively.

r. **"Power Line Easement"** is defined in **Section 2**.

s. **"Power Line Easement Area"** means that portion of the Property described and shown in attached **Exhibits A** and **B** as "Parcel 2."

t. **"Surface Disturbance"** means material disturbance of the ground, including any grading, filling, excavation of more than 5 cubic yards, compaction, erosion, topographic changes, alteration of stream channels or surface drainage, planting of vegetation, removal of vegetation, or other material impacts to the physical features of real property (as opposed to PG&E's fixtures, equipment or facilities), resulting from PG&E's exercise of its rights under the Easements. For purposes of this Agreement, Surface Disturbance does not include minor excavations (of 5 cubic yards or less) where the spoil is placed entirely within the Easement Area or potholing of PG&E's facilities.

u. **"Temporary Construction Easement"** is defined in **Section 2**.

v. **"Temporary Construction Easement Area"** means that portion of the Property identified with single-hatching on attached **Exhibit B-2**, consisting of approximately 49,800 square feet, together with the additional area reasonably required for PG&E to construct the realignment of the access road as shown on PG&E Drawing No. L-9216 (which drawing is further described in **Exhibit E**).

w. **"Valve Station Easement"** is defined in **Section 2**.

x. **"Valve Station Easement Area"** means that portion of the Property described and shown in attached **Exhibits A** and **B-1** as "Parcel 1." The Valve Station Easement Area overlaps to some extent with the Existing Easement Area. PG&E represents to City that the Valve Station Easement Area intersects with the Existing Easement Area as shown on **Exhibit B-1**.

2. Quitclaim of Valve Station Easement, Power Line Easement and Temporary Construction Easement. In consideration of the covenants and conditions of this Agreement and the sum of Sixteen Thousand Two Hundred Twenty-two Dollars ($16,222), receipt of which City acknowledges, and subject to the terms and conditions specified in this Agreement, City hereby quitclaims to PG&E (i) a permanent, nonexclusive easement in gross over, across, in and on the Valve Station Easement Area for the purposes described in **subsection 2.a** only (**"Valve Station Easement"**); (ii) a permanent, nonexclusive easement in gross over, across, in and on the Power Line Easement Area for the purposes described in **subsection 2.b** only (the **"Power Line Easement"**); and (iii) a temporary, nonexclusive easement in gross over, across, in and on the Construction Easement Area, only for the purposes described in **subsection 2.c**, for the duration of one hundred eighty (180) days after the Effective Date (the **"Temporary Construction Easement"**).

a. The purposes of the Valve Station Easement are:

i. Installation, construction, operation, maintenance, use, repair and replacement of automated valves and other safety facilities for natural gas transmission, including above ground and underground pipes with necessary and proper valves with above ground gearing, mechanical and automatic valve operators together with such other appliances, fittings, devices, control cabinets, equipment, associated supports, concrete pedestals and pads, and fixtures, including an electric generator, necessary for the purpose of launching and/or receiving internal pipeline devices used to inspect, maintain, and monitor PG&E's natural gas pipeline system, equipment necessary for metering, regulating, and discharging gas into the atmosphere as permissible by law, data-transmitting and data-receiving equipment and communication equipment, consisting of, but not limited to, antennae and equipment boxes for the purpose of receiving and transmitting data necessary to remotely monitor, control and operate equipment associated with PG&E's gas transmission pipeline facilities, and concrete curbing, pavement and a fence enclosure, as shown and described in the drawings and photographs described in attached **Exhibit E**, and as may be consented to by SFPUC in the future pursuant to **Section 7**. The facilities shall remain PG&E's property at all times and PG&E shall have the right to remove, or take out of active service, any or all of the facilities at any time and for any length of time, subject to **Section 10**.

ii. Trimming and cutting down trees and brush, as permitted under **Section 9.c** below.

iii. Marking the location of the Valve Station Easement Area and subsurface installations by suitable markers set in the ground.

b. The purposes of the Power Line Easement are:

i. Installation, construction, operation, maintenance, use, repair and replacement of a subsurface electric power line to provide power to PG&E's facilities in the Valve Station Easement Area, as shown and described in the Approved Plans, and as may be consented to by SFPUC in the future pursuant to **Section 7**. The power line shall remain PG&E's property at all times and PG&E shall have the right to remove, or take out of active service, any or all of the facilities at any time and for any length of time, subject to **Section 10**.

ii. Trimming and cutting down trees and brush, as permitted under **Section 9.c** below.

iii. Marking the location of the Power Line Easement Area and subsurface power line installations by suitable markers set in the ground.

c. The purposes of the Temporary Construction Easement are:

i. Temporary storage of excavated soils, in accordance with SFPUC's reasonable requirements;

ii. Storage and use of a construction office trailer:

iii. Storage, use, operation, and staging of equipment, vehicles, materials and supplies;

iv. Improvement, repair and maintenance of the Temporary Construction Easement Area, such as grading, installation of paving and/or crushed rock, installation of fencing; and

v. Trimming and cutting down trees and brush, as permitted under **Section 9.c** below.

d. Upon the expiration or termination of the Temporary Construction Easement, upon City's request, PG&E shall cause to be executed, acknowledged and delivered on behalf of PG&E to City a quitclaim deed to evidence such expiration or termination.

3. Modification of Existing Easements. As a condition to PG&E's acquisition of the Valve Station Easement and Power Line Easement, PG&E and City agree that the provisions of **Sections 6** through **15, 21** and **22** herein shall apply to the Existing Easements as well as the New Easements, commencing as of the Effective Date. In the event of a conflict between such provisions and the provisions of the Existing Easement Deeds, the provisions of **Sections 6** through **15, 21** and **22** of this Agreement will prevail.

4. Ingress and Egress Rights. Ancillary to the Valve Station Easement and Power Line Easement, PG&E shall have the rights of ingress and egress to and from the New Easement Area over and across adjacent SFPUC lands by means of existing roads and lanes if possible, but otherwise by such route that would cause the least possible damage and inconvenience to City. For routine maintenance and operations that do not involve Surface Disturbance or off-road access, PG&E shall notify the SFPUC at least two (2) business days in advance before crossing SFPUC lands to access the New Easement Area, which notice may be given in accordance with **Section 14.c**. or by email or fax to an email address or fax number furnished by SFPUC in writing for that purpose. For any other construction work or any work involving any Surface Disturbance or off-road access, PG&E shall notify SFPUC 30 days in advance in writing in accordance with **Section 14.c**. In the case of emergencies requiring immediate access, PG&E shall notify SFPUC by telephone as provided in **Section 14.b**, concurrently with dispatching PG&E's crew, and in writing as soon as reasonably possible after the emergency conditions have been addressed. The rights conveyed in this subsection do not apply if the New Easement Area is accessible by any public road or highway. Except for (a) emergencies requiring immediate access, or (b) inspections that will not require any off-road access or excavation and will not significantly disrupt activities within the Property, PG&E's ingress to and egress from the New Easement Area will be at such hours and times as may be reasonably designated by City. Access shall be subject to such conditions as City may reasonably require relating to hours of work, security and concurrent use of access roads. In addition, off-road access shall be subject to City's reasonable conditions relating to watershed management, including protection of sensitive species and habitat and prevention of erosion.

