

File No. 130961

Committee Item No. 1

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use and Economic Development Date October 28, 2013

Board of Supervisors Meeting Date _____

Cmte Board

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
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| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
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| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
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OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Agreement for Purchase and Sale of Real Estate |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Easement Deed |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Public Utilities Commission Resolution No. 09-0071 |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | General Plan Referral Letter, dtd 12/8/08 |
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Completed by: Alisa Miller Date October 25, 2013

Completed by: _____ Date _____

1 [Acquisition of Discharge Easements - California Water Service Company - Bay Division
2 Pipeline Nos. 3 and 4 Crossovers Project in San Mateo County - \$3,640]

3 **Resolution approving and authorizing the acquisition of two Discharge Easements**
4 **from the California Water Service Company, a California Corporation, for \$3,640, to**
5 **be used by the City and County of San Francisco (City) for discharge of pipeline**
6 **water and groundwater, as needed for the installation, construction, modification,**
7 **removal, inspection, maintenance, repair, and replacement of the water system**
8 **infrastructure in the City's right of way, including without limitation, periodic**
9 **scheduled maintenance, emergency repairs, and the construction of the project**
10 **known as the Bay Division Pipeline Nos. 3 and 4 Crossovers Project No. CUW38001;**
11 **adopting findings under the California Environmental Quality Act; adopting findings**
12 **that the conveyance is consistent with the City's General Plan and the eight priority**
13 **policies of Planning Code, Section 101.1; and authorizing the Director of Property to**
14 **execute documents, make certain modifications, and take certain actions in**
15 **furtherance of this Resolution.**

16
17 WHEREAS, The San Francisco Public Utilities Commission ("SFPUC") is
18 constructing Project No. CUW38001, the Bay Division Pipeline Nos. 3 and 4 Crossovers
19 Project (the "Project"), as part of the Water System Improvement Program ("WSIP"). The
20 Project is located in San Mateo and Santa Clara Counties, at three different locations in the
21 Cities of Santa Clara and Palo Alto in Santa Clara County and the Town of Atherton in San
22 Mateo County. The Project includes, among other related features, the construction of
23 three new facility crossovers including subsurface vault housing valves and actuators and
24 two adjacent concrete pads supporting an emergency generator and electrical and
25 communications control equipment; and

1 WHEREAS, the objectives of the Project are to improve delivery reliability and
2 provide operational flexibility during maintenance activities or unplanned outages, as well
3 as to replenish local reservoirs after such events; and

4 WHEREAS, An Initial Study/Mitigated Negative Declaration as required by CEQA
5 (California Public Resources Code Sections 21000 et seq.) was prepared for the Project;
6 and

7 WHEREAS, On October 23, 2008, the Planning Department reviewed and
8 considered the Initial Study/Final Mitigated Negative Declaration ("IS/FMND") and found
9 that the contents of said report and the procedures through which the IS/FMND was
10 prepared, publicized and reviewed complied with CEQA, the CEQA Guidelines (14
11 California Code of Regulations Sections 15000 et seq.) and Chapter 31 of the San
12 Francisco Administrative Code; and

13 WHEREAS, Thereafter the SFPUC adopted findings under CEQA, including
14 adopting the IS/FMND and a Mitigation Monitoring and Reporting Program ("MMRP") as
15 required by CEQA, and approved the Project, on December 9, 2008 by Resolution No. 08-
16 0225; and

17 WHEREAS, This Board, by Resolution No. 23-09 adopted on January 27, 2009, a
18 copy of which is on file with the Clerk of the Board of Supervisors in File No. 081617 and
19 which is incorporated herein by this reference and considered part of the record before this
20 Board, adopted the IS/FMND and the SFPUC CEQA findings related to the Project as its
21 own including the MMRP; and

22 WHEREAS, The Project requires that City acquire two permanent discharge
23 easements (the "Easements") over and across portions of that real property owned by the
24 California Water Service Company, a California Corporation ("Grantor") located off
25 Reservoir Road in the Town of Atherton, San Mateo County. One easement is required to

1 discharge water from City's water pipelines and groundwater located on City's Right of
2 Way, over and across Grantor's property into Grantor's stilling basin. The second
3 easement is required to discharge water from City's water pipelines and ground water
4 located on City's Right of Way, over and across a portion of Grantor's property into
5 Grantor's catch basin and drain leading to Atherton Creek; and

6 WHEREAS, the Project requires that City acquire two temporary construction
7 easements over and across portions of Grantor's property; and

8 WHEREAS, as a condition to providing the necessary electrical facilities to serve the
9 new crossover facilities at the Project site, PG&E requires a permanent easement across
10 Grantor's land; and

11 WHEREAS, SFPUC staff have negotiated with the Grantor the proposed terms and
12 conditions of City's acquisition of the Easements and the temporary construction
13 easements, and City's payment of the purchase price for PG&E's acquisition of the
14 electrical easement, set forth in the form of an Agreement for Purchase and Sale of Real
15 Estate ("Agreement"), between City, as Grantee, and the California Water Service
16 Company, as Grantor, a copy of which is on file with the Clerk of the Board of Supervisors
17 under File No. 130961, which is incorporated herein by reference and is considered part of
18 the record before this Board; and

19 WHEREAS, On April 28, 2009, SFPUC, by Resolution No. 09-0071, a copy of which
20 is included in Board of Supervisors File No. 130961 and which is incorporated herein by
21 this reference: (1) approved the proposed acquisition of the Easements and authorized the
22 SFPUC General Manager and/or the Director of Property, following Board of Supervisors
23 approval of the acquisition of the Easements, to execute the Agreement with such
24 additional terms that are in the public interest and in the judgment of the General Manager
25 and/or Director of Property, in consultation with the City Attorney, are reasonable and

1 appropriate for the scope and duration of the City's power requirements as necessary for
2 the Project; and (2) adopted findings under CEQA related to the Easement; and

3 WHEREAS, The Project files, including the IS/FMNDA, MMRP and SFPUC
4 Resolutions No. 08-0225 and 09-0071 have been made available for review by the Board
5 and the public, and those files are considered part of the record before this Board; and

6 WHEREAS, The Board of Supervisors has reviewed and considered the information
7 and findings contained in the IS/FMND and MMRP and SFPUC Resolutions No. 08-0225
8 and 09-0071, and all written and oral information provided by the Planning Department, the
9 public, relevant public agencies, SFPUC and other experts and the administrative files for
10 the Project; and

11 WHEREAS, The Director of Planning, by letter dated December 8, 2008, found that
12 the acquisition of all the necessary property rights for the Project, is consistent with the
13 City's General Plan and with the Eight Priority Policies of City Planning Code Section
14 101.1, which letter is on file with the Clerk of the Board of Supervisors under File No.
15 130961, and which letter is incorporated herein by this reference; now, therefore, be it

16 RESOLVED, The Board has reviewed and considered the IS/FMND and record as a
17 whole, finds that the IS/FMND is adequate for its use as the decision making body for the
18 action taken herein and hereby incorporates by this reference as though set forth in this
19 resolution the CEQA findings contained in SFPUC Resolution No. 08-0225 and previously
20 adopted as the Board's own by Resolution No. 23-09; and, be it

21 FURTHER RESOLVED, The Board finds that the Project mitigation measures
22 adopted by the SFPUC will be implemented as reflected in and in accordance with the
23 MMRP; and, be it

24 FURTHER RESOLVED, The Board finds that since the IS/FMND was finalized,
25 there have been no substantial project changes and no substantial changes in the Project

1 circumstances that would require major revisions to the IS/FMND due to the involvement of
2 new significant environmental effects or an increase in the severity of previously identified
3 significant impacts, and there is no new information of substantial importance that would
4 change the conclusions set forth in the IS/FMND; and, be it

5 FURTHER RESOLVED, That the Board of Supervisors of the City and County of
6 San Francisco hereby finds that the City's acquisition of the Easements from the California
7 Water Service Company pursuant to the Agreement is consistent with the General Plan
8 and with the Eight Priority Policies of city planning Code Section 101.1 for the same
9 reasons as set forth in the letter of the Director of Planning dated December 8, 2008,
10 hereby incorporates such findings by references as though fully set forth in this resolution;
11 and, be it

12 FURTHER RESOLVED, That in accordance with the recommendations of the Public
13 Utilities Commission and the Director of Property, the Board of Supervisors hereby
14 approves the Agreement and the transaction contemplated thereby in substantially the form
15 of such instrument presented to this Board; and, be it

16 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
17 Property and/or the SFPUC's General Manager to enter into any additions, amendments or
18 other modifications to the Agreement (including, without limitation, the attached exhibits)
19 that the Director of Property and/or the SFPUC's General Manager determines are in the
20 best interest of the City, that do not materially increase the obligations or liabilities of the

21 //

22 //

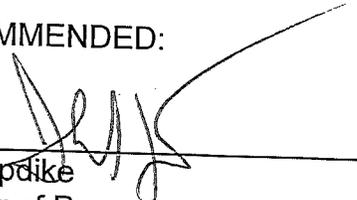
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1 City, and are necessary or advisable to complete the transaction contemplated in the
2 Agreement and effectuate the purpose and intent of this resolution, such determination to
3 be conclusively evidenced by the execution and delivery by the Director of Property of the
4 Agreement and any amendments thereto; and, be it

5 FURTHER RESOLVED, That the Director of Property is hereby authorized and
6 urged, in the name and on behalf of the City and County, to execute and deliver the
7 Agreement with the California Water Service Company upon the closing in accordance
8 with the terms and conditions of the Agreement, and to take any and all steps (including,
9 but not limited to, the execution and delivery of any and all certificates, agreements,
10 notices, consents, escrow instructions, closing documents and other instruments or
11 documents) as the Director of Property deems necessary or appropriate in order to
12 consummate the acquisition of the Easements pursuant to the Agreement, or to otherwise
13 effectuate the purpose and intent of this resolution, such determination to be conclusively
14 evidenced by the execution and delivery by the Director of Property of any such
15 documents.

16
17
18 RECOMMENDED:

19 
20 John Uptake
21 Director of Property

FUNDS AVAILABLE:

22 
23 Controller
24 Appropriation Index Code 738009
25 *ET 9/20/13*



RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2013 SEP 26 PM 2:11

JHB



John Updike
Director of Real Estate

Edwin M. Lee, Mayor
Naomi M. Kelly, City Administrator

September 24, 2013

130961

Bay Division
Pipeline Nos. 3 and 4
Crossovers Project

Through Naomi Kelly, City Administrator

Honorable Board of Supervisors
City & County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Dear Board Members:

Enclosed for your consideration is a Resolution authorizing an agreement to acquire two Discharge Easements for Three Thousand Six Hundred and Forty Dollars (\$3,640.00) from California Water Service Company for discharge of pipeline water and groundwater as needed for the installation, construction, operation, inspection, maintenance, repair and replacement of the water system infrastructure facilities in City and County of San Francisco's (City) right of way. The acquisition is necessary for the construction of the project known as the Bay Division Pipeline Nos. 3 and 4 Crossovers Project.

In addition to the Resolution, enclosed are:

1. Agreement for Purchase and Sale of Real Estate and Easement Deed between the City and the California Water Service Company.
2. Public Utilities Commission Resolution No. 09-0071, dated April 28, 2009, approving the acquisition of the easement for the project.
3. City Planning's letter dated December 8, 2008 stating that the proposed project is in conformity with the General Plan.

4. Form SFEC – 126: Notification of Contract Approval

Should you have any questions or need additional information, do not hesitate to call Marta Bayol of our office at 554-9865

Respectfully,



John Updike
Director of Real Estate

cc: Naomi Kelly, City Administrator

w/ Resolution;
Brian Morelli, PUC
Kathy Wood, PUC

AGREEMENT FOR PURCHASE AND SALE OF REAL ESTATE

by and between

CALIFORNIA WATER SERVICE COMPANY, A CALIFORNIA CORPORATION

as Seller

and

CITY AND COUNTY OF SAN FRANCISCO,
acting by and through its Public Utilities Commission,

as Buyer

For the purchase and sale of

Easements over, in and upon real property in
Atherton, California

_____, 2013

TABLE OF CONTENTS

		<u>Page</u>
1.	PURCHASE AND SALE	1
	1.1 Purchase and Sale of Easements	1
	1.2 Easement Area; Nature of Easements	1
2.	PURCHASE PRICE	1
	2.1 Purchase Price	1
	2.2 Payment	1
	2.3 Funds	1
3.	CONVEYANCE OF EASEMENT	2
	3.1 Easement Deeds	2
	3.2 State of Title	2
4.	CONDITIONS TO CLOSING	2
	4.1 City's Conditions to Closing	2
	4.2 Cooperation with City	3
5.	CLOSING AND POSSESSION	3
	5.1 "Closing Defined"	3
	5.2 Opening of Escrow; Instructions	3
	5.3 Closing Date	4
	5.4 Seller's Delivery of Documents	4
	5.5 City's Delivery of Documents and Funds	4
	5.6 Other Documents; Cooperation	5
	5.7 Closing	5
	5.8 Possession and Use	6
6.	EXPENSES; PRORATIONS	6
	6.1 City's Expenses	6
	6.2 Seller's Expenses	6
	6.3 Other Expenses	6
7.	REPRESENTATIONS AND WARRANTIES	6
8.	RISK OF LOSS	7
9.	MAINTENANCE; CONSENT TO NEW CONTRACTS	7
	9.1 Maintenance of the Easement Area	7
	9.2 Contracts Affecting the Easement Area	7
10.	DISMISSAL OF EMINENT DOMAIN ACTION	8

11.	GENERAL PROVISIONS	8
11.1	Notices	8
11.2	Brokers and Finders	9
11.3	Successors and Assigns	9
11.4	Amendments; Waivers	9
11.5	Continuation and Survival of Representations and Warranties	9
11.6	Governing Law	9
11.7	Merger of Prior Agreements; No Inducement	9
11.8	Parties and Their Agents; Approvals	10
11.9	Interpretation of Agreement	10
11.10	Attorneys' Fees	10
11.11	Severability	10
11.12	Sunshine Ordinance	10
11.13	Conflicts of Interest	11
11.14	Notification of Limitations on Contributions	11
11.15	Non-Liability of City Officials, Employees and Agents	11
11.16	Counterparts	11
11.17	Effective Date	12
11.18	Release of Claims	12

LIST OF EXHIBITS

- EXHIBIT A-1 – Easement Deed for Two Discharge Easements, with attached depiction and legal descriptions of easement areas.
- EXHIBIT A-2 – Easement Deed for Two Temporary Construction Easements, with attached depiction and legal descriptions of easement areas.
- EXHIBIT A-3 – Easement Deed for Electrical Easement with attached depiction and legal descriptions of easement area.
- EXHIBIT B – Preliminary Title Report

AGREEMENT FOR PURCHASE AND SALE OF REAL ESTATE
(Easements Over, On and In
Portions of APN 073-191-050, 073-192-060, -070 and 080)

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL ESTATE (this "Agreement") dated for reference purposes only as of _____, 2013, is by and between CALIFORNIA WATER SERVICE COMPANY, a California Corporation ("Seller"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, acting by and through its Public Utilities Commission ("Buyer" or "City").

IN CONSIDERATION of the respective agreements set forth below, Seller and City agree as follows:

1. PURCHASE AND SALE

1.1 Purchase and Sale of Easements

Seller agrees to sell and convey to City, and City agrees to purchase from Seller, subject to the terms, covenants and conditions set forth below, (a) two (2) permanent discharge easements, (b) two (2) temporary construction easements for construction staging and storage of spoils in connection with City's BDPL 3 & 4 Crossovers Project, and (c) one (1) permanent electrical easement for PG&E underground utilities (collectively, the "Easements") over, across, in and upon a portion of Seller's real property in the Town of Atherton, San Mateo County ("County"), California, located along Reservoir Road, Atherton, California and commonly known as Assessor's Parcels 073-191-050, 073-192-060, and -070, & -080 ("Seller's Property").

1.2 Easement Area; Nature of Easements

The "Easement Area" shall be those portions of Seller's Property described in and approximately depicted on the exhibits to the easement deeds (collectively, the "Deeds") attached as Exhibits A-1, A-2, and A-3. The nature, scope and conditions of the Easements shall be as set forth in the Deeds.

2. PURCHASE PRICE

2.1 Purchase Price

The total purchase price for the Easements is Three Thousand Six Hundred Forty Dollars (\$3,640.00) (the "Purchase Price").

2.2 Payment

On the Closing Date (as defined in Section 5.2 [Closing Date]), City shall pay the Purchase Price, adjusted pursuant to the provisions of Article 6 [Expenses], and reduced by any credits due City hereunder.

2.3 Funds

All payments made by any party hereto shall be in legal tender of the United States of America, paid by Controller's warrant or in cash or by wire transfer of immediately available funds. Unless the parties elect to close the transaction without an escrow, payments shall be made through the Escrow Holder, as the escrow agent.

3. CONVEYANCE OF EASEMENT

3.1 Easement Deeds

At the Closing Seller shall convey to City marketable and insurable title to the Easements, by duly executed and acknowledged Deeds in the form attached hereto as Exhibits A-1, A-2, and A-3 free and clear of all exceptions, liens and encumbrances except solely for the Accepted Conditions of Title (as defined in Section 3.2 [State of Title]).

3.2 State of Title

“Accepted Conditions of Title” shall mean only (i) the lien of real property taxes, not yet due or payable; and (ii) exceptions numbered 7 through 14 in the preliminary title report dated March 8, 2013, bearing Title No. 08-40701120-D-MH, attached hereto as Exhibit B. As a condition precedent to approval of this Agreement by the City, quitclaim deeds, tenants' consents or similar releases sufficient to clear or subordinate any possessory rights over the Easement Area may be required, at City's election, in form approved by City. Seller agrees to secure such quitclaim deeds, tenants' consents, or releases.

CONDITIONS TO CLOSING

3.3 City's Conditions to Closing

The following are conditions precedent to City's obligation to purchase the Easements (collectively, “Conditions Precedent”):

(a) The physical condition of the Easement Area shall be substantially the same on the Closing Date as on the date of City's execution of this Agreement, reasonable wear and tear and loss by casualty excepted (subject to the provisions of Article 8 [Risk of Loss]), and as of the Closing Date there shall be no litigation or administrative agency or other governmental proceeding, pending or threatened, which after the Closing could materially adversely affect the value of the Easements or the ability of City to use the Easement Area for its intended use, and no proceedings shall be pending or threatened that could or would cause the change, re-designation or other modification of the zoning classification of, or of any building or environmental code requirements applicable to, any of the Easement Area.

(b) Seller shall have delivered signed originals of any documents required under Section 3.2, and, unless the parties elect to consummate the transaction without an escrow, Escrow Holder shall be committed at the Closing to issue to City a CLTA owner's policy of title insurance (the “Title Policy”) in the amount of the Purchase Price, insuring title to the Easements vested in City free of all exceptions, liens and encumbrances except only the Accepted Conditions of Title, defined in Section 3.2 [State of Title]. The Title Policy shall contain such special endorsements as City may reasonably request.

(c) The transactions contemplated herein shall have been approved by all applicable City departments and agencies, including, without limitation, the Public Utilities Commission, in their respective sole discretion, within sixty (60) days after Seller executes and delivers this Agreement to City.

(d) If required by City's Charter, the City's Mayor and the Board of Supervisors, in the sole discretion of each, shall have enacted a resolution approving, adopting and authorizing this Agreement and the transactions, within one hundred eighty (180) days after Seller executes and delivers this Agreement to City.

(e) Seller shall have delivered the items described in Section 5.4 below [Seller's Delivery of Documents] on or before the Closing.

The Conditions Precedent contained in the foregoing subsections (a) through (e) are solely for the benefit of City. If any Condition Precedent is not satisfied, City shall have the right in its sole discretion either to waive in writing the Condition Precedent in question and proceed with the purchase (provided that the Conditions Precedent described in items (c) and (d) above may not be waived except insofar as City elects to extend the deadline for satisfying such item) or, in the alternative, terminate this Agreement. The waiver of any Condition Precedent shall not relieve Seller of any liability or obligation with respect to any representation, warranty, covenant or agreement of Seller. In addition, the Closing Date may be extended, at City's option, for a reasonable period of time specified by City, to allow such Conditions Precedent to be satisfied, subject to City's further right to terminate this Agreement upon the expiration of the period of any such extension if any such Conditions Precedent remain unsatisfied.

If the sale of the Easements is not consummated because of a default under this Agreement on the part of Seller or if a Condition Precedent cannot be fulfilled because Seller frustrated such fulfillment by some affirmative act or negligent omission, City may, at its sole election, either (1) terminate this Agreement by delivery of notice of termination to Seller, whereupon Seller shall pay to City any title, escrow, legal and inspection fees incurred by City, and neither party shall have any further rights or obligations hereunder, or (2) continue this Agreement pending City's action for specific performance and/or damages hereunder, including, without limitation, City's costs and expenses incurred hereunder.

3.4 Cooperation with City

Seller shall cooperate with City and do all acts as may be reasonably requested by City with regard to the fulfillment of any Conditions Precedent including, without limitation, execution of any documents, applications or permits, but Seller's representations and warranties to City shall not be affected or released by City's waiver or fulfillment of any Condition.

4. CLOSING AND POSSESSION

4.1 "Closing Defined"

The consummation of the purchase and sale contemplated in this Agreement [by City's acceptance and recording of the Deeds and delivery of the Purchase Price to Seller] (the "Closing") shall occur as provided in this Article 5.

4.2 Opening of Escrow; Instructions

(a) Unless the parties agree to consummate the purchase and sale without an escrow, as provided in subparagraph (b) below: (i) On or before the Effective Date (as defined in Article 11 [General Provisions]), the parties shall open escrow by depositing an executed counterpart of this Agreement with Chicago Title Company ("Escrow Holder") at its offices at 455 Market Street, Suite 2100, San Francisco, California 94105; (ii) this Agreement shall serve as instructions to Escrow Holder as the escrow holder for consummation of the purchase and sale contemplated hereby; (iii) Seller hereby authorizes City to prepare and submit supplemental escrow instructions in accordance with this Agreement on behalf of both parties, as needed; and (iv) the Closing shall be held and delivery of all items to be made at the Closing under this Agreement shall be made at Escrow Holder's offices.

(b) Notwithstanding the foregoing, the parties may elect by mutual consent to consummate the purchase and sale without an escrow, in which event the Closing shall occur as described in Section 5.7(b).

4.3 Closing Date

The Closing shall occur within ninety days (90) days after the Effective Date (as defined in Article 11, or on such earlier date as City and Seller may mutually agree (the "Closing Date"), subject to the provisions of Article 4 [Conditions Precedent]. The Closing Date may not be extended without the prior written approval of both Seller and City, except as otherwise expressly provided in this Agreement. If the Closing does not occur on or before the Closing Date and the parties have deposited documents or funds in escrow, Escrow Holder shall, unless it is notified by both parties to the contrary within five (5) business days after the Closing Date, return such items to the depositor thereof.

4.4 Seller's Delivery of Documents

At or before the Closing, Seller shall deliver or cause to be delivered to City the following:

- (a) the duly executed and acknowledged Deeds;
- (b) such resolutions, authorizations, or other documents as may be reasonably necessary to demonstrate the authority of Seller to enter into this Agreement and consummate the transactions contemplated hereby, and such proof of the power and authority of the individuals executing any documents or other instruments on behalf of Seller to act for and bind Seller;
- (c) any documents needed in order to eliminate title exceptions other than Accepted Conditions of Title;
- (d) a closing statement in form and content satisfactory to City and Seller, signed by Seller (which may be in the form of a letter or memorandum from City, countersigned by Seller, if the parties elect to consummate the transaction without an escrow); and
- (e) such documentation as may be required by the San Mateo County Recorder and/or Franchise Tax Board, such as a transfer tax affidavit or Cal FIRPTA declaration.

4.5 City's Delivery of Documents and Funds

At or before the Closing, City shall provide the following:

- (a) a certificate of acceptance executed by City's Director of Property for each of the Deeds;
- (b) a closing statement in form and content satisfactory to City and Seller, signed by City (which may be in the form of a letter or memorandum from City, countersigned by Seller, if the parties elect to consummate the transaction without an escrow);
- (c) funds sufficient to pay City's share of expenses under Article 6;
- (d) the Purchase Price, as provided in Article 2; ; and
- (e) such documentation as may be required by the San Mateo County Recorder, such as a transfer tax affidavit.

4.6 Other Documents; Cooperation

Seller and City agree to perform such further acts and to execute and deliver such additional documents and instruments as may be reasonably required in order to carry out the provisions of this Agreement and the intentions of the parties.

4.7 Closing

(a) **Closing through Escrow.** Subject to Section 5.7(b), at Closing, provided all the conditions to the parties' obligations have been satisfied or waived as provided and permitted by this Agreement, Escrow Holder shall perform the following acts in the following order:

(i) Perform such acts as are necessary in order to deliver title to City subject only to the Accepted Conditions of Title, including recording any deed of reconveyance, subordination agreement or other documentation as specified in supplemental escrow instructions submitted by City before Closing;

(ii) Record the Deeds in the Office of the County's Recorder and obtain endorsed copies thereof for each party;

(iii) Deliver to Seller, or as Seller may instruct, the Purchase Price, less any amount necessary to satisfy any liens, bond demands, delinquent taxes, and Seller's share of expenses and prorations under Article 6;

(iv) Issue the Title Policy to City, if requested to do so by City; and

(v) Deliver to the appropriate party any other documents, instruments, and sums required by this Agreement.

(b) **Closing Without Escrow.** If the parties elect to consummate the purchase and sale without an escrow, City shall effect the Closing on the Closing Date as follows:

(i) City shall: (i) deliver to Seller, or as Seller may instruct, the Purchase Price (less any amount necessary to satisfy any liens, bond demands, delinquent taxes, and Seller's share of expenses and prorations, if applicable, under Article 6), and (ii) cause the certificate of acceptance in each Deed to be executed, when:

(A) City has received Seller's documents in accordance with Section 5.4, and

(B) City is in a position to record the Deeds conveying the Easements to City subject only to the Accepted Conditions of Title, obtain the Title Policy (if City elects to do so), and deliver to the appropriate party any other documents, instruments, and sums required by this Agreement.

(ii) City shall provide Seller with a recordation conformed copy of the recorded Deeds.

4.8 Possession and Use

The parties acknowledge that City and its contractor have previously entered the Easement Areas and commenced using such real property for the Easement purposes pursuant to Right of Entry letter agreements dated September 3, 2010 and July 10, 2011, and the Purchase Price includes but is not limited to full payment for such possession and use, including interest and damages if any from the date of such entry, notwithstanding any other provision of this Agreement.

5. EXPENSES; PRORATIONS

5.1 City's Expenses

City shall pay all escrow fees, the recording fees for the Deeds and title insurance charges, if any.

5.2 Seller's Expenses

Seller shall pay all costs incurred in connection with the prepayment or satisfaction of any loan, bond or other indebtedness secured in whole or part by the Easement Area including, without limitation, any prepayment or delinquency fees, penalties or charges. Seller shall also pay any delinquent taxes that may have become a lien against Seller's Property, at the Closing.

5.3 Other Expenses

Any other costs and charges of the escrow not otherwise provided for in this Article or elsewhere in this Agreement shall be allocated in accordance with the closing customs for the County, as determined by Escrow Holder.

6. REPRESENTATIONS AND WARRANTIES

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

(a) **Ownership of Property.** Seller is the sole fee owner of Seller's Property, and will own it at the time of the Closing, free and clear of all liens, leases, occupancy agreements, claims, encumbrances, easements and rights of way of any nature (whether disclosed in the public record or not), except only the Accepted Conditions of Title.

(b) **Signing Authority.** Seller and the signatories represent and warrant that the signatories to this Agreement are authorized to enter into this Agreement to convey real property and that no other authorizations are required to implement this Agreement on behalf of Seller.

(c) **No Leases.** There are now, and will be at the Closing, no oral or written leases, occupancy agreements, licenses or easements affecting the Easement Area or that would affect City's access to or use of the Easement Area.

(d) **No Property Defects or Legal Violations.** To the best of Seller's knowledge, there are now, and at the time of the Closing will be, no material physical defects of

the Easement Area, and no violations of any laws, rules or regulations applicable to the Easement Area.

(e) **No Impediments to Use.** Seller knows of no facts nor has Seller failed to disclose any fact that would prevent City from using the Easements after Closing in the normal manner in which it is intended.

(f) **No Lawsuits.** There are no lawsuits or proceedings pending or, to the best of Seller's knowledge, threatened against or affecting Seller, the Property or its use that would affect Seller's ability to consummate the sale contemplated by this Agreement or City's use and enjoyment of the Easements after the Closing.

(g) **No Known Hazardous Materials.** To the best of Seller's knowledge, there has been no release and there is no threatened release of any Hazardous Material in, on, under or about Seller's Property. As used herein, "Hazardous Material" shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. "Release" or "threatened release" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside any of the improvements, or in, on, under or about the Easement Area.

7. RISK OF LOSS

If any of the Easement Area is damaged or destroyed before the Closing Date, then the rights and obligations of Seller and City hereunder shall be as follows: City shall have the right, at its election, to terminate this Agreement in its entirety or terminate it only as to that portion of the Easement Area damaged or destroyed. City shall have thirty (30) days after Seller notifies City that an event described in this Article 8 has occurred to make such election by delivery to Seller of an election notice. City's failure to deliver such notice within such thirty (30)-day period shall be deemed City's election to terminate this Agreement in its entirety. If this Agreement is terminated in its entirety or in part pursuant to this Article 8, then City and Seller shall each be released from all obligations hereunder pertaining to that portion of the Easement Area affected by such termination. If City elects not to terminate this Agreement in its entirety, Seller shall give City a credit against the Purchase Price at the Closing in an amount proportionate to the percentage reduction, if any, of the square footage of the Easement Area, and this Agreement shall remain in full force and effect.