5. As-Is Condition. PG&E ACCEPTS THE NEW EASEMENT AREA PURSUANT TO THIS AGREEMENT IN ITS "AS IS" CONDITION, WITH ALL FAULTS AND ACKNOWLEDGES AND AGREES THAT THE CITY HAS NOT MADE ANY REPRESENTATIONS OR WARRANTIES,

EXPRESS OR IMPLIED, CONCERNING THE NEW EASEMENT AREA. Without limiting the foregoing, the New Easements are made subject to all applicable laws, rules, and ordinances governing the use of the New Easement Area and to any and all covenants, conditions, restrictions, easements, encumbrances, claims of title and other title matters affecting the New Easement Area, whether foreseen or unforeseen, and whether such matters are of record or would be disclosed by an accurate inspection or survey. It is PG&E's sole obligation to conduct an independent investigation of the New Easement Area and all matters relating to its use hereunder, including, without limitation, the suitability of the New Easement Area for such uses. PG&E, at its own expense, shall obtain such permission or other approvals from any third parties with existing rights as may be necessary for such party to make use of the New Easement Area in the manner contemplated hereby. Without limiting the foregoing, (i) PG&E shall coordinate with the State of California Department of Transportation and obtain its concurrence with PG&E's proposed improvements within the boundaries of the electric, water and sewer easement acquired by Caltrans under the instrument recorded with the San Mateo County Recorder in book 6508 at page 384; and (ii) if the location of any proposed improvements, including those shown in the Approved Plans, is within the boundaries of the 1969 Scenic and Recreation Easement administered by the National Park Service as part of the Golden Gate National Recreation Area, PG&E will obtain any necessary concurrence from the National Park Service.

6. Nonexclusivity. The Easements are nonexclusive. City may use the Easement Areas and grant additional rights at its sole discretion on or near the Easement Areas to other parties, including but not limited to, in the form of licenses, easements, or similar transfers of the underlying property, so long as such future uses do not unreasonably interfere with PG&E's permitted use of the Easement Areas in accordance with this Agreement. Notwithstanding the foregoing, City agrees that it will not grant rights to third parties to use the Valve Station Easement Area, Power Line Easement Area or (during the term of the Temporary Construction Easement) the Temporary Construction Easement Area without PG&E's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. By way of example but not limitation, the parties agree that it shall be reasonable for PG&E to withhold consent to any such proposed use that would impair the security or safety of PG&E's operations or installations within the Valve Station Easement Area, the Power Line Easement Area and/or the Temporary Construction Easement Area.

7. Approvals for Improvements.

a. **Consent to Proposed Easement Improvements and Equipment**. SFPUC consents to PG&E's construction and installation of the valve station improvements shown in the Approved Plans and further described in the Certificate of Completion of the Project Review Process for Case No. 12.08-PN10.00 issued by SFPUC's Natural Resources and Lands Management Division (which certificate is further described in **Exhibit E**), subject to compliance with this Agreement and the practices, processes, conditions and requirements set forth in the Certificate of Completion.

b. **Consent Required for Future Improvements**. Any installation of facilities by or for PG&E beyond the initial improvements and facilities described and shown in the Approved Plans and the existing gas pipelines and appurtenances installed within the Existing Easement Area as of the Effective Date, shall require further consent by the SFPUC if the improvements or facilities will be located on or above the surface of the ground or will require Surface Disturbance within the Easement Areas. Notwithstanding the foregoing, PG&E may, without SFPUC's consent, replace, modify or remove its subsurface gas pipelines within the Existing Easement Area, and install additional subsurface gas pipelines within the Existing Easement Area, so long as PG&E complies with the advance notice requirement and other requirements of this Agreement applicable to such work; provided, however, that SFPUC's consent will be required for any portion of such work (including staging and storage of materials, spoils and equipment) that is proposed to occur outside of the Existing Easement Area.

Further, notwithstanding the foregoing, PG&E may, without SFPUC's consent, replace or substitute the Valve Lot improvements, power line and other facilities identified in the Approved Plans within the Valve Station Easement Area or the Power Line Easement Area so long as (i) such replacement or substitution is not materially different in dimensions, quantity or location from the improvements and facilities depicted in the Approved Plans, (ii) PG&E complies with the advance notice requirement and other requirements of this Agreement applicable to such work, (iii) such work (including staging and storage of materials, spoils and equipment) occurs entirely within the Easement Areas; and (iv) such replacement or substitution work does not involve Surface Disturbance. Such consent shall not be unreasonably withheld, conditioned or delayed for work within the Easement Areas. By way of example but not limitation, the parties agree that it shall be reasonable for SFPUC to require that gas transmission pipelines be located beneath the surface of the ground and to require visual screening of above-ground improvements that PG&E proposes to install within sight of residential areas or public trails.

c. **Further Consents and Approvals.** Before beginning any work in the Easement Areas, PG&E shall, at its expense, obtain any and all permits, licenses and approvals of all regulatory agencies and other third parties that are required to commence, complete and maintain the work. PG&E shall deliver copies of such permits, licenses and approvals to SFPUC promptly upon receipt.

d. **Limits of SFPUC's Consent.** SFPUC's consent to or approval of any improvements, equipment or fixtures shall not relieve PG&E or its engineers, architects or contractors from any liability for negligence, errors or omissions associated with the design and construction thereof. In no event shall SFPUC's approval of the plans and specifications be deemed to constitute a representation or warranty by City concerning the suitability of the improvements, equipment or fixtures for PG&E's purposes or that the work called for in the plans and specifications complies with applicable building codes or other applicable laws or industry standards nor shall such approval release PG&E from PG&E's obligation to supply plans and specifications that conform to applicable building codes, other laws and industry standards.

8. Construction, Maintenance and Repair.

a. PG&E will install, operate, maintain, repair, replace, or remove its facilities at its sole cost, and shall keep the Easement Areas free from any liens arising out of any work performed, material furnished, or obligations incurred by or for PG&E therein pursuant to this Agreement.

b. PG&E shall be solely responsible for repairing and maintaining all PG&E facilities placed in, on, over or under the Easement Areas in good, safe and secure condition, and City shall have no duty whatsoever for any repair or maintenance of the Easement Areas.

c. PG&E shall provide advance notice of all work in accordance with **Section 14.c**, and shall use, and shall cause its Agents (as defined below) to use, due care at all times to avoid any damage or harm to City's facilities or other property and to native vegetation and natural attributes of the City's Property and to minimize slope erosion. PG&E shall perform all work in accordance with applicable codes and industry standards, including performing adequate testing and inspections as the work progresses. City shall have the right to condition any excavation within the New Easement Area and/or oversee any excavation work within the Easement Areas. Under no circumstances shall PG&E damage, harm or take any rare, threatened or endangered species on or about City's Property except as may be authorized under Applicable Law (as defined in **Section 11**) and provided that PG&E, at its sole cost, obtains all permits required by Applicable Law, including the Endangered Species Act.

d. Promptly upon completion of the installation or modification of facilities within the Valve Station Easement Area and/or Power Line Easement Area, PG&E shall furnish SFPUC with two

(2) complete copies of final as-built drawings for the facilities, which drawings shall include sufficient detail so as to allow City to locate all the facilities. In the event that PG&E or its agents or consultants prepares any environmental, seismic, geophysical or other written report relating to the physical condition of the Easement Areas and/or any Surface Disturbance thereon, PG&E shall furnish to City a complete copy of such report, including any schedules, exhibits and maps, promptly upon completion of the same.

e. PG&E shall perform the Initial Work in accordance with the Approved Plans, this Agreement, and the practices, processes, conditions and requirements set forth in the Certificate of Completion of Project Review described in **Exhibit E**.

9. Covenants. The parties covenant and agree to the following provisions:

a. **Watershed Management Plan.** PG&E shall, at all times, comply with the SFPUC Peninsula Watershed Management Plan and the SFPUC Watershed Field Manual in its use of the Easement Areas and exercise of the rights conveyed under the Easements.

b. **Tree and Shrub Planting**. PG&E shall not plant any trees or shrubs within the Easement Areas without the SFPUC's prior approval.

c. **Tree Trimming.** PG&E's exercise of the rights under the Easements may result in damage to or the removal or trimming of trees and landscaping, including shrubs, flowers, plants, and grass within the Easement Areas. City grants PG&E the right to trim or cut down any trees, brush, and other vegetation within the Easement Areas and to trim trees, brush, and vegetation along each side of the Easement Areas if PG&E determines it is a safety hazard or if required by Applicable Law (as defined in **Section 11**), subject, however, to SFPUC's Peninsula Watershed Management Plan. PG&E shall have no obligation to replace any such affected vegetation on the Property, except as required by Applicable Law or to comply with the Best Management Practices under SFPUC's Peninsula Watershed Management Plan. After any work permitted under this subsection, PG&E shall remove from the Property debris produced as a result of the work, in and near the Easement Areas.

d. **Interference with City's Uses**. PG&E shall not interfere with or impede City's access to or use of the SFPUC Property surrounding the Easement Areas or unreasonably interfere with City's use of the Easement Areas in accordance with **Section 6**. PG&E shall not do anything in, on, under or around the Easement Areas that could damage, endanger or interfere with any existing SFPUC facilities or SFPUC property.

e. **Heavy Equipment**. When performing work or traversing over any SFPUC water pipelines, PG&E shall abide by SFPUC's equipment and vehicle load restrictions, as described in **Exhibit F**, as such restrictions may be amended from time to time.

f. **Mutual Cooperation**. The parties shall work with each other to minimize any potential disturbance of the facilities in the Easement Areas and the surrounding areas.

g. **Damage to Property**. PG&E shall promptly repair, at its sole cost, any damage to the Easement Areas or adjacent SFPUC land or any SFPUC improvements, personal property, fixtures or facilities that are damaged by PG&E or its contractors, agents, or employees. If PG&E fails to perform such repairs within a reasonable period of time designated in writing by SFPUC, and thereafter fails to cure such default within ten (10) business days after written notice from SFPUC to PG&E specifying the nature of the repair work (or, if it reasonably would require more than ten (10) business days to remedy such default, if PG&E fails to commence to cure such default within such ten (10) business day period or fails to diligently pursue such cure to completion), then SFPUC may, but shall not be obligated to,

perform the repairs in which event PG&E shall reimburse the SFPUC for the cost of repairs plus an additional amount equal to ten percent (10%) thereof for administrative overhead, within 30 days after receipt of invoice. The demand for payment by City shall be prima facie evidence that the expense incurred was necessary and reasonable and that such expense was incurred by City on behalf of PG&E. The foregoing to the contrary notwithstanding, in the event of an emergency as reasonably determined by SFPUC, no such prior notice shall be required before SFPUC may perform such repairs at PG&E's expense.

h. **Restricting Access.** While conducting any construction or maintenance activities pursuant to its rights under this Agreement, PG&E may restrict access to portions of the Easement Areas to protect the health and safety of the public, and SFPUC shall cooperate with such restrictions to the extent they are reasonable in scope and duration.

10. Restoration; Termination. After any entry by PG&E in the Easement Areas, PG&E shall restore any affected portion of the Easement Areas and surrounding area to substantially the same condition and grade it was in immediately prior to such entry (to the extent that such condition complies with the conditions set forth in this Agreement). In addition, on or before expiration of the Temporary Construction Easement, PG&E shall restore the continuity of SFPUC's gravel access road by realigning it to the west of the Valve Station Easement Area as shown on PG&E Drawing Number L-9216 (which drawing is further described in **Exhibit E**). If PG&E abandons, or vacates for a period of more than two (2) years without the consent of SFPUC, the Valve Station Easement Area, the Power Line Easement Area, or the Existing Easement Area, then the Valve Station Easement, the Power Line Easement or the Existing Easement, as the case may be, shall terminate; provided, however, if such abandonment or vacation is the result of war, strike, embargo, riot, civil commotion, acts of public enemies, flood, earthquake or other natural disaster, or any other similar cause beyond PG&E's control, and PG&E promptly notifies City after the date that the nonuse of the applicable easement area begins, such involuntary period of nonuse shall be excluded in computing the period set out above. In the event of termination of the Valve Station Easement or Power Line Easement, at City's direction PG&E shall remove all fixtures and improvements installed or maintained by PG&E within that easement area, or abandon them in place in accordance with City's specifications, and PG&E shall restore such easement area to the condition prior to its use.

11. Applicable Law; Reasonable Care. PG&E, at its sole expense, shall comply with all applicable laws, statutes, ordinances, rules, regulations, orders and requirements of federal, state, county and municipal authorities, now in force or which may hereafter be in force (**"Applicable Law"**) with respect to PG&E's activities in the Easement Areas. PG&E shall conduct, or shall cause its Agents to conduct, all activities in the Easement Areas in a safe and reasonable manner.

12. Hazardous Materials. PG&E shall not cause, nor shall PG&E allow any of its Agents or Invitees (as such terms are defined below) to cause, any Hazardous Material (as defined below) to be brought upon, kept, used, stored, generated, released or disposed of in, on, under or about the Easement Areas, or transported to, from or over the Easement Areas, except to the extent reasonably necessary for PG&E's operation of the valve lot infrastructure or its gas transmission pipeline facilities within the Easement Areas, and then only in such quantities as are reasonably necessary for such operations and only if handled, used, transported and disposed of in accordance with applicable Laws (as defined below). PG&E shall immediately notify City when PG&E learns, or has reason to believe, that a release of Hazardous Material has occurred in, on, under or about any part of the Easement Areas. PG&E shall further comply with all applicable laws, statutes, ordinances, rules, regulations, policies, orders, edicts and the like (collectively, **"Laws"**) requiring notice of such releases or threatened releases to governmental agencies, and shall take all action necessary or desirable to mitigate the release or minimize the spread of contamination. Notwithstanding the provisions in **Sections 9(g)** and **10**, in the event that PG&E or its

Agents or Invitees cause a release of Hazardous Material, PG&E shall, without cost to City and in accordance with all Laws, industry best management practices and the Peninsula Watershed Management Plan, promptly return the Easement Areas to the condition immediately prior to the release. In connection therewith, PG&E shall afford City a full opportunity to participate in any discussion or negotiations with governmental agencies and environmental consultants regarding any settlement agreement, cleanup or abatement agreement, consent decree or other compromise proceeding involving Hazardous Material, and any other abatement or clean-up plan, strategy and procedure.

"Hazardous Material" means material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to public health, welfare or the environment. "Hazardous Material" includes, without limitation, any material or substance defined as a "hazardous substance, pollutant or contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 et seq., or pursuant to Section 25316 of the California Health & Safety Code; a "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 Easement Areas or are naturally occurring substances in the Easement Areas, and any petroleum, including, without limitation, crude oil or any fraction thereof, natural gas or natural gas liquids. The term **"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 in, on, under or about the Easement Areas. PG&E shall have no cleanup liability, nor any obligation to defend, hold harmless or indemnify hereunder from and against any claims resulting from any pre-existing Hazardous Material conditions not caused by PG&E, or its Agents or Invitees, unless PG&E's or its Agents' or Invitees' handling, excavation, relocation, investigation, disposal or other exercise of control over the Property exacerbates such pre-existing Hazardous Material which results in City incurring new or additional costs, liability or other Claims (as defined in **Section 15**), in which event PG&E shall be responsible for cleanup and shall indemnify, defend and hold City and its officers, agents, employees and contractors harmless from such new or additional Claims only to the extent of such new or additional costs, liability and/or other Claims. The term "exacerbates" means an act that causes the increased migration of a plume of Hazardous Material in sediments, groundwater, or surface water or causes a release of Hazardous Material that had been contained until that act.

13. Insurance. PG&E shall procure and keep current at all times, insurance according to the requirements in **Exhibit D**. PG&E assumes the risk of damage to any of its personal property.