8. MAINTENANCE; CONSENT TO NEW CONTRACTS

8.1 Maintenance of the Easement Area

Between the date of Seller's execution of this Agreement and the Closing, Seller shall maintain Seller's Property in its current condition and shall make, at Seller's expense, all repairs necessary to maintain Seller's Property such condition. Seller shall make no changes to the Easement Area without City's prior written consent, which shall not be unreasonably withheld or delayed.

8.2 Contracts Affecting the Easement Area

Except as otherwise provided herein or by express written permission granted by City, Seller shall not, after the date of execution of this Agreement, alienate, lien, encumber or otherwise transfer Seller's Property or any portion thereof or allow the same to occur, or enter into any lease or contract with respect to Seller's Property or any portion thereof that would survive the Possession Date and impair City's access to or use of the Easement Area.

9. **DISMISSAL OF EMINENT DOMAIN ACTION**

Seller hereby agrees and consents to the dismissal of any pending action in eminent domain by City as to Seller's Property or any portion thereof and Seller also waives all claims to court costs and any money that may now be on deposit in the Superior Court in such action.

10. **GENERAL PROVISIONS**

10.1 **Notices**

Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be given by (i) hand delivery, against receipt, (ii) reliable next-business-day courier service that provides confirmation of delivery, or (iii) United States registered or certified mail, postage prepaid, return receipt required, and addressed as follows (or to such other address as either party may from time to time specify in writing to the other upon five (5) days prior written notice in the manner provided above):

City:

To: San Francisco Public Utilities Commission
525 Golden Gate Avenue, 10th Floor
San Francisco, California 94102
Attention: Brian Morelli
Facsimile No.: (415) 934-5770

with a copy to:

Carolyn J. Stein
Deputy City Attorney
Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Facsimile No.: (415) 554-4755

Seller:

To: California Water Service Company
1720 N. First Street
San Jose, CA 95112
Attention: Shaun Heffner
Facsimile No.: (408) 367-8430

with a copy to:

Facsimile No.: _____

A properly addressed notice transmitted by one of the foregoing methods shall be deemed received upon the confirmed date of delivery, attempted delivery, or rejected delivery, whichever occurs first. Facsimile numbers are provided above for convenience of communication; however, neither party may give official or binding notice by facsimile. The effective time of a notice shall not be affected by the receipt, prior to receipt of the original, of a telefacsimile copy of the notice.

10.2 Brokers and Finders

Neither party has had any contact or dealings regarding the Easements, or any communication in connection with the subject matter of this Agreement, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the purchase and sale contemplated herein. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes his or her claim shall be responsible for such commission or fee and shall indemnify and hold harmless the other party from all claims, costs, and expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by the indemnified party in defending against the same. The provisions of this Section shall survive the Closing.

10.3 Successors and Assigns

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

10.4 Amendments; Waivers

Except as otherwise provided herein, (i) this Agreement may be amended or modified only by a written instrument executed by City and Seller, (ii) no waiver of any provision of this Agreement will be binding unless executed in writing by the party making the waiver, (iii) no waiver of any provision of this Agreement will be deemed to constitute a waiver of any other provision, whether or not similar, and (iv) no waiver will constitute a continuing waiver unless the written waiver so specifies.

10.5 Continuation and Survival of Representations and Warranties

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

10.6 Governing Law

This Agreement shall be governed by California law and City's Charter. There shall be no obligation for the payment of money by City under this Agreement unless City's Controller first certifies, pursuant to Section 3.105 of City's Charter, that there is a valid appropriation from which the expenditure may be made and that unencumbered funds are available from the appropriation to pay the expenditure.

10.7 Merger of Prior Agreements; No Inducement

The parties intend that this Agreement (including all of the attached exhibits and schedules and any documents specifically described herein, which are hereby incorporated into this Agreement by reference) shall be the final, complete and exclusive expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous oral or written agreements or understandings. The parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and

that no extrinsic evidence whatsoever (including, without limitation, term sheets and prior drafts or changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Agreement. The making, execution and delivery of this Agreement by the parties has been induced by no representations, statements warranties or agreements other than those expressed herein.

10.8 Parties and Their Agents; Approvals

The term "Seller" as used herein shall include the plural as well as the singular. If there is more than one (1) Seller, then the obligations under this Agreement imposed on Seller shall be joint and several. As used herein, the term "Agents" when used with respect to either party shall include the agents, employees, officers, contractors and representatives of such party. All approvals, consents or other determinations permitted or required by City hereunder shall be made by or through the General Manager of City's Public Utilities Commission or the City's Director of Property, unless otherwise provided herein, subject to applicable law.

10.9 Interpretation of Agreement

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

10.10 Attorneys' Fees

The prevailing party in any action or proceeding to enforce or interpret, or otherwise arising out of or relating to, this Agreement or any provision thereof (including but not limited to any arbitration, trial, administrative hearing, bankruptcy or appeal) will be entitled to recover from the other party all of its costs and expenses, including but not limited to reasonable attorneys' fees and experts' fees. For purposes of this Agreement, reasonable attorneys' fees of the City's Office of the City Attorney shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney.

10.11 Severability

If any term or provision of this Agreement, or the application thereof to any person or circumstances, shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Agreement shall be valid and shall be enforceable to the extent permitted by law.

10.12 Sunshine Ordinance

Seller understands and agrees that under the City's Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) and the State Public Records Law (Gov. Code Section 6250

et seq.), this Agreement and any and all records, information, and materials submitted to the City hereunder public records subject to public disclosure. Seller hereby acknowledges that the City may disclose any records, information and materials submitted to the City in connection with this Agreement.

10.13 Conflicts of Interest

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

10.14 Notification of Limitations on Contributions

Through its execution of this Agreement, Seller acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the selling or leasing of any land or building to or from the City whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Seller acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Seller further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Seller's board of directors, chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than twenty percent (20%) in Seller; any subcontractor listed in the contract; and any committee that is sponsored or controlled by Seller. Additionally, Seller acknowledges that Seller must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Seller further agrees to provide to City the name of the each person, entity or committee described above.

10.15 Non-Liability of City Officials, Employees and Agents

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

10.16 Counterparts

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

10.17 Effective Date

As used herein, the term "Effective Date" shall mean the date on which both parties shall have executed this Agreement provided the Agreement and the transactions contemplated by the Agreement shall have been authorized (a) in a manner required by law governing Seller, and (b) by a duly adopted resolution of the City's Public Utilities Commission, and (c) if required by City's Charter, by a duly adopted resolution of the City's Board of Supervisors and Mayor.

10.18 Release of Claims

Seller, for itself, its agents, heirs, assigns, successors in interest, and any related or affiliated entities, hereby fully releases and discharges City, its agents, employees, officers, directors, divisions, attorneys, accountants, insurers, successors, and other representatives, and any and all related or affiliated private or public agencies or entities, from any and all causes of action, actions, judgments, liens, indebtedness, obligations, losses, claims, damages, expenses, liabilities and demands, including without limitation any claim arising out of or pertaining, directly or indirectly, to the acquisition or use of the property interest described in this Agreement and/or the construction of any improvements thereon, including without limitation, inverse condemnation, nuisance, severance damages, relocation benefits, reestablishment benefits, the cost or value of any equipment or fixtures, attorneys' fees and costs, loss of goodwill, construction-related dust, noise, traffic and other related construction activity, and lost rentals or business associated with construction of any improvements, and any other types of related losses or damages.

Seller acknowledges that it may hereafter discover facts or law different from, or in addition to that which it now believes to be true with respect to his/her release of claims as set forth in this Agreement, and understands that by executing this Agreement it is waiving any rights of claims for any other or future benefits or damages to which it might be entitled which are not specifically exempted herein. In giving this release, Seller expressly waives the protection of Civil Code Section 1542, which statute provides as follows:

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

If this Agreement is terminated this Section 11.18 shall have no force or effect.

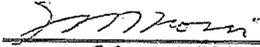
NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, SELLER ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS AGREEMENT UNLESS AND UNTIL APPROPRIATE LEGISLATION OF CITY'S PUBLIC UTILITIES COMMISSION (AND, IF REQUIRED BY CITY'S CHARTER, APPROPRIATE LEGISLATION OF CITY'S BOARD OF SUPERVISORS) SHALL HAVE BEEN DULY ENACTED APPROVING THIS AGREEMENT AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON THE DUE ENACTMENT OF SUCH LEGISLATION.

[Signatures on next page]

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

SELLER:

CALIFORNIA WATER SERVICE COMPANY, a
California corporation

By: 
[signature]

Name: Mike Rossi
[print name] Vice President

Its: _____

Date: 4-4-13

And: 
[signature]

Name: Lynne McGhee
[print name] Corporate Secretary

Its: _____

Date: 4-4-13

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
JOHN UPDIKE
Director of Property

Date: _____

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: 
Carolyn J. Stein
Deputy City Attorney

ESCROW HOLDER'S ACKNOWLEDGMENT

[Applicable only when the parties elect to close the transaction through an escrow]

Escrow Holder agrees to act as escrow holder in accordance with the terms of this Agreement. Escrow Holder's failure to execute below shall not invalidate the Agreement between City and Seller.

ESCROW HOLDER:

CHICAGO TITLE COMPANY

By: _____
[signature]

Name: _____
[print name]

Its: _____

Date: _____

EXHIBIT A-1

EASEMENT DEED

(Two Permanent Discharge Easements)

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

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

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

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

EASEMENT DEED

(Water Discharge Easement)

(Portions of Assessor's Parcels No. 073 192 080 and 073 192 060)

THIS EASEMENT DEED is made as of _____, 20____, by CALIFORNIA WATER SERVICE COMPANY, a California corporation ("**Grantor**") in favor of the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**San Francisco**").

1. Grant and Purpose of Discharge Easements. For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby grants to San Francisco the following perpetual easements (collectively, the "**Discharge Easements**") over and across portions of that real property owned by Grantor located off Reservoir Road in the Town of Atherton, San Mateo County, California, commonly known as Assessor's Parcels Number 073 192 080 and 073 192 060 ("**Grantor's Land**"), on the terms and conditions in this Deed:

(a) An easement to discharge water from San Francisco's water pipelines located in the adjacent real property owned by San Francisco and described in attached **Exhibit C** (the "**Right of Way**") and groundwater from the Right of Way, over and across the portion of Grantor's Land described in attached **Exhibit A** and depicted and labeled on attached **Exhibit B** as "**Discharge Easement #1**" into Grantor's stilling basin, as shown on **Exhibit B**, and

(b) An easement to discharge water from San Francisco's water pipelines in its Right of Way and groundwater from the Right of Way, over and across the portion of Grantor's Land described in attached **Exhibit A** and depicted and labeled as "**Discharge Easement #2**" on attached **Exhibit B** into Grantor's catch basin and drain leading to Atherton Creek, as shown on **Exhibit B**.

Such portions of Grantor's Land shall be referred to herein collectively as the "**Easement Areas**."

The Discharge Easements may be used by San Francisco for such discharge of pipeline water and groundwater as needed for construction, installation, replacement, modification, removal, inspection, maintenance and repair of water system infrastructure in San Francisco's Right of Way, including without limitation, periodic scheduled maintenance, emergency repairs, and the construction of the project known as Bay Division Pipelines 3 and 4 Crossovers Project

(the "**Project**"). San Francisco shall, at its sole expense, procure and maintain in force at all times during its use of the Easement for discharge purposes the required permit or order from the California Regional Water Quality Control Board, San Francisco Region, or applicable successor agency. San Francisco shall conduct and cause to be conducted all discharge activities allowed hereunder in compliance with such order or permit. The applicable permit in effect as of the date of this deed is Order No. R2-2008-0102, NPDES No. CA0038857, of the California Regional Water Quality Control Board, San Francisco Region.

2. Discharge Facilities. The Discharge Easements include the right to install, maintain and operate facilities (collectively, "**Discharge Facilities**") reasonably required to facilitate the discharge of pipeline water and removal of groundwater as permitted under this Deed, and to repair and replace such Discharge Facilities. The Discharge Facilities on each of the Discharge Easements shall consist of a temporary ten to twelve-inch (10"-12") PVC pipe, and such additional or substitute facilities as Grantor may hereafter approve in writing. Grantor shall not unreasonably withhold, condition or delay its approval of such additional or substitute facilities.

3. No Modification of Water Sales Contract. In no event shall the discharge of water onto the Easement Areas be deemed to modify, abrogate or amend any existing agreements between San Francisco or its predecessor and Grantor; however, the water that is discharged onto the Easement Areas under this Deed ("**Discharged Water**") will not be considered a delivery of water under the July 2009 Water Supply Agreement between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County and Santa Clara County, or any successor agreement, and Grantor shall have no obligation to pay for such Discharged Water. San Francisco makes no representation or warranty concerning the quality of the Discharged Water, and Grantor accepts the Discharged Water in its as-is condition.

4. Restoration. Upon completion of the Project, and subsequently after each use of either Discharge Easement, San Francisco shall remove any temporary Discharge Facilities and restore, as near as reasonably possible, the surface of the Easement Areas to its condition prior to San Francisco's use of the Easement Areas.

5. Exhibits; Modifications; Severability. The exhibits referenced in and attached to this Deed are incorporated into and made a part of this Deed. This Deed may not be modified other than by an agreement in writing signed by both of the parties hereto and approved in the manner required by law for San Francisco. If any provision of this Deed shall to any extent be invalid or unenforceable, the remainder of this Deed shall not be affected thereby, and each other provision of this Deed shall be valid and be enforceable, provided that the remainder of this Deed can be interpreted to give effect to the intention of the parties.

6. Successors and Assigns. The provisions of this Deed shall run with Grantor's Land and San Francisco's Right of Way and shall bind and inure to the benefit of the respective successors and assigns of San Francisco and Grantor.

7. Notices. Any notice, consent or approval required or permitted to be given under this Deed shall be in writing and shall be given by (i) hand delivery, against receipt, (ii) reliable next-business-day courier service that provides confirmation of delivery, or (iii) United States registered or certified mail, postage prepaid, return receipt required, and addressed as follows (or to such other address as either party may from time to time specify in writing to the other upon five (5) days prior written notice in the manner provided above):

San Francisco:

To: San Francisco Public Utilities Commission
525 Golden Gate Avenue, 10th Floor
San Francisco, California 94102
Attention: Director of Real Estate Services
(415) 487-5213
(415) 934-5770 (Facsimile)

with copy to: Carolyn J. Stein
Deputy City Attorney
Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102-4682
(415) 554-4755 (Facsimile)

Grantor:

To: California Water Service Company
1720 North First Street
San Jose, CA 95112-4598
Attn: Director of Corporate Development and Real Estate
(408) 367-8344
(408) 367-8430 (Facsimile)

With a copy to:

Telephone numbers are provided for convenience of communication only; notices must be given in writing.

[Signatures on next page]

Executed as of this ____ day of _____, 201_.