14. Notices and Contacts.

a. **Notices.** Except as expressly stated below, all notices, demands, claims, consents or approvals given hereunder (**"notice"**) shall be in writing and shall be personally delivered, or sent by a reputable commercial courier service that provides next business day delivery services, provided that next business day service is requested, or by United States first-class mail, postage prepaid, addressed as provided below. Any notice that is addressed in accordance with this Section and transmitted by a method that provides confirmation of delivery or attempted delivery shall be deemed received on the date of the earliest of actual delivery, first attempted delivery, or refusal of delivery.

Any notice to City shall be addressed to City at the then current published mailing address for SFPUC's executive offices, which can be determined by visiting SFPUC's website (currently www.sfwater.org) or by calling SFPUC's main telephone number (currently (415) 554-3155), with a copy to each of the City's Director of Property and the City Attorney (Attn: Real Estate Team) at their then current mailing addresses, which addresses can by determined by visiting the City's website (currently

www.sfgov.org), and with a copy to such other address(es) as City may direct in a written notice to PG&E from time to time. City's addresses for notices as of the date of this Agreement are set forth below.

Any notice to PG&E shall be addressed to PG&E at the address(es) set forth below or such other address(es) as PG&E may direct in a written notice to City from time to time.

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

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

And if a legal notice, with a copy to:

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

For PG&E:
Manager, Land Management
Pacific Gas and Electric Company
1850 Gateway Boulevard, Room 7042B
Concord, CA 94520

with a copy to:
Rich Echols
Manager, Land Acquisition
Pacific Gas and Electric Company
1850 Gateway Boulevard, Room 7042B
Concord, CA 94520

And if a legal notice, with a copy to:

Law Department
Pacific Gas and Electric Company
77 Beale Street, B30A
San Francisco, CA 94105
Attn: Director and Counsel, Contracts Section (Real Estate)

b. **Emergency Contacts**. Each party shall designate an emergency contact, to be contacted in the event of an emergency involving actual or imminent damage to property or injury to persons on or about the Easement Areas. As of the date of this Agreement such contacts are:

For the SFPUC:
Millbrae Dispatch by phone at 650.872.5900

For PG&E:
Gas System Operations, System Gas Control at 800.547.5955

c. **Commencement of Work Notices; Description of Work**. PG&E shall notify the SFPUC in advance before performing any work in the Easement Areas. For routine maintenance work that does not involve Surface Disturbance or off-road access, PG&E shall provide such notice, including a reasonable description of the work, at least two (2) business days in advance. For any other construction work or any work involving Surface Disturbance or off-road access, PG&E shall provide an application for project review, on SFPUC's then-current form, at least thirty (30) days in advance and shall include a detailed description of the work to be done and applicable drawings or schematics; provided, however, if in PG&E's reasonable judgment the work will be minor and will not involve material alterations or expansions to PG&E's above-ground facilities (**"Minor Construction"**), PG&E may submit a reasonable description of the planned work and request an expedited initial review. Within five (5) business days of receipt of such request for expedited initial review, SFPUC shall notify PG&E whether SFPUC requires additional information concerning the work, additional time to review the request, and/or review by SFPUC's full project review process. If SFPUC does not require additional information, additional time, or full project review, SFPUC shall notify PG&E within such five (5) business days whether or not SFPUC approves the work (to the extent such approval is required under **Section 7**) and whether SFPUC requires compliance with reasonable conditions on access as provided in **Section 4**. PG&E's notices to SFPUC under this **Section 14.c** shall be sent to the then-current address of SFPUC's Peninsula Watershed Manager. As of the date of this Agreement, the address is:

Watershed Manager
San Francisco Public Utilities Commission
1657 Rollins Road
Burlingame, CA 94010

d. **Day-to-Day Communications.** Each party may designate a contact for day-to-day communications that are not intended as a notice under this subsection. The parties' initial contacts for day-to-day communications are:

For the SFPUC:
Guido Ciardi
Area Forester,
San Francisco Public Utilities Commission
By phone at 415.518.4290 or by email at gciardi@sfwater.org

For PG&E:
Mitchell Kirk
Superintendent, Gas Maintenance & Construction
By phone at Office (650) 413-4670 and Cell (408) 783-1629
or by email at GMK3@pge.com

15. Indemnity. PG&E shall indemnify, defend, reimburse and hold harmless City, its officers, agents, employees and contractors, and each of them, from and against any and all demands, claims, legal or administrative proceedings, losses, costs, penalties, fines, liens, judgments, damages and liabilities of any kind (collectively, **"Claims"**), arising in any manner out of (a) any injury to or death of any person or damage to or destruction of any property occurring in, on or about City's Property, including the Easement Areas, or any part thereof, whether such injury, death, damage or destruction is caused by the

person or property of PG&E, its officers, directors, members, employees, agents, consultants, contractors or subcontractors (collectively, **"Agents"**), its invitees, guests or business visitors (collectively, **"Invitees"**) relating to any use or activity under this Agreement, (b) any failure by PG&E to faithfully observe or perform any of the terms, covenants or conditions of this Agreement, (c) the use of the Easement Areas or any activities conducted thereon by PG&E, its Agents or Invitees (except to the extent caused by the use or activities conducted thereon by any other third party), (d) any release or discharge, or threatened release or discharge, of any Hazardous Material caused or allowed by PG&E, its Agents or Invitees, on, in, under or about the Easement Areas, any improvements or into the environment, or (e) City's environmental review and approval of this Agreement, except to the extent such Claims result directly from the active negligence or willful misconduct of City or City's authorized representatives. In addition to PG&E's obligation to indemnify City, PG&E specifically acknowledges and agrees that it has an immediate and independent obligation to defend the City from any claim that actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to PG&E by City and continues at all times thereafter. The foregoing indemnity shall include, without limitation, reasonable attorneys', experts' and consultants' fees and costs, investigation and remediation costs and all other reasonable costs and expenses, incurred by the indemnified parties, including, without limitation, damages for decrease in the value of the Easement Areas and claims for damages or decreases in the value of adjoining property. PG&E's obligations under this section shall survive the expiration or other termination of this Agreement.

16. Waiver of Claims.

a. Neither City nor any of its commissions, departments, boards, officers, agents or employees shall be liable for any damage to the property of PG&E, its officers, agents, employees, contractors or subcontractors, or their employees, or for any bodily injury or death to such persons, resulting or arising from the condition of the New Easement Area and/or the use of such areas by PG&E.

b. PG&E fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action arising in any manner in connection with this Agreement or the uses authorized hereunder, against, and covenants not to sue, City, its departments, commissions, officers, directors and employees, and all persons acting by, through or under each of them, under any present or future laws, statutes, or regulations, including, without limitation, (i) any and all Claims for consequential, incidental or punitive damages (including without limitation, lost profits), and covenants not to sue for such damages, (ii) any and all Claims for any interference with the uses conducted by PG&E pursuant to this Agreement, regardless of the cause, except for material interference by City with such uses in violation of the terms, covenants or conditions applicable to City under this Agreement, and (iii) any and all Claims in any way connected with the physical or environmental condition of the Easement Areas or any law or regulation applicable thereto or the suitability of the Easement Areas for PG&E's intended use. Nothing herein shall relieve City from liability for actual direct damages or injunctive relief (a) related to City's failure to faithfully observe or perform any of the terms, covenants or conditions of this Agreement applicable to City, or (b) to the extent caused directly by the active negligence or willful misconduct of City or its Agents. PG&E expressly acknowledges and agrees that the compensation paid for the Easements did not take into account any potential liability of City for any consequential or incidental damages including, but not limited to, lost profits arising out of the Easement. City would not be willing to enter into this Agreement in the absence of a waiver of liability for consequential and incidental damages due to the acts or omissions of City or its Agents, and PG&E expressly assumes the risk with respect thereto.