GRANTOR:

CALIFORNIA WATER SERVICE
COMPANY, a California corporation

By: _____
[signature]

Name: _____
[print name]

Its: _____

Date: _____

And: _____
[signature]

Name: _____
[print name]

Its: _____

Date: _____

ACCEPTED:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
John Updike
Director of Property

PUC Resolution 09-0071

Dated: _____

San Francisco Board of Supervisors Resolution

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Deputy City Attorney

State of California)
County of _____) ss

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

State of California)
) ss
County of _____)

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

CERTIFICATE OF ACCEPTANCE

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

Dated: _____

By: _____
JOHN UPDIKE
Director of Property

EXHIBIT A
Description of Discharge Easement #1 and
Discharge Easement #2 (Easement Areas)

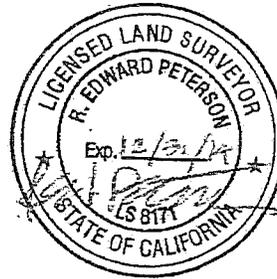
EXHIBIT A
Discharge Easement #1

All that certain real property being in the Town of Atherton, County of San Mateo, State of California, being the Lands of California Water Service Co. as shown on that certain Map filed in book 24 of Parcel Maps at page 13 in the Recorder's Office of the County of San Mateo, and being that property adjacent to the City and County of San Francisco right-of-way shown thereon; more particularly described as:

A strip of land 10 feet wide, lying 5 feet on each side of the following described line. The sidelines of said strip of land terminate at the edge of the City and County of San Francisco Water Department right-of-way, being the Bay Division Pipelines 3 & 4, as described herein. Commencing at the intersection of the Southeasterly line of Parcel B and the Westerly right-of-way line of the Lands of City & County of San Francisco as shown in the above reference, thence along said right-of-way North 28° 03' 35" West 278.00 feet to the Point of Beginning;
thence South 41° 56' 25" West 30.00 feet to an existing stilling basin.

Consisting of 300 square feet of APN 073 192 060.


R. Edward Peterson PLS 8171
License expires 12/31/2014



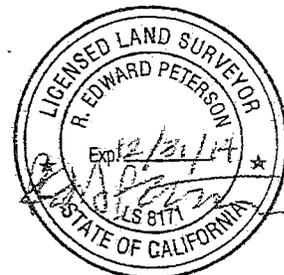
Discharge Easement #2

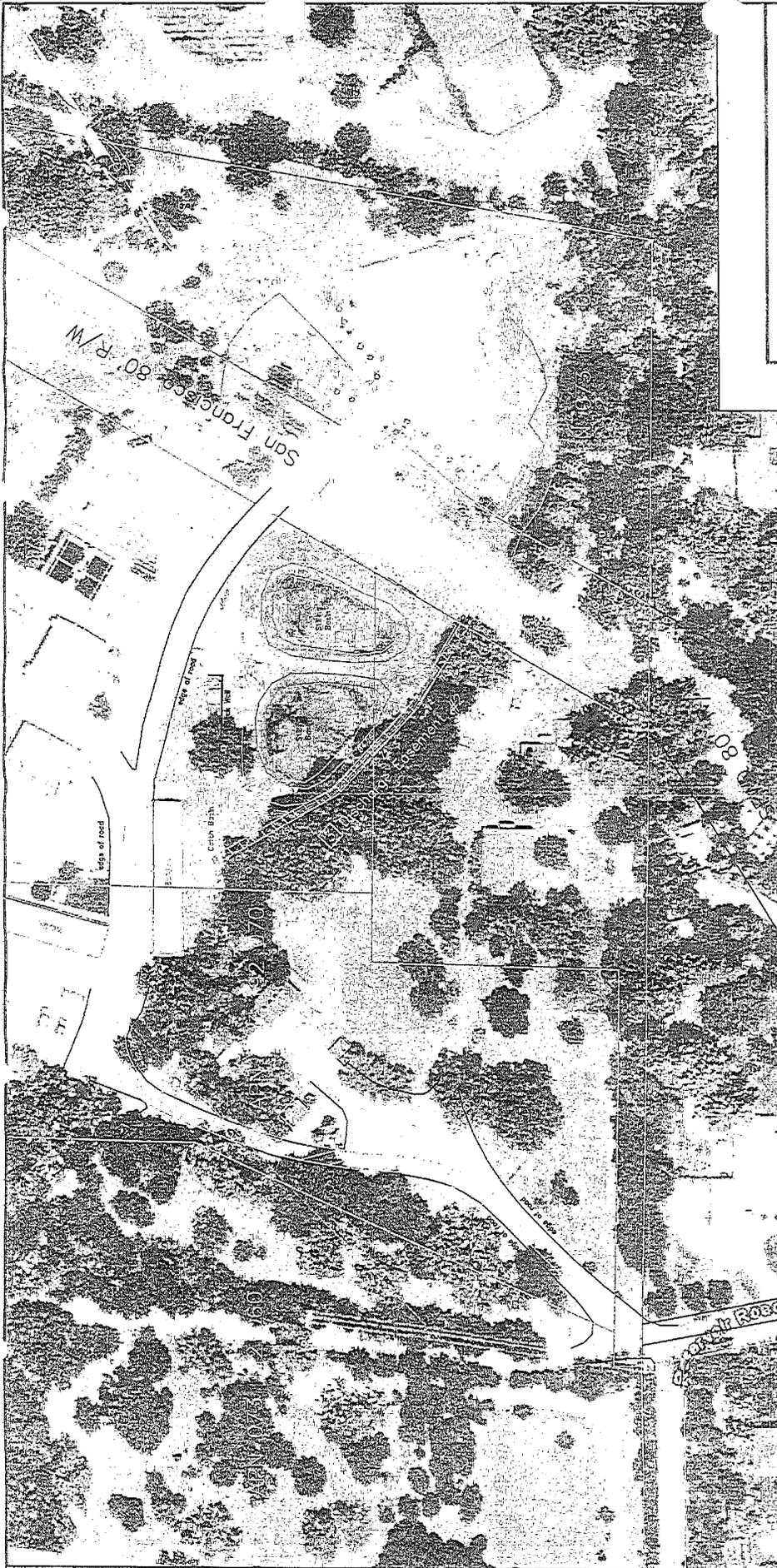
All that certain real property being in the Town of Atherton, County of San Mateo, State of California, being the Lands of California Water Service Co. as shown on that certain Map filed in book 24 of Parcel Maps at page 13 in the Recorder's Office of the County of San Mateo, and being that property adjacent to the City and County of San Francisco right-of-way shown thereon; more particularly described as:

A strip of land 6 feet wide, lying 3 feet on each side of the following described line. The sidelines of said strip of land terminate at the edge of the City and County of San Francisco Water Department right-of-way, being the Bay Division Pipelines 3 & 4, as described herein. Commencing at the intersection of the Southeasterly line of Parcel B and the Westerly right-of-way line of the Lands of City & County of San Francisco as shown in the above reference, thence along said right-of-way North 28° 03' 35" West 153.00 feet to the Point of Beginning; thence South 63° 37' 10" West 70.00 feet; thence South 74° 56' 25" West 90.00 feet; thence North 87° 18' 35" West 94.00 feet to an existing catch basin.

Consisting of 1,514 square feet of APN 073 192 060 and APN 073 192 080.


R. Edward Peterson PLS 8171
License expires 12/31/2014





City and County of San Francisco
 Public Utilities Commission
 San Francisco Water Department

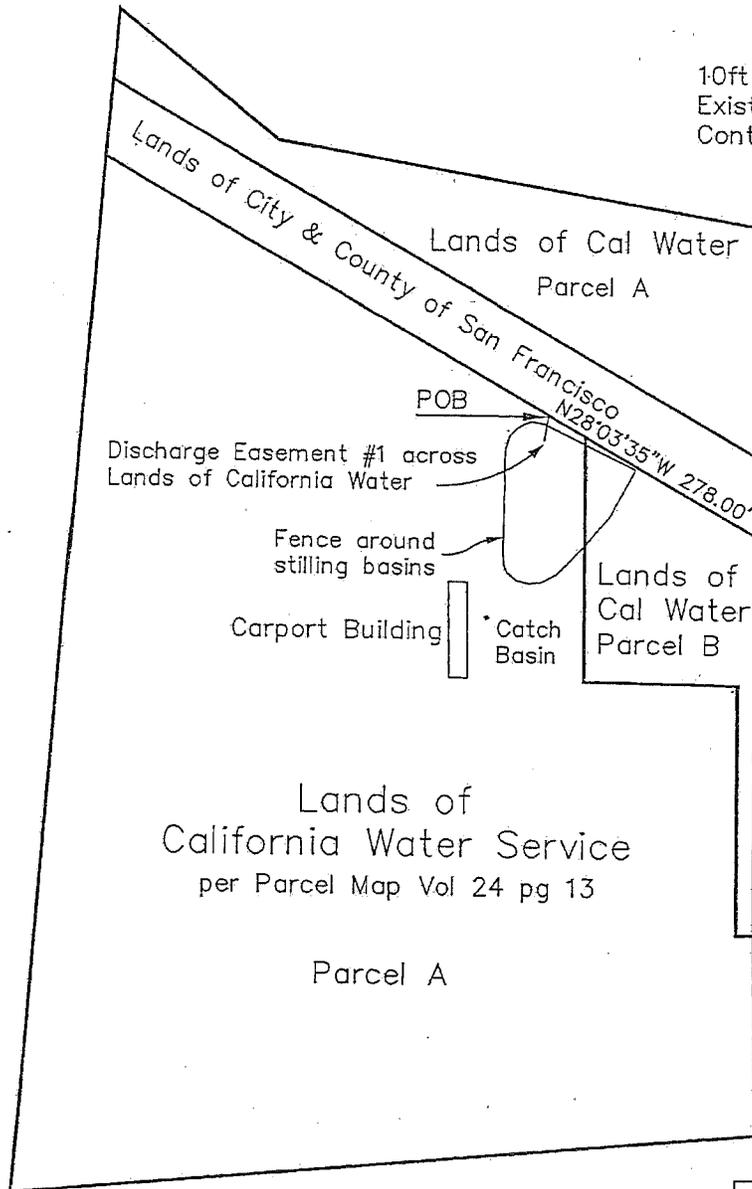
Appraisal Diagram
 Bear Gulch
 Bay Division Pipeline No. 3 & 4

Town of Atherton San Mateo County

Map #	APN	Grantor	Grantee	Total sqft	Easement	Type	Remarks
1	073 192 060 - 080	California Water Service	SFPUC	797,584 sqft	10,466 sqft	Jus	Parcel sq.ft. by Assessor's Parcel Map
2	073 192 060	California Water Service	SFPUC	634,669 sqft	300 sqft	P.E.	Parcel sq.ft. by Assessor's Parcel Map
3	073 192 060 & 080	California Water Service	SFPUC	685,199 sqft	1,530 sqft	P.E.	Parcel sq.ft. by Assessor's Parcel Map
4	073 191 050	California Water Service	SFPUC	73,181 sqft	150 sqft	T.C.E.	Parcel sq.ft. by Assessor's Parcel Map
5	073 191 050	California Water Service	SFPUC	73,181 sqft	7,854 sqft	T.C.E.	Parcel sq.ft. by Assessor's Parcel Map

Date: February 9, 2009 Drawing No. 08-0020 Jus = Jus actus, a rural servitude granting the right for the passage of carriages.

EXHIBIT B
Depiction of Easement Areas
(Sheets 1-4)



10ft wide Easement to Existing Stilling Basin Contains 300 sq. ft.

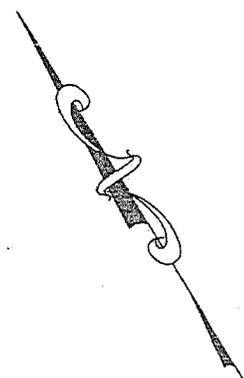


Exhibit B

Scale: 1" = 200'

Sheet 1 of 4

City and County of San Francisco
 Public Utilities Commission
 San Francisco Water Department

Easement Diagram
 Bear Gulch Reservoir
 California Water Service
 Bay Division Pipeline No. 3 & 4

Town of Atherton

San Mateo County

Drawing No. 11-0007
 Date: April 8, 2013

Lands of CCSF

093-470-010

BDPL 3&4

POB

N 28°03'35" W 278.00' from easterly line of Cal Water Lands, see Sheet 1 of 4

Discharge Easement #1

S 41°56'25" W 30.00'

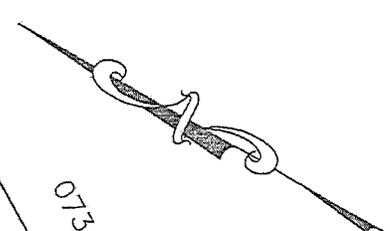
Stilling Basin

10ft wide Easement to Existing Stilling Basin Centerline course shown hereon

Stilling Basin

Chain Link Fence around Stilling Basins

Parcel B



073-192-060

Parcel A

073-192-080

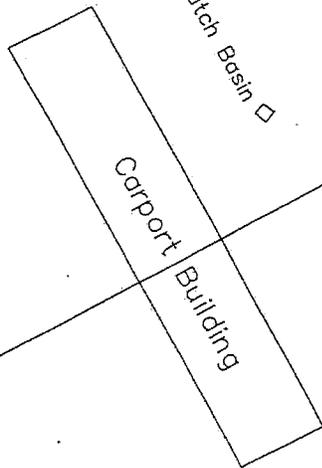
073-192-070

Catch Basin

Exhibit B

Scale: 1" = 40'

Sheet 2 of 4



Carport Building

Lands of Cal Water

City and County of San Francisco
Public Utilities Commission
San Francisco Water Department

Easement Diagram
Bear Gulch Reservoir
California Water Service
Bay Division Pipeline No. 3 & 4

Town of Atherton

San Mateo County

Drawing No. 11-0007

Date: April 8, 2013

6ft wide Easement to Existing Catch Basin Contains 1,514 sq. ft.