In connection with the foregoing releases, PG&E acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

PG&E acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. PG&E realizes and acknowledges that it has agreed upon this Agreement in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The releases contained herein shall survive any termination of the Easements.

17. Taxes.

a. Subject to applicable law, PG&E recognizes and understands that this Agreement may create a possessory interest subject to property taxation and that PG&E may be subject to the payment of property taxes levied on such interest under applicable law. PG&E further recognizes and understands that any transfer or assignment permitted under this Agreement may constitute a change in ownership for purposes of property taxation and therefore may result in a revaluation of any possessory interest created hereunder.

b. PG&E agrees to pay taxes, including possessory interest taxes, if any, that may be lawfully assessed on the interest created by this Agreement and to pay any other taxes, excises, licenses, permit charges or assessments based on PG&E's usage of the Easements that may be imposed upon PG&E by applicable law. PG&E shall pay all of such charges when they become due and payable and before delinquency.

c. PG&E agrees not to allow or suffer a lien for any such taxes to be imposed upon the Easement Areas or upon any equipment or property of PG&E located thereon without promptly discharging the same, provided that PG&E, if so desiring, may have the reasonable opportunity to contest the validity of the same.

18. Run with the Land; Exclusive Benefit of Parties. The rights and obligations set forth herein shall run with the land and shall bind and inure to the benefit of the respective successors and assigns of the parties. This Agreement is for the exclusive benefit of PG&E and City and their respective successors and assigns and not for the benefit of, nor give rise to any claim or cause of action by, any other party. This Agreement shall not be deemed a dedication of any portion of the Easement Areas to or for the benefit of the general public.

19. Transfer.

a. **Transfers Require Consent.** PG&E shall not directly or indirectly (including, without limitation, by merger, acquisition or other transfer of any controlling interest in PG&E), voluntarily or by operation of law, assign its rights or delegate its duties under this Agreement, or sell, assign, encumber, pledge or otherwise transfer all or any part of its interest in or rights with respect to the New Easement Area or the New Easements, or authorize anyone other than itself to use any portion of the New Easement Area (each, a **"Transfer"**), without City's prior written consent in each instance, as provided hereinbelow.

b. **Notice of Proposed Transfer; Processing Fee.** If PG&E desires to enter into a Transfer, it shall give written notice (a **"Notice of Proposed Transfer"**) to City of its intention to do so. The Notice of Proposed Transfer shall identify the proposed transferee and state the terms and conditions of the proposed Transfer. PG&E shall deliver to City with its request for City's consent (i) the proposed Transfer documentation (ii) current financial statements of the proposed Transferee, prepared by an

independent certified public accountant, (iii) the sum of $750.00 for the cost of Landlord's administrative, accounting and clerical time in processing the request, and (iv) promptly upon City's request for same, any additional documents or information reasonably related to the proposed transaction or Transferee. Within thirty (30) days after receipt of all such material, City shall notify PG&E whether it consents to the proposed Transfer.

c. **Effect of Transfer**. No Transfer shall operate to modify or enlarge the rights hereby granted. The term "PG&E" as used herein shall include each and every assignee of PG&E. Any purported assignment of any of the New Easements or this Agreement or any interest in the New Easement Area or this Agreement, except on the terms and conditions specified in this **Section 19**, shall be void and of no force or effect.

20. Covenant Not to Discriminate. In the performance of its obligations under this Agreement, PG&E covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, height, weight, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with PG&E.

21. Non-Liability of City Officials, Employees and Agents. No elective or appointive board, commission, member, officer, employee or other agent of City shall be personally liable to PG&E, its successors and/or assigns, in the event of any default or breach by City or for any amount which may become due to PG&E, their successors and assigns, or for any obligation of City under this Agreement.

22. General Provisions. (a) This Agreement may be amended or modified only by a writing signed by City and PG&E and recorded with the San Mateo County Recorder. (b) No waiver by any party of any of the provisions of this Agreement shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. (c) This Agreement contains the entire agreement between the parties with respect to the Valve Station Easement and the Power Line Easement, and all prior negotiations, discussions, understandings and agreements concerning such easement are merged herein. (d) This Agreement shall be governed by California law and City's Charter. (e) If either party commences an action against the other or a dispute arises under this Agreement, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. If either party uses in-house counsel in such dispute, then for purposes hereof reasonable attorneys' fees for such counsel shall be based on the fees regularly charged by private attorneys with comparable experience in the city in which such in-house attorney's office is located. (f) This Agreement does not create a partnership or joint venture between City and PG&E as to any activity conducted by PG&E on, in or relating to the Easement Areas. (g) City's obligations hereunder are contingent upon approval of this instrument by City's Public Utilities Commission and the City's Board of Supervisors and Mayor, each in their respective sole discretion, and the Valve Station Easement, the Power Line Easement, and this Agreement shall be null and void if such approval is not obtained. (h) Time is of the essence of this Agreement and each party's performance of its obligations hereunder. (i) All representations, warranties, waivers, releases, indemnities and surrender obligations given or made in this Agreement shall survive the termination of this Agreement or the extinguishment of the Easements. (j) If any provision of this Agreement is deemed invalid by a judgment or court order, such invalid provision shall not affect any other provision of this Agreement, and the remaining portions of this Agreement shall continue in full force and effect, unless enforcement of this Agreement as partially invalidated would be unreasonable or grossly inequitable under all of the circumstances or would frustrate the purpose of this Agreement. (k) All section and subsection titles are included only for convenience of reference and shall be disregarded in the construction and interpretation of the Agreement. (l) PG&E and the person signing this Agreement on behalf of PG&E each represents and warrants to City that the execution and delivery of

this Agreement by PG&E and the person signing on behalf of PG&E below has been duly authorized, and City represents and warrants to PG&E that the execution and delivery of this Agreement by City and the person signing on behalf of City below has been duly authorized. (m) The Recitals set forth above and the exhibits attached to and referenced in this Agreement are incorporated into the Agreement. (n) This Agreement may be executed in counterparts, each of which shall be an original but all of which taken together shall comprise one and the same agreement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

By: Richard Echols
Richard Echols
Manager, Land Acquisition

Date: 6/6/13

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

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

Date: _____

APPROVED AS TO FORM

DENNIS J. HERRERA
City Attorney of San Francisco

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

San Francisco Public Utilities Commission
Resolution No.:_____

San Francisco Board of Supervisors
Resolution No.: _____

DESCRIPTION CHECKED/APPROVED:

By: _____
R. Edward Peterson
Chief Surveyor
San Francisco Public Utilities Commission

ACKNOWLEDGMENT

State of California
County of Contra Costa)

On 06/06/2013 before me, Nathan M. Mott, Notary Public
(insert name and title of the officer)

personally appeared Richard Guy Echols,
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.

NATHAN M. MOTT
Commission # 1954904
Notary Public - California
San Francisco County
My Comm. Expires Oct 2, 2015

Signature Nathan M. Mott (Seal)

State of California)
)
County of San Francisco)

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A – Legal Description

Crystal Springs Valve Lot

LD 2304-05-1444
2012178 (22-11-210) 9 12 2
Valve Automation 2012 – Crystal Springs

EXHIBIT "A"

(APN 093-070-072(portion))

The parcel of land situate in the unincorporated area of the County of San Mateo, State of California, described as follows:

PARCEL 1

Commencing at the found iron pipe set in concrete monument box shown upon the map of Hillsborough Highlands filed for record May 3, 1956 in Book 45 of Maps at page 5, San Mateo County Records, as marking the westerly terminus of a course shown upon said map, which course, located in the center line of Black Mountain Road, has a bearing of N 80°23'20" W and a distance of 320.87 feet, and running

(a) south 16°29'34" west 1874.96 feet

to the TRUE POINT OF BEGINNING of this description; thence

(1) south 12°57'42" east 151.79 feet

to a point herein for convenience called Point "A"; thence continuing

(2) south 12°57'42" east 60.21 feet; thence
(3) south 77°02'18" west 92.00 feet; thence
(4) north 12°57'42" west 212.00 feet; thence
(5) north 77°02'18" east 92.00 feet

to the True Point of Beginning; being a portion of the parcel of land designated "Parcel 31: Crystal Springs, San Andreas and Pilarcitos Reservoirs and Watershed Lands" in the deed from Spring Valley Water Company to City and County of San Francisco dated March 3, 1930 and recorded in Book 491 of Official Records at page 1, San Mateo County Records.

PARCEL 2

Beginning at the point designated Point "A" in the description hereinbefore described and designated PARCEL 1 and running

(1) north 86°42'02" east 186.61 feet

to a point in the westerly boundary line of Lot 11 shown upon the map of Crystal Springs Map No.1-A filed for record August 15, 1947 in Book 27 of Maps at page 45, San Mateo County Records; thence along said westerly boundary line

(2) south 0°41'00" west 20.05 feet

to a point in the northerly boundary line of the parcel of land described and designated PARCEL 28 in the final order of condemnation, wherein the People of the State of California is plaintiff, dated November 27, 1973 and recorded in Book 6508 of Official Records at page 384, San Mateo County

Records; thence leaving said westerly boundary line and running along said northerly boundary line

(3) south 86°42'02" west 181.81 feet

to a point in the easterly boundary line of the parcel of land hereinbefore described and designated PARCEL 1; thence leaving said northerly boundary line and running along said easterly boundary line

(4) north 12°57'42" west 20.29 feet, more or less,

to the point of beginning; being a portion of said parcel of land designated "Parcel 31: Crystal Springs, San Andreas and Pilarcitos Reservoirs and Watershed Lands".

The foregoing description is based on a survey made by Pacific Gas and Electric Company in December 2011. The bearings used are based on a course shown upon said map filed for record May 3, 1956 in Book 45 of Maps at page 5, San Mateo County Records, which has a bearing of N 80°23'20" W and a distance of 320.87 feet. The termini of said course are marked by the found iron pipes set in concrete monument boxes as shown upon said map.

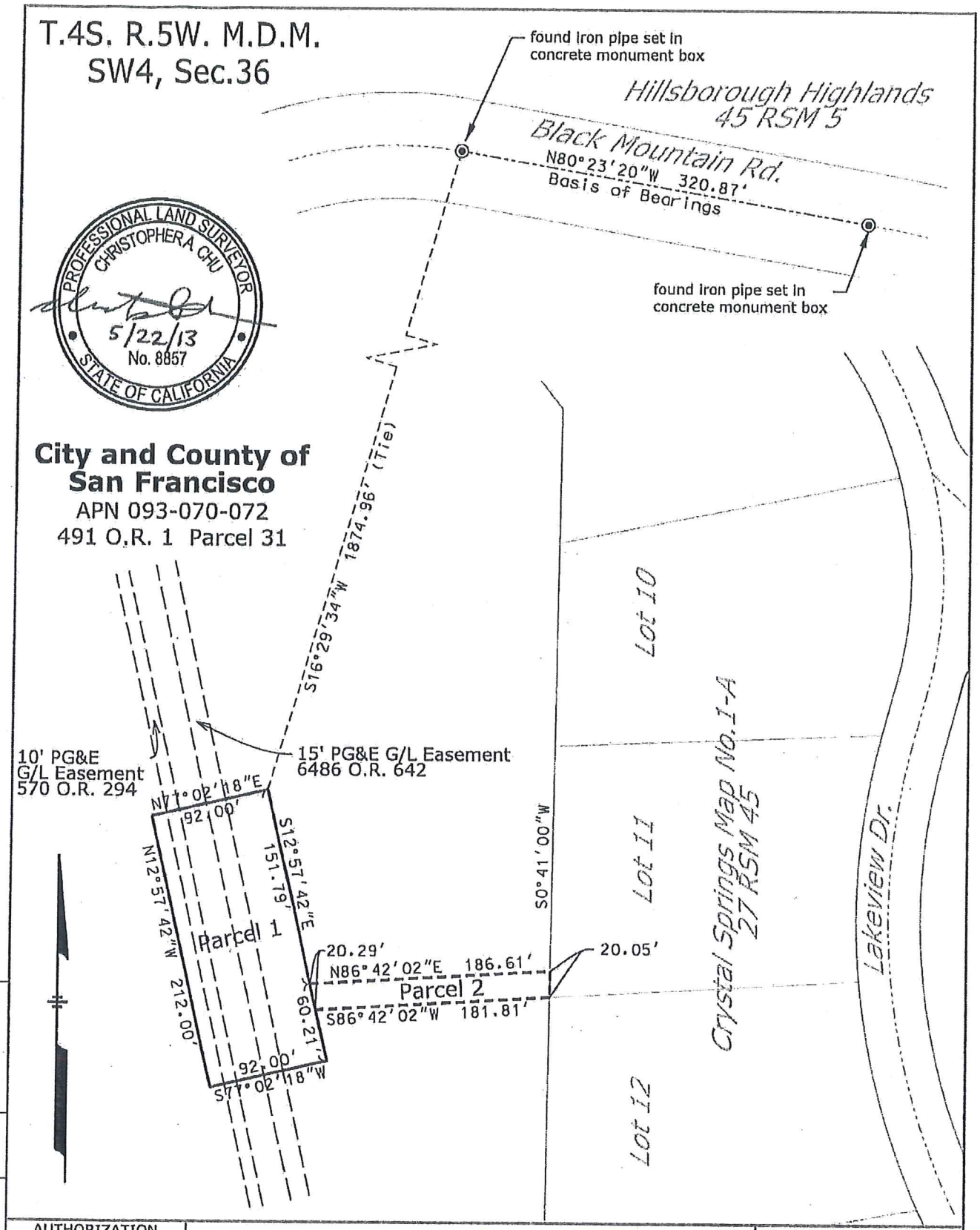
LICENSED LAND SURVEYOR
CHRISTOPHER A. CHU
8857
STATE OF CALIFORNIA

5/22/13

EXHIBIT B-1 – Surveyed Drawing

Crystal Springs Valve Lot Easement Area (Parcel 1) and Power Line Easement Area (Parcel 2)

T.4S. R.5W. M.D.M.
SW4, Sec.36



AUTHORIZATION 30843884	
BY	L. Vu
DR	D. Tran
CH	C. Chu
O.K.	C. Chu
DATE	10-9-12

EXHIBIT "B-1"
Gas Valve Lot & Electric Easements
Crystal Springs

PACIFIC GAS AND ELECTRIC COMPANY
San Francisco California

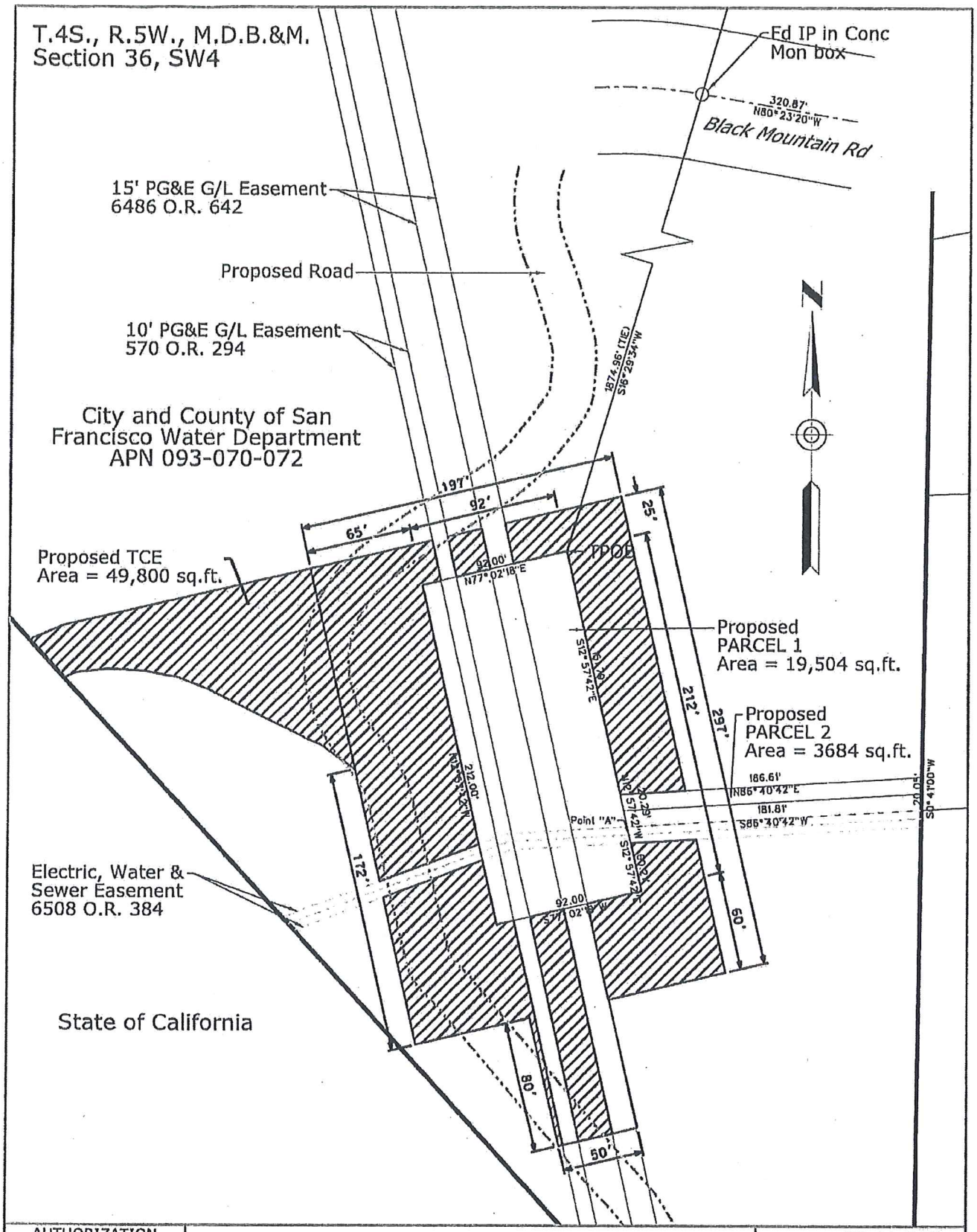
JCN	22-11-210
AREA	South Coast
COUNTY	San Mateo
SCALE	1"=100'
SHEET NO.	1 OF 1
DRAWING NUMBER	L-9265
CHANGE	3

LD 2304-05-1444

Rev. Date 052113

EXHIBIT B-2

Approximate Location of Temporary Construction Easement Area



AUTHORIZATION 30843884	
BY	L. Vu
DR	D. Tran
CH	C. Chu
O.K.	C. Chu
DATE	5-21-13

Exhibit B-2
Temporary Construction Easement
Crystal Springs

PACIFIC GAS AND ELECTRIC COMPANY
San Francisco California

JCN	22-11-210
AREA	South Coast
COUNTY	San Mateo
SCALE	1" = 80'
SHEET NO.	1 OF 1
DRAWING NUMBER	L-9349
CHANGE	

Rev. Date 052113

EXHIBIT C – [Intentionally Omitted]

EXHIBIT D – Insurance Requirements

PG&E shall procure and keep in effect at all times during the term of the Easement, at PG&E's expense, and cause its contractors and subcontractors to maintain at all times during any construction activities on the Easement Areas, insurance as follows:

a. **Required insurance.** (i) Commercial General Liability Insurance with limits not less than $5,000,000 each occurrence combined single limit for bodily injury and property damage, including coverages for contractual liability, personal injury, independent contractors, explosion, collapse and underground (XCU), Broadform Property Damage, Sudden and Accidental Pollution, Products Liability and Completed Operations; (ii) Business Automobile Liability Insurance with limits not less than $2,000,000 each occurrence combined single limit for bodily injury and property damage, including coverages for owned, non-owned and hired automobiles, as applicable, if PG&E uses or causes to be used any vehicles in connection with its use of the Easement Areas, and (iii) Statutory Workers' Compensation Insurance, including employer's liability coverage with limits of not less than $1,000,000 each accident.

PG&E shall maintain pollution legal liability, environmental remediation liability and other environmental insurance, including coverage for bodily injury, sickness, disease, mental anguish or shock sustained by any person, including death; Environmental Damages; property damage including but not limited to physical injury to or destruction of tangible property including the resulting loss of use thereof, clean-up costs, and the loss of use of tangible property that has not been physically injured or destroyed; defense costs, charges and expenses incurred in the investigation, adjustment of defense claims for such compensatory damages; sudden and non-sudden pollution conditions including the discharge, dispersal, release or escape of Hazardous Materials into or upon the City's property, the atmosphere or watercourse or body of water, which results in Environmental Damages; transportation coverage for the hauling of any Hazardous Materials by PG&E or PG&E's Contractors or Agents, from the Easement Areas to the final disposal location; and first party environmental remediation that pays for the cost of cleanup and remediation of the Easement Areas required to comply with all Applicable Laws. Such insurance shall be endorsed to provide third party disposal site coverage that covers third party bodily injury, property damage and cleanup coverage for pollution conditions emanating from a disposal site or landfill used by the PG&E or PG&E's Agents. PG&E shall maintain limits no less than: Four Million Dollars ($4,000,000) per accident and Eight Million Dollars ($8,000,000) annual aggregate for bodily injury and property damage. The SFPUC, its Agents and Employees shall be included as additional insureds on the policy as loss payees under the Pollution Legal Liability/Environmental Remediation/Cleanup Liability Insurance Policy.

All of the insurance required shall be issued by one or more companies of recognized responsibility authorized to do business in the State of California with financial rating of at least a Class A-, VIII (or its equivalent successor) status, as rated in the most recent edition of A.M. Best's "Best's Insurance Reports."

b. **Self Insurance.** PG&E shall have the right to self-insure with respect to any of the insurance requirements required under this Agreement, to the extent permitted by applicable law. In the event that PG&E elects to self-insure with respect to any of the insurance requirements required under this Agreement, on or before the Effective Date and within thirty (30) days of SFPUC's written request each year thereafter, PG&E shall submit to SFPUC a certificate of self-insurance signed by a duly authorized representative of PG&E, such certificate evidencing that PG&E's self-insurance program is adequately funded, in full force and effect and in compliance with and subject to all the terms, agreements, covenants, conditions and provisions of this Agreement. If PG&E elects to self-insure, PG&E shall give City prompt written notice of any significant change in or the depletion of its self-

insurance fund. Notwithstanding the foregoing, PG&E is also responsible for causing any contractors, subcontractors and/or agents to maintain commercially reasonable insurance coverages and coverage limits as required under this Agreement.

With respect to any claim, loss or liability that would have been covered by the insurance policies (including but not limited to the SFPUC, City and County of San Francisco, its Agents and Employees' status as an "additional insured" thereunder) required by this Agreement to be maintained by PG&E but within the self-insured retention or deductible amount, PG&E shall cover such claim, loss or liability on the same basis as the insurance arrangements or deductibles on such insurance policies, including but not limited to such insurance carrier responsibility to protect the SFPUC, the City and County of San Francisco, its Agents and Employees as an "additional insured."

c. **Deductibles and Self-Insured Retentions.** Any deductibles or self-insured retentions must be declared. All deductibles and self-insured retentions shall be paid by PG&E.

d. **Additional insured parties**. All policies required hereunder shall provide for the following: (i) name as additional insureds the City and County of San Francisco, its Public Utilities Commission and its officers, agents and employees; (ii) specify that such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of this Agreement and that insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limit of liability, and (iii) include a waiver of subrogation endorsement or provision wherein the insurer acknowledges acceptance of PG&E's waiver of claims against City. Such policies shall also provide for severability of interests and that an act or omission of one of the named insureds which would void or otherwise reduce coverage shall not reduce or void the coverage as to any insured, and shall afford coverage for all claims based on acts, omissions, injury or damage which occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period. Sudden and accidental pollution coverage in the liability policies required hereunder shall be limited to losses resulting from the activities of PG&E and/or PG&E's Agents and/or Invitees) under this Agreement (excluding nonnegligent aggravation of existing conditions with respect to Hazardous Materials).

e. **Endorsement**. All policies shall be endorsed to provide thirty (30) days prior written notice to City of cancellation or intended non-renewal.

f. **Delivery**. Prior to the Effective Date of this Agreement (and subsequently (i) within thirty (30) days of SFPUC's written request each year thereafter, and (ii) prior to any contractor of PG&E commencing any work within the Easement Area), PG&E shall deliver and cause its contractor, if any, to deliver to City certificates of insurance and additional insured and waiver of subrogation policy endorsements from insurers in a form satisfactory to City, evidencing the coverages required hereunder, together with complete copies of the policies at City's request. In the event PG&E or its contractor shall fail to procure such insurance, or fail to deliver such policies or certificates, City may procure, at its option, the same for the account of PG&E, and the cost thereof shall be paid to City within five (5) days after delivery to PG&E of bills therefore. PG&E's obligation to provide evidence of its own insurance coverage (but not its contractor's) under this paragraph will be deemed satisfied to the extent that PG&E provides evidence that it is self-insured with respect to such insurance requirements as provided in paragraph b above.

g. **General aggregate limits**. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general aggregate limit shall double the occurrence or claims limits specified above.

h. **Continuation of coverage**. Should any of the required insurance be provided under a claims made form, PG&E shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three (3) years beyond the Agreement expiration or termination, to the effect that should any occurrences during the Agreement term give rise to claims made after expiration or termination of the Agreement, such claims shall be covered by such claims-made policies.

i. **Insurance review**. Upon City's request, PG&E and City shall periodically review the limits and types of insurance carried pursuant to this exhibit. If the general commercial practice in the County of San Mateo is to carry liability insurance in an amount or coverage materially greater than the amount or coverage then being carried by PG&E for risks comparable to those associated with PG&E's use of the Easement Areas, then City in its sole discretion may require PG&E to increase the amounts or coverage carried by PG&E hereunder to conform to such general commercial practice.

j. **No release of indemnity**. PG&E's compliance with the provisions of this exhibit shall in no way relieve or decrease PG&E's indemnification obligations under this Agreement or any of PG&E's other obligations hereunder. Notwithstanding anything to the contrary in this Agreement, the Agreement shall terminate, at the option of City (exercised by delivery of notice to PG&E), upon the lapse of any required insurance coverage. PG&E shall be responsible, at its expense, for separately insuring PG&E's personal property.

EXHIBIT E – Description and Drawings of PG&E's Improvements

This Exhibit E is attached to and a part of the Easement Agreement between the City and County of San Francisco ("City") and Pacific Gas and Electric Company ("PG&E"), for the conveyance to PG&E of a natural gas valve station easement, a power line easement and a temporary construction easement for PG&E Crystal Springs Valve Lot LD #2304-05-1444 (portion of San Mateo County APN 093-070-072). The drawings, photographs and documents incorporated by reference into this exhibit and the Easement Agreement are:

(1) An overhead layout of the Valve Lot Easement Area (labeled "Proposed Parcel 1"), the Power Line Easement Area (labeled "Proposed Parcel 2"), the Temporary Construction Easement Area (labeled "Proposed TCE Area"), and the new road alignment outlined in orange (labeled "Proposed Road"), superimposed on satellite imagery, made by PG&E, labeled "Drawing Number L-9216" and titled "Valve Automation 2012 Crystal Springs" dated April 25, 2012;

(2) An elevation drawing of the Crystal Springs Valve Lot, "Pacific Gas and Electric Company Pipeline Safety Enhancement Plan – Valve Automation Crystal Springs Station – Order No. 30843884," and dated March 25, 2013 (REV A) (one sheet);

(3) An overhead view, three-dimensional rendering , titled "Pacific Gas and Electric Company Pipeline Safety Enhancement Plan – Valve Automation Crystal Springs Station – Order No. 30843884, dated March 25, 2013 (one sheet);

(4) A photograph titled "PG&E Sample Automated Gas Valve", dated March 18, 2013, on file with the SFPUC; and

(5) Certificate of Completion of the Project Review Process, dated August 28, 2012, issued by SFPUC's Natural Resources and Lands Management Division for Project Case No. 12.08-PN10.00

EXHIBIT F – SFPUC Heavy Equipment Restrictions

To prevent damage to City's underground pipelines, PG&E's use of vehicles and equipment within twenty feet (20′) of each side of the centerline of City's subsurface pipelines (measured on the surface) shall be subject to the following restrictions:

(1) The depth of soil cover over the tops of City's pipelines must be at least three feet (3′) for steel cylinder pipe and four feet (4′) for reinforced pre-stressed concrete cylinder pipe to accommodate the loading as defined below in subsection (2). If any equipment with axle loading exceeds the loads stated in subsection (2) below or if the depth of soil cover is less than stated above, PG&E shall submit to SFPUC for review and approval, in SFPUC's sole discretion, engineering calculations prepared by a licensed Professional Engineer showing that City's pipelines will not be adversely affected by PG&E's proposed activities. In the event that City's pipelines may be adversely affected, PG&E shall submit preventive measures for City's approval to ensure that no adverse effect will occur.

(2) The effects of vehicle and equipment loads to the pipe must not exceed the effects of the "AASHTO Standard H-10 Loading." H-10 loading is defined as loading caused by a two-axle truck with a gross weight of ten tons (20,000 lbs.), axles fourteen feet (14′) apart, and rear axle carrying eight tons (16,000 lbs.). PG&E shall be responsible to provide SFPUC with adequate evidence that its equipment and vehicles meet the foregoing requirements.

(3) PG&E shall not use vibrating compaction equipment over or within twenty feet (20′) of each side of the centerline of City's subsurface pipelines (measured on the surface) without SFPUC's prior written approval, which approval may be withheld in SFPUC's sole discretion.

(4) If the depth of the soil cover over a SFPUC pipeline (determined by potholing or other proof procedure) is less than the minimum stated in subsection (1) above, unless an alternate method is approved by SFPUC in writing, all excavation and grading over the pipeline shall be performed manually. For any machinery equipment excavation or grading over and within twenty feet (20′) of each side of the centerline of the pipeline (measured on the surface), PG&E shall submit a written proposal together with all supporting calculations and data to SFPUC for review and approval. In any case, the two feet (2′) of soil around the pipeline shall be removed manually or by other methods approved by SFPUC, with due care.

[Attach a copy of the San Francisco Board of Supervisors Resolution]