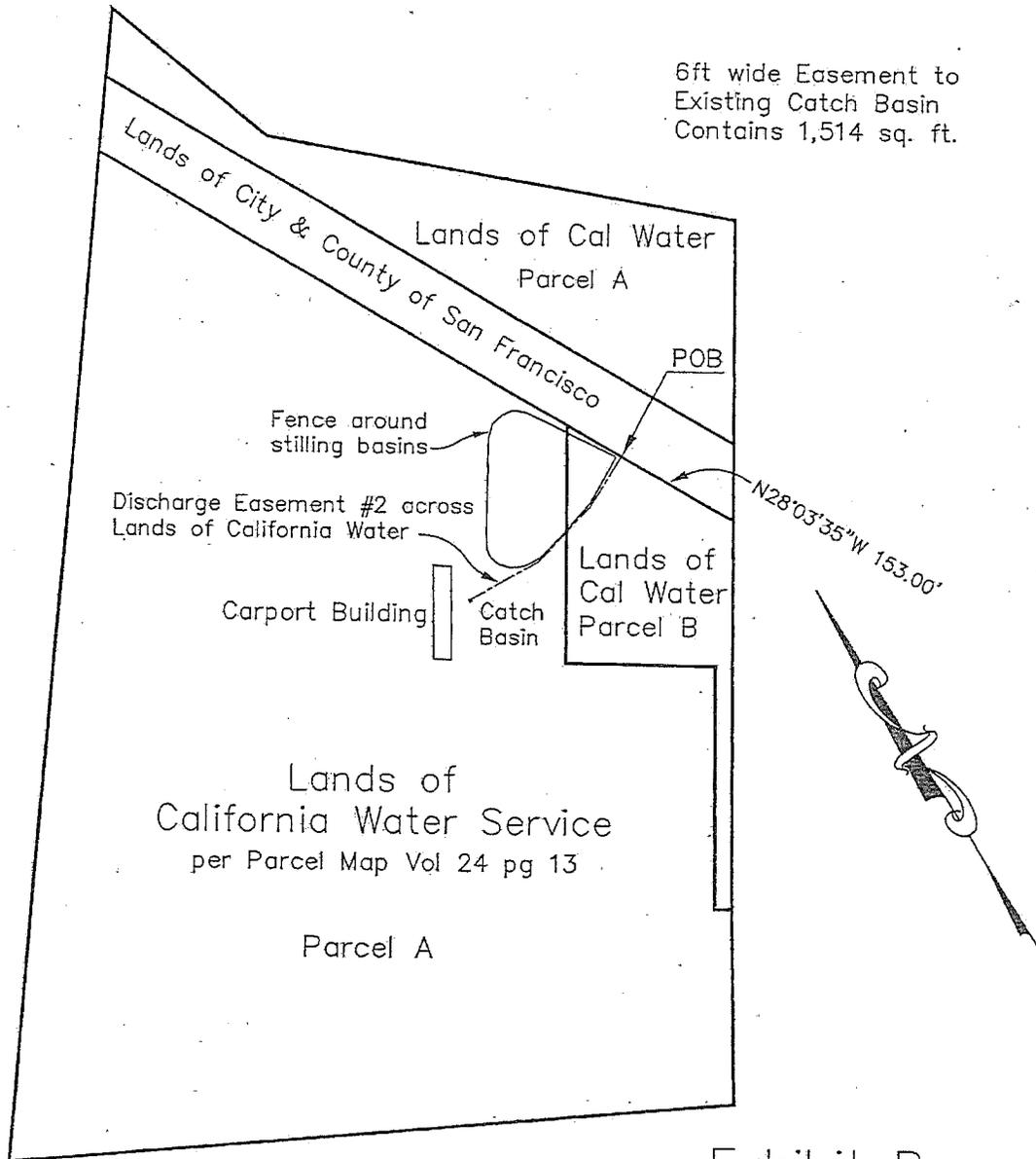


Exhibit B

Scale: 1" = 200'

Sheet 3 of 4

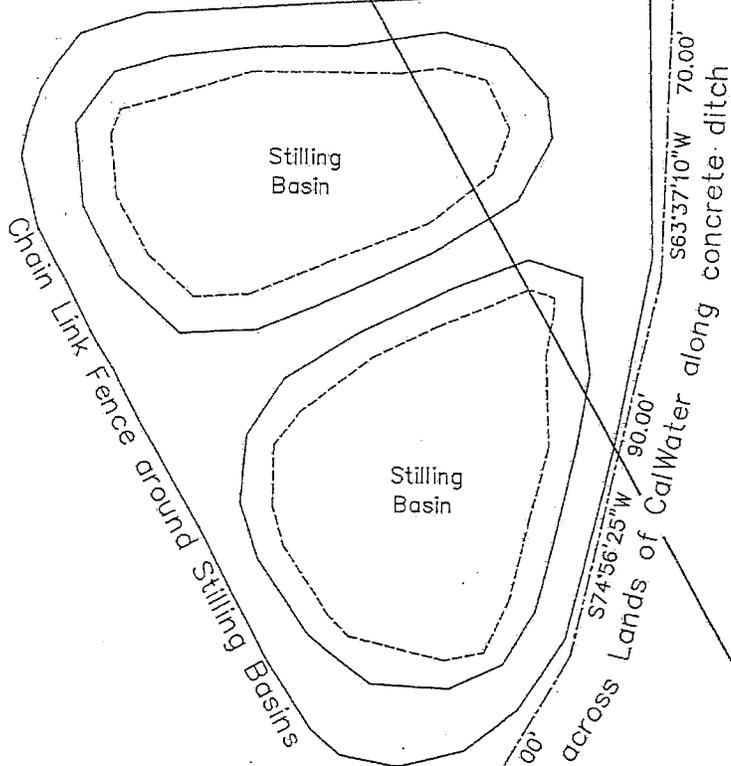
City and County of San Francisco Public Utilities Commission San Francisco Water Department	
Easement Diagram Bear Gulch Reservoir California Water Service Bay Division Pipeline No. 3 & 4	
Town of Atherton	San Mateo County

Drawing No. 11-0007
Date: April 8, 2013

Lands of CCSF 093-470-010 BDPL 3&4

POB

N 28°03'35" W 153.00'
from easterly line of Cal Water Lands
see Sheet 3 of 4



Parcel B

073-192-060

Parcel A

073-192-070

073-192-080

Exhibit B

Scale: 1" = 40'

Sheet 4 of 4

Lands of Cal Water

City and County of San Francisco
Public Utilities Commission
San Francisco Water Department

Easement Diagram
Bear Gulch Reservoir
California Water Service
Bay Division Pipeline No. 3 & 4

Town of Atherton

San Mateo County

Drawing No. 11-0007
Date: April 8, 2013

EXHIBIT C

Description of San Francisco's Right of Way Land

SFPUC Parcel 315A

All of that real property located in San Mateo County, California, described in the Deed dated October 31, 1950, and recorded in Volume 1987, page 518, San Mateo County Records, executed by California Water Service Company, a corporation, as grantor, in favor of the City and County of San Francisco, a municipal corporation, as grantee.

SFPUC Parcel 314

All of that real property located in San Mateo County, California, and described in the Deed dated November 3, 1950, and recorded in Volume 1971, page 278, San Mateo County Records, executed by Frank G. Belcher and Harriet H. Belcher, his wife, as grantors, in favor of the City and County of San Francisco, a municipal corporation, as grantee.

[Attach copy of Board of Supervisors resolution]

EXHIBIT A-2

EASEMENT DEED

(Two Temporary Construction Easements)

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

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

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

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

EASEMENT DEED

(Temporary Construction Staging, Access, and Spoils Storage)

(Portion of Assessor's Parcel No. 073 191 050)

1. **Grant of Easements.** For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CALIFORNIA WATER SERVICE COMPANY, a California corporation ("**Grantor**") hereby grants to the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**City**") the following easements (the "**Easements**") over, across, in and upon Grantor's real property in the City of Santa Clara, Santa Clara County, California:

(a) A temporary, exclusive easement in gross for storage of spoils over, across, in and upon that portion of Grantor's real property described in attached Exhibit A-1 and identified on attached Exhibit B as the "**Spoils Area**", on the terms and conditions set forth in this Deed;

(b) A temporary, exclusive easement in gross for parking of vehicles and equipment, storage of spoils and materials, and ingress and egress, over, across, in and upon that portion of Grantor's real property described in attached Exhibit A-2 and identified as "Spoils Access" on attached Exhibit B (the "**Staging Area**" and, together with the Spoils Area, the "**Easement Areas**") on the terms and conditions set forth in this Deed.

2. **Purpose of Easements.** The Easements are granted to City for the purposes of staging of construction equipment, vehicles, materials and supplies, storage of excavated soils, and ingress to and egress from the Spoils Area by City and City's contractor and their respective employees, contractors, suppliers, and agents, in connection with the construction of City's Bay Division Pipelines 3 & 4 Crossovers Project on City's adjacent right of way (the "**Project**"). The Easements shall include the right to improve, repair and maintain the Easement Areas, including grading, fencing, management of vegetation impinging on the Easement Areas, and such other actions as are reasonably necessary for the full enjoyment and accomplishment of the purposes of the Easements.

3. **Term of Easements.** The term of the Easements shall commence on the date on which City's contractor first enters the Easement Areas to commence staging and/or storage of spoils in connection with construction of the Project. The Easements shall expire on the last day of the thirtieth (30th) full calendar month thereafter. At the request of either party, Grantor and City shall confirm in writing such term commencement date and expiration date. City shall have the

option to extend the Easements beyond the thirty (30) month term on a monthly basis. A 30-day written notice will be given to Grantor if City elects to exercise its option for any such extension. City shall pay Grantor an additional sum at the rate of \$_____ per month for any extensions of the term. In no event will the cumulative term extend beyond _____.

4. Existing Easement for Ingress and Egress. The parties acknowledge that City holds an existing easement for ingress to and egress from its right of way over the roadway marked with single-hatching and identified as "Ingress and Egress Route" on attached Exhibit B, which easement was granted by Grantor to City in the Deed dated October 31, 1950, recorded in Vol. 1987, page 518, San Mateo County Records.

5. Restoration. Upon the earlier of expiration of the term of the Easements or City's completion of the Project, City shall restore, as near as reasonably possible, the surface of the Easement Areas to the condition in which they were prior to the commencement of the work related to the Project.

6. Successors and Assigns. The provisions of this Easement Deed shall bind and inure to the benefit of the respective successors and assigns of City and Grantor. In the event Grantor sells, conveys or assigns any property interest encumbered by the Agreement, Grantor shall notify the successor or assigner of the rights and obligations of both parties as stated herein.

7. Notices. Any notice, consent or approval required or permitted to be given under this Easement Deed shall be in writing and shall be given by (i) hand delivery, against receipt, (ii) reliable next-business-day courier service that provides confirmation of delivery, or (iii) United States registered or certified mail, postage prepaid, return receipt required, and addressed as follows (or to such other address as either party may from time to time specify in writing to the other upon five (5) days prior written notice in the manner provided above):

City:

To: San Francisco Public Utilities Commission
525 Golden Gate Avenue, 10th Floor
San Francisco, California 94102
Attention: Brian Morelli, Right of Way
Manager
Facsimile No.: (415) 934-5770

with copy to:

Carolyn Stein
Deputy City Attorney
Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Facsimile No.: (415) 554-4755

Grantor:

To:

California Water Service Company
1720 N. First Street
San Jose, CA 95112
Attention: Shawn Heffner
Facsimile No.: (408) 367-8430

Facsimile numbers are provided above for convenience of communication only; neither party may give official or binding notice by facsimile.

[Signatures on next page]

Executed as of this _____ day of _____, 2013

GRANTOR:

CALIFORNIA WATER SERVICE
COMPANY, a California corporation

By: _____
[signature]

Name: _____
[print name]

Its: _____

Date: _____

And: _____
[signature]

Name: _____
[print name]

Its: _____

Date: _____

ACCEPTED:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
John Updike
Director of Property

PUC Resolution _____

Dated: _____

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Deputy City Attorney

State of California)
County of _____) ss

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

State of California)
County of _____) ss

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

CERTIFICATE OF ACCEPTANCE

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

Dated: _____

By: _____
JOHN UPDIKE
Director of Property

EXHIBIT A-1 and A-2
Description of Spoils Area and Spoils Access /Staging Area

Temporary Construction Easement
for Spoils Area

All that certain real property being in the Town of Atherton, County of San Mateo, State of California, as shown on map filed in Book 24, page 13, of Parcel Maps, in the office of the Recorder of the County of San Mateo, more particularly described as:

Commencing at the intersection of the Northerly right-of-way line of Reservoir Road with the Easterly right-of-way line of the San Francisco Water Department, as shown on that certain Recorded Subdivision Map filed in Volume 43 at page 5 in the Office of the County Recorder of San Mateo County;

thence along said Easterly right-of-way line of the San Francisco Water Department North $00^{\circ} 39' 20''$ West 481.30 feet to an angle point therein;

thence continuing along said Easterly right-of-way line of the San Francisco Water Department North $28^{\circ} 38' 05''$ West 300.00 feet to the Point of Beginning;

thence North $61^{\circ} 21' 55''$ East 100.00 feet to the beginning of a non-tangent curve concave to the West to which point a radial line bears North $61^{\circ} 21' 55''$ East;

thence 157.08 feet Southerly along said curve having a radius of 100 feet through an angle of $90^{\circ} 00' 00''$ to the Easterly right-of-way line of the San Francisco Water Department;

thence along the Easterly right-of-way line of the San Francisco Water Department North $28^{\circ} 38' 05''$ West 100.00 feet to the Point of Beginning.

Consisting of 7,854 square feet of APN 073 191 050.

Temporary Construction Easement
for Spoils Area Access

All that certain real property being in the Town of Atherton, County of San Mateo, State of California, as shown on map filed in Book 24, page 13, of Parcel Maps, in the office of the Recorder of the County of San Mateo, more particularly described as:

Commencing at the intersection of the Northerly right-of-way line of Reservoir Road with the Easterly right-of-way line of the San Francisco Water Department, as shown on that certain Recorded Subdivision Map filed in Volume 43 at page 5 in the Office of the County Recorder of San Mateo County;

thence along said Easterly right-of-way line of the San Francisco Water Department North $00^{\circ} 39' 20''$ West 481.30 feet to an angle point therein;

thence continuing along said Easterly right-of-way line of the San Francisco Water Department North $28^{\circ} 38' 05''$ West 300.00 feet to the Point of Beginning;

thence continuing along said Easterly right-of-way line of the San Francisco Water Department North $28^{\circ} 38' 05''$ West 30.00 feet;

thence South $73^{\circ} 57' 23''$ East 104.40 feet to the most Easterly corner of the Spoils Area Easement;

thence along the Northerly line of the Spoils Area Easement 100.00 feet to the Point of Beginning.

Consisting of 150 square feet of APN 073 191 050.

EXHIBIT B
Depiction of Easement Areas

EXHIBIT A-3

EASEMENT DEED

(Electrical Easement)

Distribution Easement (Rev. 01/11)

RECORDING REQUESTED BY AND RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY
Land Services Office

ADDRESS

Location: City/Uninc _____

Recording Fee \$ _____

Document Transfer Tax \$ _____

This is a conveyance where the consideration and Value is less than \$100.00 (R&T 11911).

Computed on Full Value of Property Conveyed, or

Computed on Full Value Less Liens
& Encumbrances Remaining at Time of Sale

Signature of declarant or agent determining tax

(SPACE ABOVE FOR RECORDER'S USE ONLY)

LD#

EASEMENT DEED

California Water Service Company, a California corporation

hereinafter called Grantor, hereby grants to **PACIFIC GAS AND ELECTRIC COMPANY, a California corporation**, hereinafter called Grantee, the right from time to time to construct, reconstruct, install, inspect, maintain, replace, remove, and use facilities of the type hereinafter specified, together with a right of way therefor, within the easement area as hereinafter set forth, and also ingress thereto and egress therefrom, over and across the lands of Grantor situate in the Town on Atherton, County of San Mateo, State of California described as follows:

(APN's 073-192-060 and 073-192-070, portions of)

Said facilities and easement area are described as follows:

Such underground conduits, pipes, service boxes, wires, cables, and electrical conductors; risers, switches, fuses and terminals; and fixtures and appurtenances necessary to any and all thereof, as Grantee deems necessary for the distribution of electric energy and communication purposes located within the strip of land described as follows:

See Attached Exhibit A

and depicted on Exhibits B and B-1

The foregoing description (s) is/are based on a survey made by Grantee.

Grantor further grants to Grantee the right, from time to time, to trim or to cut down any and all trees and brush now or hereafter within said easement area, and shall have the further right, from time to time, to trim and cut down trees and brush along each side of said easement area which now or hereafter in the opinion of Grantee may interfere with or be a hazard to the facilities installed hereunder, or as Grantee deems necessary to comply with applicable state or federal regulations.

Grantor shall not erect or construct any building or other structure or drill or operate any well within said easement area.

Grantor further grants to Grantee the right to assign to another public utility as defined in Section 216 of the California Public Utilities Code the right to install, inspect, maintain, replace, remove and use communications facilities within said easement area (including ingress thereto and egress therefrom).

Grantor acknowledges that they have read the "Grant of Easement Disclosure Statement", Exhibit "C", attached hereto and made a part hereof.

The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto.

Dated: _____

California Water Service Company, a California corporation:

By: _____
[signature]

Name: _____
[print name]

Its: _____

The Area, Region or Location (operating area)

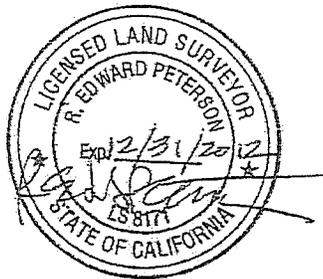
EXHIBIT A
Electrical Easement Area

All that certain real property being in the Town of Atherton, County of San Mateo, State of California, being the Lands of California Water Service Co. as shown on that certain Map filed in book 24 of Parcel Maps at page 13 in the Recorder's Office of the County of San Mateo, and being that property adjacent to the City and County of San Francisco right-of-way shown thereon; more particularly described as:

A strip of land 5 feet wide, lying 2.5 feet on each side of the following described line. The sidelines of said strip of land terminate at the edge of the City and County of San Francisco Water Department right-of-way, being the Bay Division Pipelines 3 & 4, as described herein. Commencing at the intersection of the Southeasterly line of Parcel B and the Westerly right-of-way line of the Lands of City & County of San Francisco as shown in the above reference, thence along said right-of-way North 28° 03' 35" West 317.00 feet to the Point of Beginning; thence South 69° 50' 45" West 35.00 feet; thence South 65° 06' 15" West 44.00 feet; thence South 38° 43' 00" West 45.00 feet; thence South 36° 06' 30" West 43.00 feet; thence South 29° 08' 15" West 34.00 feet; thence South 39° 04' 15" West 27.00 feet; thence South 35° 53' 45" West 27.00 feet; thence South 31° 51' 45" West 38.00 feet; thence South 33° 00' 00" West 46.00 feet; thence South 71° 35' 00" West 14.00 feet; thence South 80° 19' 00" West 26.00 feet; thence South 74° 00' 00" West 11.00 feet; thence South 41° 00' 00" West 22.00 feet to an existing power pole.

Consisting of a portion of APN 073 192 060 and APN 073 192 070.


R. Edward Peterson PLS 8171



Proposed 5ft wide Easement to Existing Power Pole contains 2,055 sq. ft. 0.05 acres

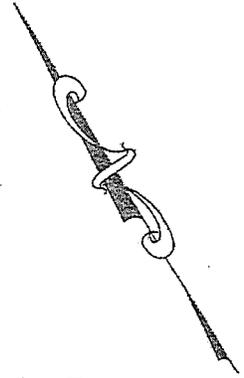
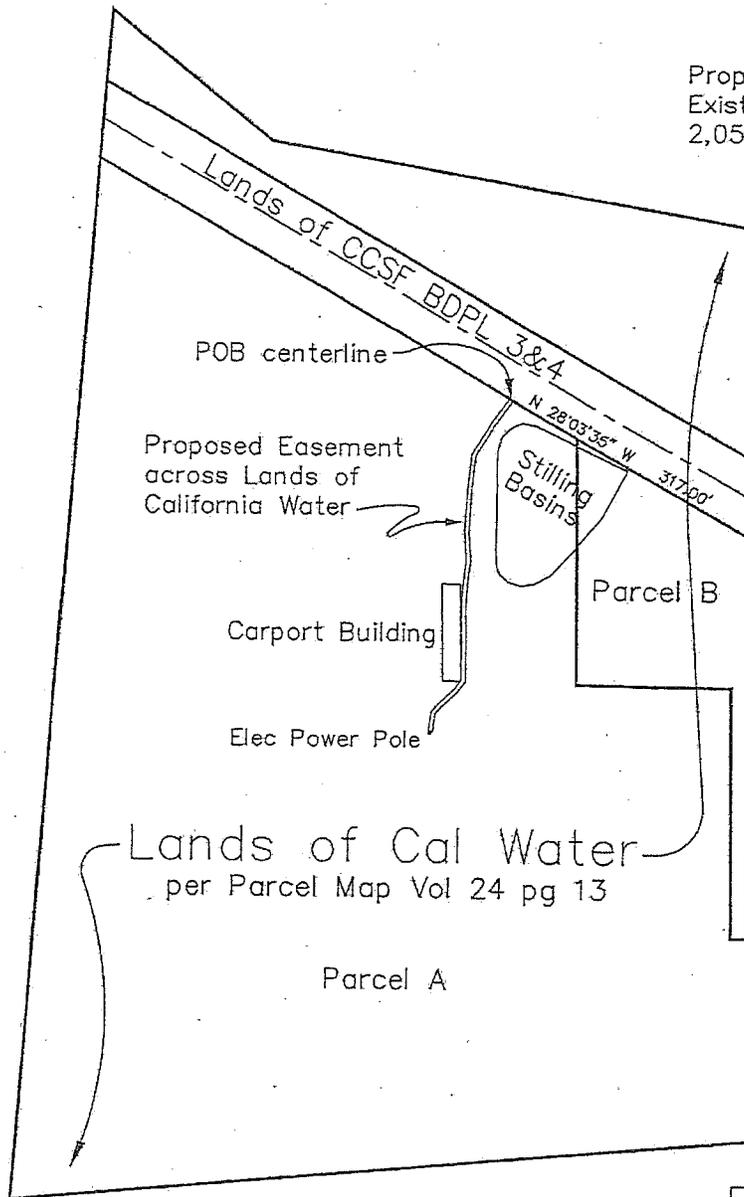


Exhibit B

Scale: 1" = 200'

Sheet 1 of 2

City and County of San Francisco
Public Utilities Commission
San Francisco Water Department

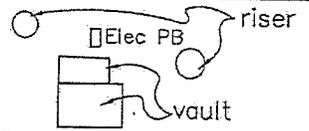
Easement Diagram
Bear Gulch Reservoir
California Water Service
Bay Division Pipeline No. 3 & 4

Town of Atherton

San Mateo County

Drawing No. 11-0007
Date: December 12, 2011

Lands of CCSF 093-470-010 BDPL 3&4



N 28°03'35" W 317.00' from easterly line of Cal Water Lands, see Sheet 1 of 2

Proposed 5ft wide Easement to Existing Power Pole contains 2,055 sq. ft. 0.05 acres Centerline courses are shown hereon.

Lands of Cal Water

Parcel B

073-192-060
Parcel A

073-192-080

073-192-070

Exhibit B-1

Scale: 1" = 40'

Sheet 2 of 2

Underground Elec Line (E)

Elec PB (E)

Chain Link Fence around Stilling Basins
Proposed Easement across Lands of CalWater

Carpport Building

Elec PB (N)

Underground Elec Line (E)
Located by PG&E
Easement to Elec PB (N)

Elec PP

City and County of San Francisco
Public Utilities Commission
San Francisco Water Department

Easement Diagram
Bear Gulch Reservoir
California Water Service
Bay Division Pipeline No. 3 & 4

Town of Atherton

San Mateo County

Drawing No. 11-0007
Date: December 12, 2011

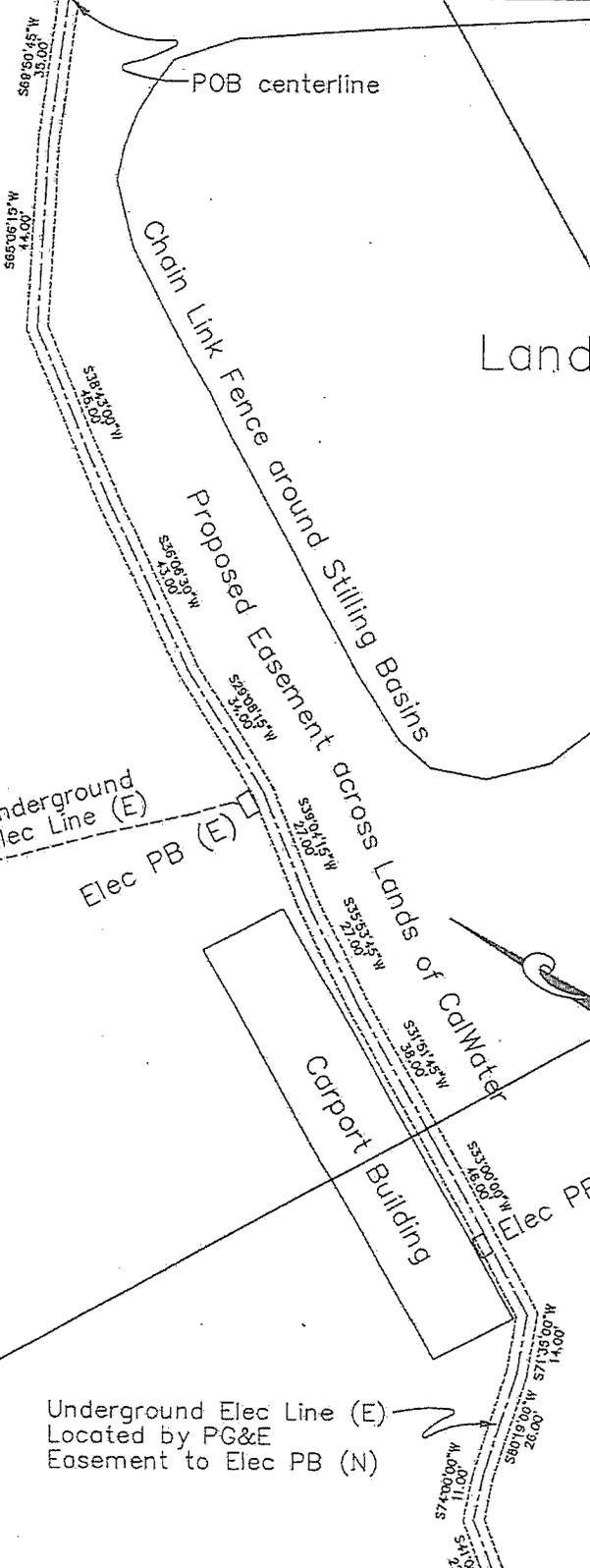




EXHIBIT C

GRANT OF EASEMENT DISCLOSURE STATEMENT

This Disclosure Statement will assist you in evaluating the request for granting an easement to Pacific Gas and Electric Company (PG&E) to accommodate a utility service extension to PG&E's applicant. Please read this disclosure carefully before signing the Grant of Easement.

- You are under no obligation or threat of condemnation by PG&E to grant this easement.
- The granting of this easement is an accommodation to PG&E's applicant requesting the extension of PG&E utility facilities to the applicant's property or project. Because this easement is an accommodation for a service extension to a single customer or group of customers, PG&E is not authorized to purchase any such easement.
- By granting this easement to PG&E, the easement area may be used to serve additional customers in the area. Installation of any proposed facilities outside of this easement area will require an additional easement.
- Removal and/or pruning of trees or other vegetation on your property may be necessary for the installation of PG&E facilities. You have the option of having PG&E's contractors perform this work on your property, if available, or granting permission to PG&E's applicant or the applicant's contractor to perform this work. Additionally, in order to comply with California fire laws and safety orders, PG&E or its contractors will periodically perform vegetation maintenance activities on your property as provided for in this grant of easement in order to maintain proper clearances from energized electric lines or other facilities.
- The description of the easement location where PG&E utility facilities are to be installed across your property must be satisfactory to you.
- The California Public Utilities Commission has authorized PG&E's applicant to perform the installation of certain utility facilities for utility service. In addition to granting this easement to PG&E, your consent may be requested by the applicant, or applicant's contractor, to work on your property. Upon completion of the applicant's installation, the utility facilities will be inspected by PG&E. When the facility installation is determined to be acceptable the facilities will be conveyed to PG&E by its applicant.

By signing the Grant of Easement, you are acknowledging that you have read this disclosure and understand that you are voluntarily granting the easement to PG&E. Please return the signed and notarized Grant of Easement with this Disclosure Statement attached to PG&E. The duplicate copy of the Grant of Easement and this Disclosure Statement is for your records.

EXHIBIT B

PRELIMINARY TITLE REPORT



Chicago Title Company

ISSUING OFFICE: 2150 John Glenn Drive, Suite 300 • Concord, CA 94520
925 288-8000 • FAX 925 521-9562

PRELIMINARY REPORT

Title Officer: Meg Heppell **Amended**
Title No.: 08-40701120-D-MH
Locate No.: CACTI7741-7741-2407-0040701120

TO: Chicago Title Company-San Francisco
455 Market Street, Suite 2100
San Francisco, CA 94105

ATTN: Terry Duwel
YOUR REFERENCE: 160280420

SHORT TERM RATE: No

PROPERTY ADDRESS: Atherton, California

EFFECTIVE DATE: March 8, 2013, 07:30 A.M.

The form of policy or policies of title insurance contemplated by this report is:

ALTA Owner's Policy (6/17/06)

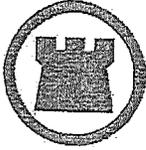
1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A Fee
2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

California Water Service Company, a California corporation
3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

MO\PA 05/07/2008



CHICAGO TITLE COMPANY

PRELIMINARY REPORT

In response to the application for a policy of title insurance referenced herein, **Chicago Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.

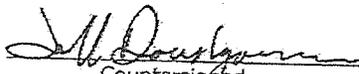
The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Chicago Title Insurance Company, a Nebraska corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

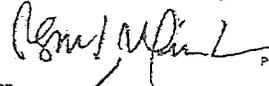
It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.


Countersigned



Chicago Title Company

BY



President

ATTEST



Secretary

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE TOWN OF ATHERTON, COUNTY OF SAN MATEO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Parcel One:

Parcel "A" as shown and delineated on Parcel Map filed for record on April 3, 1974, in Volume 24 of Parcel Maps at Page 13, San Mateo County Recorder's Office.

APN's: 073-191-050, 073-192-060, 073-192-070

Parcel Two:

Parcel "B" as shown and delineated on Parcel Map filed for record on April 3, 1974, in Volume 24 of Parcel Maps at Page 13, San Mateo County Recorder's Office.

APN: 073-192-080

Excepting therefrom Parcels One and Two above, the lands in deed to City and County of San Francisco recorded on December 6, 1950 in Book 1987, Page 518, Official Records.

JPN's: 073-019-191-05, 073-019-192-05, 073-019-192-04

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. **Property taxes**, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2013-2014.

2. **Property taxes**, including any personal property taxes and any assessments collected with taxes, for the fiscal year 2012-2013, Assessor's Parcel Number 073-191-050.

Code Area Number:	01-018
1st Installment:	\$2,565.33 Paid
2nd Installment:	\$2,565.33 Unpaid
Land:	\$21,500.00
Improvements:	\$377,976.00
Exemption:	
Personal Property:	

3. **Property taxes**, including any personal property taxes and any assessments collected with taxes, for the fiscal year 2012-2013, Assessor's Parcel Number 073-192-060.

Code Area Number:	01-018
1st Installment:	\$1,927.31 Paid
2nd Installment:	\$1,927.31 Unpaid
Land:	\$185,600.00
Improvements:	\$93,920.00
Exemption:	
Personal Property:	

4. **Property taxes**, including any personal property taxes and any assessments collected with taxes, for the fiscal year 2012-2013, Assessor's Parcel Number 073-192-070.

Code Area Number:	01-003
1st Installment:	\$5,753.89 Delinquent + penalty \$575.38
2nd Installment:	\$5,753.89 Unpaid
Land:	\$53,700.00
Improvements:	\$788,878.00
Exemption:	
Personal Property:	

5. **Property taxes**, including any personal property taxes and any assessments collected with taxes, for the fiscal year 2012-2013, Assessor's Parcel Number 073-192-080.

Code Area Number:	01-018
1st Installment:	\$901.07 Paid
2nd Installment:	\$901.07 Unpaid
Land:	\$58,900.00
Improvements:	\$32,680.00
Exemption:	
Personal Property:	

6. **The lien of supplemental taxes**, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation code of the State of California.
7. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as reserved in a document;
- Reserved by: Bear Gulch Water Co.
Purpose: Road and public utilities
Recorded: January 9, 1932, Book 550, Page 219, of Official Records

The exact location and extent of said easement is not disclosed of record.

8. **Trust indenture**, including all amendments, re-recordings and advances made thereunder, executed by Bear Gulch Water Company to Wells Fargo Bank and Union Trust Company as trustee, securing an issue of \$1,000,000.00, dated January 15, 1930, and recorded on February 2, 1932, in Book 556, Page 138, Official Records. As supplemented and amended and re-recorded by California Water Service Company, successor mortgagor/trustor to American Trust Company and Security-First National Bank of Los Angeles as trustees re-recorded on June 11, 1940 in Book 893, Page 456.
9. **Grants** by California Water Service Company to the City and County of San Francisco for roadways, existing fences and to install gates and for pipelines and other matters as granted by deed recorded December 6, 1950 in Book 1987 at Page 518, Official Records.
10. **Any facts, rights or interests** as shown by that certain Record of Survey recorded February 14, 1957 in Book 3 of Surveys at Page 108, Official Records.
11. **An agreement** by and between Town of Atherton and California Water Service Company, and upon the terms and provisions contained therein, recorded April 3, 1974 in Book 6582, Page 561, Official Records.
12. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the Parcel Map Book 24, Page 13, April 3, 1974.
- Purpose: Set back lines
Affects: Parcel B
13. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.
- Granted to: Pacific Gas and Electric Company and Pacific Telephone and Telegraph Company
Purpose: Utilities lines
Recorded: March 31, 1978, Book 7729, Page 2158, of Official Records

The exact location and extent of said easement is not disclosed of record.

ITEMS: (continued)

Title No. 08-40701120-D-MH
Locate No. CACTI7741-7741-2407-0040701120

14. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document.

Granted to: Pacific Telephone and Telegraph Company
Purpose: Utility lines
Recorded: March 27, 1981, Instrument No. 28203AS, of Official Records

A portion of said easement grant was quitclaimed back by deed recorded April 21, 1981, Instrument No. 36369AS, of Official Records.

END OF ITEMS

- Note 1.** The name(s) of the buyer(s) furnished with this application for Title Insurance is/are:
No name furnished
If these names are incorrect, incomplete or misspelled, please notify the Company.
- Note 2.** There are NO deeds affecting said land, recorded within twenty-four (24) months of the date of this report.
- Note 3.** If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.
- Note 4.** Please contact Escrow Office for Wire Instructions.
- Note 5.** Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third-party service. If the above requirements cannot be met, please call the company at the number provided in this report.

END OF NOTES

13

Vol. 24

COMPREHENSIVE - EXTENSIVE

ENGINEER'S CERTIFICATE

I have examined the map and the data thereon and find that the same conform to the requirements of the laws of the State of California, and that the same are correct and true to the original survey.

David C. Halperin
David C. Halperin, State of Calif.

ENGINEER'S CERTIFICATE

This map was prepared under my supervision and is based on recent data in accordance with the requirements of the State of California. I have examined the original map and the data thereon and find that the same conform to the requirements of the laws of the State of California, and that the same are correct and true to the original survey.

Dated: Jan. 24, 1974



RESURVEY'S CERTIFICATE

Filed this 24th day of APRIL 1974, at 9:26 AM, in Volume 24 of Parcel Maps of Page 13, of the proposal of Edson H. Smith, City Engineer of the Town of Atherton.

HARVON CHURCH, San Mateo County Recorder

Harvon Church
Harvon Church, County Recorder

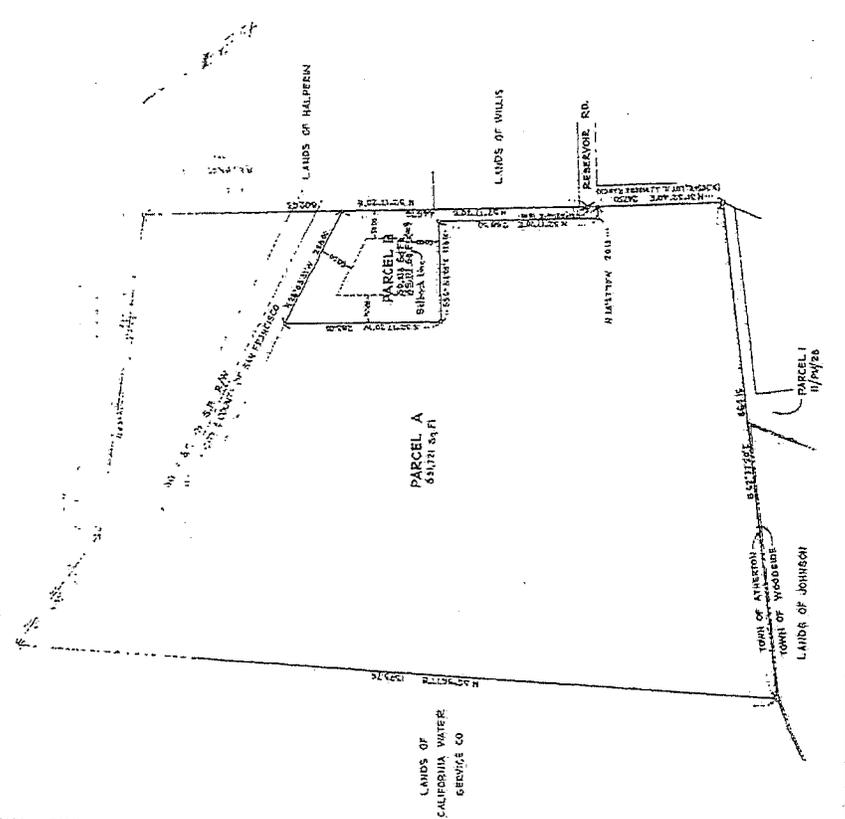
BASIS OF MEASUREMENTS - NOTES - LEGEND

The bearings, distances and the north-south line of Lot II of the J.J. Moore Ranch Map filed in San Mateo County Records on Sept. 20, 1931 in Liber 7 of maps at page 49, was taken as the basis of bearings shown on this map. The bearings of this line, as indicated by this map, are as follows: All distances and dimensions are shown in feet and decimals thereof. * Indicates Iron Pipe Monuments

PARCEL MAP

BEING A PART OF A PORTION OF THE BEASLEY-GUICH PROPERTY LOT TOWN OF ATHERTON SAN MATEO COUNTY, CALIFORNIA

SCALE 1"=100' JAN 1974



Description: San Mateo, CA Parcel Map - Book Page 24.13 Page: 1 of 1

Order: san mateo Comment:

2

ATTACHMENT ONE

AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - land use
 - improvements on the land
 - land division
 - environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at policy date.

This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:
 - a notice of exercising the right appears in the public records on the Policy Date
 - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowledge of the taking

In addition to the Exclusions, you are not insured against loss, costs, attorneys' fees, and the expenses resulting from:

1. Any rights, interests, or claims of parties in possession of the land not shown by the public records.
2. Any easements or liens not shown by the public records. This does not limit the lien coverage in Item 8 of Covered Title Risks.

3. Title Risks:

- that are created, allowed, or agreed to by you
- that are known to you, but not to us, on the Policy Date—unless they appeared in the public records
- that result in no loss to you
- that first affect your title after the Policy Date—this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks

4. Failure to pay value for your title.

5. Lack of a right:

- to any land outside the area specifically described and referred to in Item 3 of Schedule A
 - or
 - in streets, alleys, or waterways that touch your land
- This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

3. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This does not limit the forced removal coverage in Item 12 of Covered Title Risks.

4. Any water rights or claims or title to water in or under the land, whether or not shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

**CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

**SCHEDULE B, PART I
EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

PART I

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

**AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)
WITH A.L.T.A. ENDORSEMENT-FORM I COVERAGE
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
(a) created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or

material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or

- (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
(i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
(ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
(iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
(a) to timely record the instrument of transfer; or
(b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.

In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

**2006 AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

- (c) resulting in no loss or damage to the Insured Claimant;
- (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
- (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records;
- (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)**

**AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
(a) created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy, or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
(i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
(ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
(a) to timely record the instrument of transfer; or
(b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.

In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

**2006 AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed, or agreed to by the Insured Claimant;

- (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
- (c) resulting in no loss or damage to the Insured Claimant;
- (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
- (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)**

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
EXCLUSIONS**

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
 - a. building
 - b. zoning
 - c. Land use
 - d. improvements on Land
 - e. Land division
 - f. environmental protection

This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.
This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
 - a. notice of exercising the right appears in the Public Records at the Policy Date; or
 - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date – this does not limit the coverage described in Covered Risk 7, 8, d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 14, 15, 16 and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 14:	1.00% of Policy Amount or \$ 2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 15:	1.00% of Policy Amount or \$ 5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 16:	1.00% of Policy Amount or \$ 5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 18:	1.00% of Policy Amount or \$ 2,500.00 (whichever is less)	\$ 5,000.00

**ATTACHMENT ONE
(CONTINUED)**

**ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvements now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
(a) created, suffered, assumed or agreed to by the Insured Claimant;
(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
(c) resulting in no loss damage to the Insured Claimant;
(d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or
(e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at:
(a) The time of the advance; or
(b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

Notice

You may be entitled to receive a \$20.00 discount on escrow services if you purchased, sold or refinanced residential property in California between May 19, 1995 and November 1, 2002. If you had more than one qualifying transaction, you may be entitled to multiple discounts.

If your previous transaction involved the same property that is the subject of your current transaction, you do not have to do anything; the Company will provide the discount, provided you are paying for escrow or title services in this transaction.

If your previous transaction involved property different from the property that is subject of your current transaction, you must - prior to the close of the current transaction - inform the Company of the earlier transaction, provide the address of the property involved in the previous transaction, and the date or approximate date that the escrow closed to be eligible for the discount.

Unless you inform the Company of the prior transaction on property that is not the subject of this transaction, the Company has no obligation to conduct an investigation to determine if you qualify for a discount. If you provide the Company information concerning a prior transaction, the Company is required to determine if you qualify for a discount which is subject to other terms and conditions.

Fidelity National Financial, Inc.
Privacy Statement

Fidelity National Financial, Inc. and its subsidiaries ("FNF") respect the privacy and security of your non-public personal information ("Personal Information") and protecting your Personal Information is one of our top priorities. This Privacy Statement explains FNF's privacy practices, including how we use the Personal Information we receive from you and from other specified sources, and to whom it may be disclosed. FNF follows the privacy practices described in this Privacy Statement and, depending on the business performed, FNF companies may share information as described herein.

Personal Information Collected

We may collect Personal Information about you from the following sources:

- Information we receive from you on applications or other forms, such as your name, address, social security number, tax identification number, asset information, and income information;
- Information we receive from you through our Internet websites, such as your name, address, email address, Internet Protocol address, the website links you used to get to our websites, and your activity while using or reviewing our websites;
- Information about your transactions with or services performed by us, our affiliates, or others, such as information concerning your policy, premiums, payment history, information about your home or other real property, information from lenders and other third parties involved in such transaction, account balances, and credit card information; and
- Information we receive from consumer or other reporting agencies and publicly recorded documents.

Disclosure of Personal Information

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- To insurance agents, brokers, representatives, support organizations, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- To third-party contractors or service providers for the purpose of determining your eligibility for an insurance benefit or payment and/or providing you with services you have requested;
- To an insurance regulatory authority, or a law enforcement or other governmental authority, in a civil action, in connection with a subpoena or a governmental investigation;
- To companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements and/or
- To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

We may also disclose your Personal Information to others when we believe, in good faith, that such disclosure is reasonably necessary to comply with the law or to protect the safety of our customers, employees, or property and/or to comply with a judicial proceeding, court order or legal process.

(privacy)

Page 2 of 2

Effective Date: 5/1/2008

Disclosure to Affiliated Companies - We are permitted by law to share your name, address and facts about your transaction with other FNF companies, such as insurance companies, agents, and other real estate service providers to provide you with services you have requested, for marketing or product development research, or to market products or services to you. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

Disclosure to Nonaffiliated Third Parties - We do not disclose Personal Information about our customers or former customers to nonaffiliated third parties, except as outlined herein or as otherwise permitted by law.

Confidentiality and Security of Personal Information

We restrict access to Personal Information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard Personal Information.

Access To Personal Information/

Requests for Correction, Amendment, or Deletion of Personal Information

As required by applicable law, we will afford you the right to access your Personal Information, under certain circumstances to find out to whom your Personal Information has been disclosed, and request correction or deletion of your Personal Information. However, FNF's current policy is to maintain customers' Personal Information for no less than your state's required record retention requirements for the purpose of handling future coverage claims.

For your protection, all requests made under this section must be in writing and must include your notarized signature to establish your identity. Where permitted by law, we may charge a reasonable fee to cover the costs incurred in responding to such requests. Please send requests to:

Chief Privacy Officer
Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, FL 32204

Changes to this Privacy Statement

This Privacy Statement may be amended from time to time consistent with applicable privacy laws. When we amend this Privacy Statement, we will post a notice of such changes on our website. The effective date of this Privacy Statement, as stated above, indicates the last time this Privacy Statement was revised or materially changed.

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

FNF Underwritten Title Company
CTC – Chicago Title Company

FNF Underwriter
CTIC – Chicago Title Insurance Company

Available Discounts

CREDIT FOR PRELIMINARY REPORTS AND/OR COMMITMENTS ON SUBSEQUENT POLICIES (CTIC)

Where no major change in the title has occurred since the issuance of the original report or commitment, the order may be reopened within 12 or 36 months and all or a portion of the charge previously paid for the report or commitment may be credited on a subsequent policy charge.

FEE REDUCTION SETTLEMENT PROGRAM (CTC and CTIC)

Eligible customers shall receive a \$20.00 reduction in their title and/or escrow fees charged by the Company for each eligible transaction in accordance with the terms of the Final Judgments entered in *The People of the State of California et al. v. Fidelity National Title Insurance Company et al.*, Sacramento Superior Court Case No. 99AS02793, and related cases.

DISASTER LOANS (CTIC)

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within 24 months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be 50% of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be 50% or 70% of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be 32% or 50% of the appropriate title insurance rate, depending on the type of coverage selected.

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 09-0071

WHEREAS, Contract No. WD-2568, Bay Division Pipeline ("BDPL") Nos. 3&4 Crossover Facilities was advertised on February 13, 2009 for the installation of three crossover facilities in the City of Santa Clara, the Town of Atherton and City of Palo Alto (the "Project"); and

WHEREAS, the purpose of the Project is in response to the Delivery Reliability and Seismic Reliability Levels of Service ("LOS") goals established for the San Francisco Public Utilities Commission ("SFPUC") regional water system, to reduce the distance between isolation/crossover points on these 2 critical pipelines by adding three additional isolation/crossover facilities, in order to allow segments of pipe to be taken out of service for planned inspection and maintenance, and reduce the impact on customers that may result from an emergency outage of a pipeline; and

WHEREAS, The baseline budget amount is \$21,051,368 and the Engineer's Estimate is \$21,500,000 for this construction contract work to install three crossover facilities along BDPL No. 3&4 with each consisting of a valve vault, valves and actuators, pipe sections, electrical and communication systems and a backup generator system, and the lowest, qualified, responsible and responsive bidder, Shimmick Construction, submitted a bid in the amount of \$12,695,000; and

WHEREAS, The contract duration is 1159 consecutive calendar days; and

WHEREAS, The San Francisco Planning Department's Major Environmental Analysis ("MEA") Section has determined that Project No. CUW38001 - BDPL Nos. 3 & 4 Crossovers requires an Initial Study/Mitigated Negative Declaration ("IS/MND") under the California Environmental Quality Act ("CEQA"); and

WHEREAS, the San Francisco Planning Department MEA Section finalized the IS/FMND for the Project on October 23, 2008; and

WHEREAS, on December 9, 2008, at a public meeting, this Commission adopted Resolution No. 08-0225, in which it: (1) adopted the CEQA Findings, including adopting the IS/FMND, the Mitigation Monitoring and Reporting Program ("MMRP"), and the Standard Construction Measures and Greenhouse Gas Reduction Actions; and (2) approved the Project and authorized staff to implement the Project following final action by the Board of Supervisors; and

WHEREAS, on January 27, 2009, the Board of Supervisors reviewed and considered SFPUC Resolution No: 08-0225 and adopted the IS/FMND and the SFPUC CEQA Findings as its own with respect to the Project, including the MMRP, and directed the Clerk of the Board to forward Resolution 23-09 to the Controller; and

WHEREAS, Nine (9) bids were received and opened publicly on March 26, 2009; and

WHEREAS, SFPUC staff and Human Rights Commission ("HRC") review of the bids for qualifications, responsibility, responsiveness and application of bid preferences resulted in the establishment of Shimmick Construction, Inc. as the lowest, qualified, responsible and responsive bidder; and

WHEREAS, An HRC subcontracting goal of 13% Local Business Enterprise ("LBE") participation has been established for this contract; and

WHEREAS, The firm being awarded a contract by the SFPUC must be in compliance with the Equal Benefits Provisions of Chapter 12B of the City's Administrative Code either at the time of the award, or within 2 weeks of the date of the Commission award; failure of the bidder to obtain compliance certification from HRC may result in award of the contract to the next lowest, responsible and responsive bidder, or re-bidding of the contract at the discretion of the City; and

WHEREAS, Failure to reach successful agreement on contract terms and conditions within 60 days of the date of the Commission award may result in award of the contract to the next lowest, responsible and responsive bidder, or re-bidding of the contract at the discretion of the City; and

WHEREAS, In order to implement the Project, the SFPUC is engaged in negotiations to enter into agreements with three other entities for construction related and permanent use rights necessary for the Project; and

WHEREAS, At the City of Santa Clara site, the SFPUC will enter into agreements with the Sports and Open Space Authority of the City of Santa Clara, including (1) a license agreement for construction staging, storage of spoils and ingress and egress; and (2) a license agreement for discharge of water during construction (the "Santa Clara Agreements"); and

WHEREAS, At the Town of Atherton site, the SFPUC will enter into agreements with the California Water Service Company, including (1) two temporary easements for construction staging and spoils storage (the "California Water Temporary Easements"), and (2) two permanent discharge/water flow easements, valued by appraisal at \$1,200 (the "California Water Permanent Easements"); and

WHEREAS, At the Palo Alto site, the SFPUC will enter into agreements with the United States General Services Administration, acting on behalf of the Veteran's Administration ("VA"), including: (1) a license agreement to provide SFPUC with temporary access, construction staging and spoils storage rights, which agreement would be entered into concurrently with, and as partial consideration for, a lease granted by SFPUC, and (2) a lease agreement with the VA for its use of portions of SFPUC's right of way for parking and recreation use, for a term of nine years at an annual rent of \$6,620 per year, subject to annual escalation rate, and providing for SFPUC's right for ingress and egress over the VA driveways for maintenance, inspections and repairs (the "VA License and Lease Agreements"); and

WHEREAS, Funds are available from Project No. CUW38001, BDPL 3&4 Crossovers; and

WHEREAS, The Project files, including the IS/FMND and SFPUC Resolution No. 08-0225 have been made available for review by the SFPUC and the public, and those files are part of the record before this Commission; and

WHEREAS, The Commission has reviewed and considered the information contained in the IS/FMND, the findings contained in SFPUC Resolution No. 08-0225 and all written and oral information provided by the Planning Department, the public, relevant public agencies, SFPUC and other experts and the administrative files for the Project; now, therefore, be it

RESOLVED, The Commission has reviewed and considered the FMND and record as a whole, finds that the FMND is adequate for its use as the decision-making body for the action taken herein to award contract WD-2568 BDPL No. 3&4 Crossover Facilities and incorporates the CEQA findings contained in Resolution No. 08-0225 by this reference thereto as though set forth in this Resolution; and be it

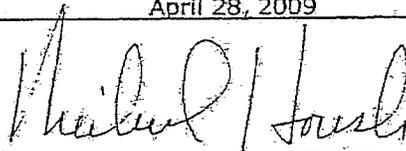
FURTHER RESOLVED, The Commission further finds that since the FMND was finalized, there have been no substantial Project changes and no substantial changes in Project circumstances that would require major revisions to the FMND due to the involvement of new significant environmental effects or an increase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

FURTHER RESOLVED, The Commission authorizes the General Manager to enter into the Santa Clara Agreements, the California Water Temporary Easements and the VA License and Lease Agreements, as described above, with such additional terms that are in the public interest, and in the judgment of the General Manager, in consultation with the City Attorney, are reasonable and appropriate for the scope and duration of the requested use as necessary for the Project, and approved as to form by the City Attorney. To the extent that the terms and conditions of these agreements will require SFPUC to indemnify the respective jurisdictions, those indemnity obligations are subject to the review and approval of the San Francisco Risk Manager; and be it

FURTHER RESOLVED, The Commission authorizes the General Manager to enter into the California Water Permanent Easements, subject to the same limitations provided above with respect to the other agreements, and subject to the approval by the Board of Supervisors pursuant to San Francisco Charter section 9.118; and be it

FURTHER RESOLVED, That this Commission hereby approves the plans and specifications and awards Water Enterprise Water System Improvement Program Program-funded Contract No. WD-2568, BDPL No. 3&4 Crossover Facilities, in the amount of \$12,695,000, to the lowest, qualified, responsible and responsive bidder, Shimmick Construction, Inc.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of April 28, 2009



Secretary, Public Utilities Commission



SAN FRANCISCO PLANNING DEPARTMENT

December 8, 2008

Mr. Larry Ritter, Principal Real Property Officer
Office of the Director of Real Estate
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102

Re: Case No. 2008.0859R
PUC Pipeline 3-4 Crossover Project

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

RECEIVED
DEC 12 2008
REAL ESTATE DIV.

Dear Mr. Ritter,

We are responding to a request from your office, received on August 1, 2008 for a General Plan Referral for approval to acquire easements from three property owners in San Mateo and Santa Clara Counties. The General Plan Referral is conducted pursuant to San Francisco Charter Section 4.105 and Section 2A.53 of the Administrative Code. We find the proposed project to be on balance in conformity with the General Plan. The findings are based on General Plan objectives and policies, described in Attachment A. Aspects of the project may be subject to review and approval by other local jurisdictions and/or the State of California.

Findings Summary

The proposed easement acquisition will be used for the construction of crossover facilities along the Bay Division Pipeline Nos. 3 and 4. They would improve the reliability of the PUC's Water System and reduce potential delays to customers in the result of a seismic event by providing an alternate route to avoid breaks in the pipeline and reducing the total length of pipe that could be impacted by a seismic event or planned maintenance.

The three proposed crossover facilities will be located 8 miles apart to relieve existing crossover facilities, which provide service to customers in the East Bay, South Bay, Peninsula, and San Francisco. Each facility will consist of a concrete vault with two adjacent concrete pads supporting a generator, propane fuel tank, and an electrical control enclosure (approximately 5 feet in height), a five-valve configuration, bypass systems, 130 feet of new steel pipe, electrical power, security/access control systems, site work (including excavation, shoring, groundwater and pipeline dewatering), civil work (including fencing, gates, access roads, sidewalks, curbs, grading and road structures across existing swale) and site restoration and environmental work.

Environmental Review

The Major Environmental Analysis Division of the Planning Department determined that the proposed Project is categorically exempt from CEQA review under Class 1(c) and 4(b) of State Environmental Review Guidelines.

Attachment 1: General Plan Policy Findings

Planning Code Section 101.1 Priority Policies

The Project has been found consistent with the Eight Priority Policies of Section 101.1 of the Planning Code, as described in Attachment B.

In summary, we find the proposed project to be on balance in conformity with the General Plan.

Sincerely,



John Rahaim
Director of Planning

Attachments: A. General Plan Policy Findings
B. Planning Code Section 101.1 Findings

cc: Brett Bollinger, Environmental Planner
Rosemary Dudley, Planner
Stephen Shotland, Planner

Attachment 1: General Plan Policy Findings

Re: Case No. 2008.0859R
PUC Pipeline 3-4 Crossover Project
Staff Reviewer: Rosemary Dudley
Date: October 31, 2008

General Plan Policy Findings

Note: General Plan Objectives and Policies are in bold font, General Plan text is in regular font, and staff comments are in *italic font*.

ENVIRONMENTAL PROTECTION ELEMENT

OBJECTIVE 1

ACHIEVE A PROPER BALANCE AMONG THE CONSERVATION, UTILIZATION, AND DEVELOPMENT OF SAN FRANCISCO'S NATURAL RESOURCES.

POLICY 1.1

Conserve and protect the natural resources of San Francisco.

POLICY 1.2

Improve the quality of natural resources.

The proposed crossover facilities will improve the Hetch Hetchy water system which supplies the City and region with its source of water, one of the region's critical natural resources. This project will improve water conservation and quality with the replacement of aging pipes and construction of new facilities. It will maintain the above-mentioned policies.

OBJECTIVE 2

IMPLEMENT BROAD AND EFFECTIVE MANAGEMENT OF NATURAL RESOURCES.

POLICY 2.1

Coordinate regional and local management of natural resources.

The proposed crossover facilities will improve the Hetch Hetchy water system which supplies the City and region with its source of water. They will be located in neighboring Santa Clara and San Mateo counties. Our coordination with these regional governments will improve the effectiveness of the Hetch Hetchy water system. The proposal will maintain the above-mentioned policy.

OBJECTIVE 5

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

POLICY 5.1

Maintain an adequate water distribution system within San Francisco.

POLICY 5.2

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

Attachment 1: General Plan Policy Findings

The proposed crossover facilities will improve the Hetch Hetchy water system which supplies the City and region with its source of water. This project will improve water supply, flow and distribution in the case of a seismic event or pipeline maintenance. The proposal will maintain the above-mentioned policies.

OBJECTIVE 6

CONSERVE AND PROTECT THE FRESH WATER RESOURCE.

POLICY 6.1

Maintain a leak detection program to prevent the waste of fresh water.

The improvements proposed will upgrade the existing pipelines, reducing the chance of leakage and unnecessary waste. The proposal will maintain the above-mentioned policy.

The proposal is on balance, in conformity not in conformity with the General Plan.

Attachment 2: Planning Code Section 101.1 Priority Policies Findings

The following Priority Policies are hereby established. They shall be included in the preamble to the General Plan and shall be the basis upon which inconsistencies in the General Plan are resolved:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;
Project conforms with this policy.
2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;
Project conforms with this policy.
3. That the City's supply of affordable housing be preserved and enhanced;
Project conforms with this policy.
4. That commuter traffic not impede Muni transit services or overburden our streets or neighborhood parking;
Project conforms with this policy.
5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;
Project conforms with this policy.
6. That the City achieves the greatest possible preparedness to protect against injury and the loss of life in an earthquake.
Project conforms with this policy. The project will aid in the City's preparedness in the event of an earthquake.
7. That landmarks and historic buildings be preserved; and
Project conforms with this policy.
8. That our parks and open space and their access to sunlight and vistas be protected from development.
Project conforms with this policy.

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

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors
Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: California Water Service Company, a California Corporation	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
Shawn Heffner - Director of Corporate Development and Real Estate 1720 North First Street, San Jose, CA 95112-4598	
Contractor address: 1720 North First Street, San Jose, CA 95112-4598	
Date that contract was approved: <i>Subject to approval by the SF Board of Supervisor and Mayor</i>	Amount of contract: \$3,640.00
Describe the nature of the contract that was approved: Agreement for Purchase and Sale of Real Estate	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

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

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

Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed