

**COUNTY OF SAN MATEO**

**PERMIT**

(No. 5358)

PACIFIC GAS AND ELECTRIC COMPANY

Tower Road Complex  
San Mateo, California

**PERMITTEE: PG&E**

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**EXHIBIT A - SITE PLAN OF PREMISES**

**EXHIBIT B - STANDARD PROVISIONS**

**EXHIBIT C - SPECIAL REQUIREMENTS/CONDITIONS**

**PERMIT (No. 5358)**  
Tower Road Facility  
San Mateo, California  
PACIFIC GAS AND ELECTRIC COMPANY

**This is intended to be a legally binding contract**  
**Read it carefully and consult an attorney.**

**1) BASIC PERMIT INFORMATION**

The following is a summary of basic permit information (the "Basic Permit Information"). Each item below shall be deemed to incorporate all of the terms in this Permit pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of this Permit, the more specific provision shall control.

Permit Reference Date:	May 1, 2013
Permitter:	County of San Mateo
Permittee:	Pacific Gas and Electric Company (and permitted successors and assigns)
Property (Section 4):	Tower Road Facility San Mateo, California 94403
Premises (Section 4):	Unimproved portion of the property shown on the attached Exhibit A (Property Map/Site Plan of Premises).
Term (Section 5):	Commencement Date: May 1, 2013  Expiration Date: December 31, 2013  There is one option to renew for an additional six (6) months, on a month-to-month basis, under the same terms and conditions.
Base Permit Fee (Section 6):	Monthly payments: \$18,000.00
Fee Adjustment Dates (Section 8):	Not Used
Concession Fee (Section 6):	Not Used

Use (Section 12):	For use as a storage, staging and assembly area for the Line 132 pipeline replacement project.
Permittee Improvements (Section 13):	Permittee shall be authorized to install temporary fencing to secure the premises in accordance with Section 13.
Utilities and Services (Section 16):	None
Notice Address of County (Section 41):	County Manager Attn: Real Property Services 400 County Center Redwood City, California 94063 Fax No.: (650) 363-4832
with a copy to:	County of San Mateo Department of Public Works 555 County Center, 5 <sup>th</sup> Floor Redwood City, California 94063 Fax No. (650) 599-1072
and to:	Office of County Counsel 400 County Center, 6 <sup>th</sup> Floor Redwood City, California 94063 Fax No.: (650) 363-4034
Key Contact for County:	Gary Webb, Stationary Engineer
Telephone/Fax Nos.:	Phone: (650) 312-5157 Fax: (650) 286-9704
Alternate Contact for County:	Gary Behrens, Facilities Services Manager
Telephone/Fax Nos.:	Phone: (650) 363-1875 Fax: (650) 599-1072
Address for Permittee (Section 41):	Pacific Gas and Electric Company 370 N. Wiget Lane Walnut Creek, CA 94598
Key Contact for Permittee:	Dexx Burns, Right of Way Agent
Telephone/Fax Nos.:	Phone: (415) 973-9415 Cell: (415) 602-9502

## **2) PARTIES**

This Permit (the "Permit"), dated, for reference purposes only, this 1<sup>st</sup> day of March, 2013 is made by and between the COUNTY OF SAN MATEO, a political subdivision of the State of California ("Permitter" or "County") whose address is:

Real Property Division, County Manager's Office  
455 County Center, 4<sup>th</sup> Floor  
Redwood City, CA 94063

and Pacific Gas and Electric Company ("Permittee") whose address is:

370 N. Wiget Lane  
Walnut Creek, CA 94598

Both Parties agree as follows:

## **3) TERMS, COVENANTS AND CONDITIONS**

This Permit is subject to the terms, covenants and conditions herein set forth. Each party covenants, as a material part of the consideration for this Permit, to keep and perform each and all of said terms, covenants and conditions that are to be performed, and that this Permit is made upon the condition of said performance.

## **4) PREMISES**

Permitter is the owner of that certain parcel of real property commonly known as the Tower Road Complex, San Mateo, California (the "Property"), and more particularly described in Exhibit A (Property Map/Site Plan of Premises).

Permittee is hereby granted permission to use and occupy a portion the Property, consisting of unimproved land (the "Premises"), more particularly shown in Exhibit A, together with the non-exclusive right of access over and through such portions of the Property as are necessary for Permittee's Use of the Premises.

## **5) TERM**

The term of this Permit shall commence on May 1, 2013 and shall expire on December 31, 2013, subject to extension as set forth in Section 7 (Extension Option) herein.

## **6) MONTHLY RENTAL**

### **a) Base Permit Fee**

Permittee agrees to pay to Permitter, without prior notice or demand, for the use of the Premises the sum of \$18,000.00 ("Base Permit Fee") on or before the first day of the first full calendar month of the term hereof, and a like sum on or before the first day of each and every successive calendar month thereafter.

The Base Permit Fee and any other amounts due hereunder are sometimes collectively referred to herein as "Fees".

**b) Concession Fee**

Not Used.

**c) Utility Charge**

Not used.

**d) Processing Fee**

In addition to the Base Permit Fee set forth above, upon execution of the Permit, Permittee shall pay to Permittor as an additional charge, a one-time processing fee of One Thousand Five Hundred Dollars (\$1,500) to cover Permittor's costs associated with document preparation and any technical or operational analysis of this Permit to assure complete compatibility of Permittor's operations at the Property.

**e) Payment of Fees**

Fees for any period during the term hereof which is for less than one (1) month shall be a prorated portion of the monthly installment herein on a per diem basis, based upon a thirty (30) day month. Said fees shall be paid to Permittor at:

County of San Mateo  
Public Works/FMO  
Attn: Accounts Receivable (Ref #5358)  
555 County Center, 5<sup>th</sup> Floor  
Redwood City, CA 94063

or to such other person or at such other place as Permittor may from time to time designate in writing.

Permittor shall not be required to invoice Permittee for payment of fees due hereunder. Permittee shall be responsible for payment of all fees due without prior notice or demand. Any amount due which is not paid shall be subject to late fees as set forth in Section 6E (Interest on Late Payment) and Section 11 (Late Charges and Returned Check Charge).

**f) Interest on Late Payment**

Any fees, if not paid within five (5) days following the due date, shall bear interest from the due date until paid at the rate of ten percent (10%) per year or, if a higher rate is legally permissible, at the highest rate an individual is permitted to charge under law (the "Interest Rate"). However, interest shall not be payable on late charges incurred by Permittee as set forth in Section 11 (Late Charges And

Returned Check Charge) hereof, nor on any amounts on which late charges are paid by Permittee to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge. Payment of interest shall not excuse or cure any default by Permittee.

## **7) EXTENSION OPTION**

Permittee shall have the right to extend the Initial Term of this Permit (the "Extension Option") for one additional term of six (6) months (the "Extended Term"). Permittee may exercise the Extension Option, if at all, by giving written notice to Permitter no later than thirty (30) days prior to expiration of the term to be extended; provided, however, if Permittee is in material default hereunder on the date of giving such notice and fails to cure such default as provided herein, Permitter may reject such exercise by delivering written notice thereof to Permittee promptly after such failure to cure.

Such Extension Option shall be subject to all other terms and conditions contained in this Permit, except that Permitter or Permittee shall have the option to terminate this Permit at anytime during the Extended Term, at will and with or without cause by giving written notice to the other party at least thirty (30) days in advance.

## **8) RENTAL ADJUSTMENTS**

Not Used

## **9) GROSS REVENUES**

Not Used

## **10) ACCOUNTS AND RECORDS**

Not Used

## **11) LATE CHARGES AND RETURNED CHECK CHARGE**

Permittee hereby acknowledges that late payment by Permittee to Permitter of rent or other sums due hereunder will cause Permitter to incur costs not contemplated by this Permit, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, administrative processing of delinquent notices and accounting charges. Accordingly, if any installment of rent or of a sum due from Permittee is not received by Permitter within ten (10) days after said amount is due, that payment shall be delinquent and Permittee shall pay to Permitter, in addition to interest as set forth in Section 6 hereof, a late charge equal to six percent (6%) of the total balance due at that time or Fifty Dollars (\$50.00), whichever is greater. A late charge shall be applied for each month rent is delinquent. The parties hereby agree that such late charges represent a fair and reasonable estimate of the cost that Permitter will incur by reason of the late payment by Permittee. Acceptance of late charges by Permitter

shall in no event constitute a waiver of Permittee's default with respect to such overdue amount, nor prevent Permitter from exercising any of the other rights and remedies granted hereunder.

Permittee agrees to pay Permitter a special handling charge of Fifty Dollars (\$50.00) for any check dishonored by the bank for any reason. This charge shall be added to and become part of Permittee's obligations hereunder, and shall be in addition to any charge for late payment provided for herein. Permittee agrees to pay Permitter immediately upon request any and all charges for dishonored checks.

## **12) USE**

Permittee shall use the Premises exclusively for use as a storage, staging and assembly area for activities associated with the Line 109 Pipeline Replacement Project (the "Project"). Permittee shall not use or permit the Premises to be used for any other purpose without the prior written consent of County.

Permittee shall not do or permit anything to be done in or about the Premises nor bring or keep anything therein which will in any way increase the existing rate of or affect any fire or other insurance upon the Premises or any of its contents, or cause cancellation of any insurance policy covering the Premises or any part thereof or any of its contents. Permittee shall not use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Permittee cause, maintain or permit any nuisance in, on or about the Premises. Permittee shall not commit or suffer to be committed any waste in or upon the Premises.

### **a) Operations**

Permittee shall take reasonable measures to minimize noise, dust, debris and other impacts to the Property and its users. Permitter shall have the right, throughout the Term, to review Permittee's operations and require reasonable modifications as necessary to meet the requirements of this section.

### **b) Safety**

Safety shall be paramount at all times. Permittee shall ensure that its operations and activities, and those of its agents and employees, comply with local, state and federal requirements and are in accordance with safe and acceptable practices and procedures. Permittee may have security personnel on the Premises at all times throughout the Term to ensure the safety and security of the Premises.

### **c) Premises Condition**

PERMITTEE ACKNOWLEDGES AND AGREES THAT THE PREMISES ARE ACCEPTED IN THEIR "AS IS" CONDITION, WITHOUT REPRESENTATION OR

WARRANTY OF ANY KIND, AND SUBJECT TO ALL APPLICABLE LAWS, RULES AND ORDINANCES GOVERNING THEIR USE, OCCUPANCY AND POSSESSION. PERMITTEE REPRESENTS AND WARRANTS TO PERMITTOR THAT PERMITTEE HAS INVESTIGATED AND INSPECTED, EITHER INDEPENDENTLY OR THROUGH AGENTS OF PERMITTEE'S OWN CHOOSING, THE CONDITION OF THE PREMISES AND THE SUITABILITY OF THE PREMISES FOR PERMITTEE'S INTENDED USE. PERMITTEE HAS DETERMINED, BASED SOLELY ON ITS OWN INVESTIGATION, THAT THE PREMISES ARE SUITABLE FOR PERMITTEE'S BUSINESS AND INTENDED USE. PERMITTEE ACKNOWLEDGES AND AGREES THAT NEITHER PERMITTOR NOR ANY OF ITS AGENTS HAVE MADE, AND PERMITTOR HEREBY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE RENTABLE AREA OF THE PREMISES, THE PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PREMISES OR THE PROPERTY, THE PRESENT OR FUTURE SUITABILITY OF THE PREMISES FOR PERMITTEE'S BUSINESS, OR ANY OTHER MATTER WHATSOEVER RELATING TO THE PREMISES, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

### **13) PERMITTEE IMPROVEMENTS**

Permittee may scrape and dispose of vegetation (other than trees) and debris within the Premises as necessary during the Term to provide an adequate and safe area for Permitted Uses authorized in this Permit. Permittee shall install and maintain temporary fencing sufficient to prohibit access onto the Premises during the Term. Permittee shall install temporary fencing and take other measures necessary to protect and preserve all trees within the Premises. All fencing shall be of a style and quality approved by Permittor in writing, prior to installation, which approval shall not be unreasonably withheld. Fencing or barriers installed without the prior written approval of the Permittor shall be subject to removal at Permittee's sole cost. All fencing and barriers shall be removed from the Premises upon the expiration of the Term.

Permittee shall not make any other improvements or modifications to the Property or Premises without the prior written consent of Permittor, which consent shall not be unreasonably withheld.

### **14) MOTOR VEHICLES/PARKING**

Permittee shall ensure that its vehicles and those of its agents and customers are parked on the Premises or in areas and locations as approved by the Permittor. Permittee shall have the non-exclusive use of the general parking areas of the Property for the reasonable use of its employees, invitees, and other guests. All such parking shall be subject to the limitation, rules and regulations established from time to time by

Permittor. No vehicle offered for sale by Permittee shall be parked or stored in the general parking areas of the Property.

Camper trucks, trailers and/or other temporary living facilities may not be parked overnight in any area of the Property without written authorization from the Permittor. No overnight camping is permitted.

#### **15) UTILITIES**

During the term of this Permit, Permittee shall be responsible for providing, at its own expense, all utilities and services, including, but not limited to electricity, water, sewer, gas, trash and waste disposal, required for the Premises and any improvements, alterations or additions thereon.

#### **16) JANITORIAL SERVICES**

Not Used

#### **17) ASSESSMENTS/TAXES**

Permittee shall pay all federal, state and local taxes that are levied or required with respect to its employees, such as, but not limited to, social security and workers' compensation. As between Permittee and Permittor, Permittee shall be responsible for the payment of all sales or excise taxes on its operation. Permittee shall also be liable for any special assessments levied against the property due to Permittee's use of the Premises. Permittee reserves the right to challenge any tax and special assessments.

Permittee shall pay, or cause to be paid, before delinquency, any and all taxes and assessments levied against Permittee's personal property in the Premises.

#### **18) POSSESSORY INTEREST TAX**

Permittee recognizes and understands in executing this Permit that its interest in the Premises created herein may be subject to a "possessory interest tax" that the County Assessor may impose on such interest, and any such tax would be the liability of and be paid solely by Permittee in addition to Rent and other charges due hereunder. Permittee agrees to pay promptly when due, any possessory interest tax imposed on its interest in the Premises.

#### **19) MAINTENANCE AND REPAIRS**

Throughout the term of this Permit, Permittee shall, at Permittee's sole expense, maintain the Premises and any improvements within the Premises or related to the Permittee's operation, equipment and other personal property thereon, in good sanitary order, condition and repair in accordance with all applicable laws, rules, ordinances, orders and regulations of (1) federal, state, county, municipal or other governmental

agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials; (2) the insurance underwriting board or insurance inspection bureau having or claiming jurisdiction; and (3) all insurance companies insuring all or any part of the Premises, or improvements, equipment, and other personal property at the Premises. All repairs and maintenance shall be the sole duty of the Permittee and at the Permittee's sole expense.

Permittee shall protect the Premises and the Property from damage caused by Permittee's operations and shall repair at its own expense any and all damage to the Property and Premises, to the extent such damage has been caused by Permittee, its agents, employees or contractors.

Neither offensive or refuse matter, nor any substance constituting an unnecessary, unreasonable or unlawful fire hazard shall ever be permitted to accumulate or remain at the Premises. The Premises shall be kept at all times in an orderly manner to the satisfaction of Permittor.

Permittee shall, upon the expiration or termination of this Permit, surrender the Premises to Permittor in the same condition as when delivered to Permittee, except as may be specifically provided to the contrary in other provisions of this Permit.

## **20) EARLY TERMINATION**

Not Used

## **21) DAMAGE OR DESTRUCTION**

If, during the term of this Permit, any improvements that are a part of the Premises are damaged from any cause, rendering the Premises totally or partially inaccessible or unusable, Permittor at its election, may either terminate this Permit or restore such improvements within a reasonable time and, if so restored, this Permit shall continue in full force and effect. If then existing laws do not permit restoration, either party may terminate this Permit immediately by giving notice to the other party.

In case of damage there shall be an abatement or reduction of rent, between the date of the damage and the date of completion of restoration, based on the extent to which the damage interferes with Permittee's use of the Premises. To the extent any damage to said improvements is due to the fault or neglect of Permittee, its agents, contractors, employees or invitees, there shall not be an abatement or reduction of rent to such extent. Additionally, Permittee shall be responsible for the cost of any required restoration or repairs of damages caused by the fault or neglect of Permittee, its agents, contractors, employees or invitees.

Permittor shall not be required to restore or replace any property installed in the Premises by Permittee. Permittee shall not be entitled to any compensation or

damages from Permittor for loss of the use of the whole or any part of the Premises, Permittee's personal property, loss of revenue, or any inconvenience or annoyance occasioned by such damage or restoration.

## **22) SECURITY DEPOSIT**

Not used.

## **23) SURRENDER OF PREMISES**

At the expiration or earlier termination of this Permit, Permittee shall surrender to Permittor possession of the Premises. Permittee shall leave the surrendered Premises in the same condition as when delivered to Permittee, except as may be specifically provided to the contrary in other provisions of this Permit.

Prior to surrendering the Premises, Permittee and Permittor shall perform a site walk to identify any environmental or physical damage and to develop a plan for Permittee to restore the Premises at Permittee's sole cost and expense; including but not limited to, the application of hydroseed to the entire Premises using commercially accepted products and processes.

All property that Permittee abandons on the Premises after termination, shall, at Permittor's election, become Permittor's property at the expiration or termination of this Permit.

## **24) ENTRY BY PERMITTOR**

Permittor reserves and shall at any and all reasonable times, with the accompaniment by authorized County personnel, have the right to enter the Premises, upon reasonable notice to Permittee, inspect the same, supply any services to be provided by Permittor to Permittee hereunder, to show the Premises to prospective purchasers or permittees, to post notices of non-responsibility, and to alter, improve, repair or restore the Premises as Permittor may deem necessary or desirable, without abatement of rent. For each of the aforesaid purposes, Permittor shall at all times have and retain a key with which to unlock all of the doors or gates in, upon and about the Premises, excluding Permittee's vaults, cabinets, safes and files, and Permittor shall have the right to use any and all means which Permittor may deem proper to open said doors or gates in an emergency, in order to obtain entry to the Premises without liability to Permittee except for any failure to exercise due care for Permittee's property. Any entry to the Premises obtained by Permittor by any of said means, or otherwise shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into the Premises, or an eviction of Permittee from the Premises or any portion thereof.

## **25) RESERVATIONS**

This Permit shall at all times be subject to such easements or rights-of-way for such sewers, pipe lines, conduits, and for such telephone, telegraph, light, heat or power lines, as shall have been duly established or as may from time to time be reasonably determined by Permittor.

This Permit is subsequent to and subject to all prior exceptions, reservations, grants, easements, permits or licenses of any kind whatsoever as the same appear on record in the office of the County Recorder, County of San Mateo, State of California, or in the official records of said County and of the various departments thereof. Permittee covenants not to disturb the quiet and peaceful enjoyment of any and all parties having any legal right, title, interest or privilege in and to the Premises and that the use of the Premises by Permittee shall at all times be conducted with proper regard for such rights, titles, interests and privileges.

## **26) CONSENT OF PARTIES**

Whenever the consent, approval or permission of either party is required, that party shall not unreasonably delay or withhold such consent, approval or permission.

## **27) ALTERATIONS AND ADDITIONS**

Permittee shall not make any alterations or additions to the Premises without Permittor's prior written consent. In making any alterations or additions, Permittee shall comply with the following:

- a) Permittee shall submit reasonably detailed final plans and specifications and working drawings of the proposed alterations and the name of its contractor before the date it intends to commence the alterations.
- b) The alterations shall not be commenced until Permittor has received notice from Permittee stating the date the installation of the alterations is to commence so that Permittor can post and record an appropriate notice of non-responsibility.
- c) The alterations shall be approved by Permittor and all appropriate government agencies, and all applicable permits and authorizations shall be obtained before commencement of the alterations.
- d) All alterations shall be completed with due diligence in compliance with the plans and specifications and working drawings and all applicable laws.
- e) Any alterations made shall remain on and be surrendered with the Premises on expiration or termination of this Permit, except that Permittor can elect within thirty (30) days before the expiration of the term, or within ten (10) days after termination of the term, to require Permittee to remove any alterations that Permittee has made to the Premises. If Permittor so elects, Permittee at its cost shall restore the Premises to the condition designated by Permittor in its election, before the last day of the term, or within thirty (30) days after notice of election is given, whichever is later.

## **28) DEFAULT**

### **a) Default by Permittee**

The occurrence of any one or more of the following events shall constitute a material default and breach of this Permit by Permittee:

- (i) The vacating or abandonment of the Premises by Permittee. (Failure to use or occupy the Premises for fifteen (15) consecutive days shall be deemed a vacation or abandonment.)

The failure by Permittee to make any payment of rental, or any other payment required to be made by Permittee hereunder, as and when due, where such failure shall continue for a period of ten (10) days after notice thereof by Permitter to Permittee.

- (ii) The failure by Permittee to observe or perform any of the terms, covenants or conditions of this Permit to be observed or performed by Permittee, other than described in Sub-sections (A (i)) and (A (ii)) hereinabove, where such failure shall continue for a period of thirty (30) days after notice thereof by Permitter to Permittee; provided, however, that if the nature of Permittee's default and breach is such that more than thirty (30) days are reasonably required for its cure, then Permittee shall not be deemed to be in default and breach if Permittee commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion within ninety (90) days.

- (iii) The making by Permittee of any general assignment or general arrangement for the benefit of creditors; or the filing by or against Permittee of a petition to have Permittee adjudged a bankrupt, or a petition or reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Permittee, the same is dismissed within sixty (60) days); or the appointment of a trustee or a receiver to take possession of substantially all of Permittee's personal property at the Premises or of Permittee's interest in this Permit, where possession is not restored to Permittee within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of a Permittee's personal property at the Premises or of Permittee's interest in this Permit, where such seizure is not discharged within thirty (30) days.

### **b) Permitter's Remedies**

In the event of any such default and breach by Permittee described hereinabove, Permitter may at any time thereafter:

- (i) Terminate Permittee's right to possession of the Premises by any lawful means, in which case this Permit shall terminate and Permittee shall

immediately surrender possession of the Premises to Permittor. In the event Permittee shall have abandoned the Premises, Permittor shall have the option to either (1) take possession of the Premises and recover from Permittee the amount specified in this Section, or (2) proceed under the provisions of the following Sub-section (ii).

- (ii) Maintain Permittee's right to possession, in which case this Permit shall continue in effect whether or not Permittee shall have abandoned the Premises. In such event Permittor shall be entitled to enforce all of Permittor's rights and remedies under this Permit, including the right to recover the rent as it becomes due hereunder.
- (iii) Pursue any other remedy now or hereafter available to Permittor under applicable laws and judicial decisions.

**c) Default by Permittor**

Permittor shall be in material default and breach of this Permit if it fails or refuses to perform any of the terms, covenants or conditions of this Permit that it is obligated to perform if the failure to perform is not cured within thirty (30) days after written notice of the default and breach has been given by Permittee to Permittor; provided, however, that if the default and breach of Permittor is such that more than thirty (30) days are reasonably required for its cure, then, Permittor shall not be deemed in default and breach if Permittor commences to cure the default within thirty (30) days after the written notice and thereafter diligently prosecuted such cure to completion within ninety (90) days.

**d) Permittee's Remedies**

In the event of any such material default and breach by Permittor described hereinabove, Permittee may at any time thereafter: (a) Terminate this Permit with a written notice to Permittor and vacate the Premises on the date of termination; and/or (b) Pursue any other remedy now or hereafter available to Permittee under the applicable laws and judicial decisions.

**e) California Law Notice Requirements**

The notice requirements set forth in this Section modifies and supersedes the notice requirements of the unlawful detainer statutes of California.

**29) INDEMNIFICATION AND INSURANCE**

**a) Permittee's Insurance**

- i) Permittee, at no cost to the Permittor, shall procure and keep in effect at all times during the Term insurance as follows:
  - (1) Commercial general liability insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence combined single limit for bodily

injury and property damage, including contractual liability, independent contractors, broad-form property damage, fire damage legal liability (of not less than Fifty Thousand Dollars (\$50,000)), personal injury, products and completed operations, and explosion, collapse and underground (XCU).

- (2) Statutory limits for Worker's Compensation Insurance with Employer's Liability Limits not less than \$1,000,000 each accident.
  - (3) Business automobile liability insurance with limits not less than \$1,000,000 each occurrence combined single limit for bodily injury and property damage, including owned and non-owned and hired vehicles, as applicable, if Permittee uses automobiles in connection with its use of the Premises.
  - (4) Such other insurance as is generally required by commercial owners on properties similar in size, character, use and location as the Property, as may change from time to time.
- ii) Should any of the required insurance be provided under a claims-made form, Permittee shall maintain such coverage continuously throughout the Term and, without lapse, for a period of three (3) years beyond the expiration or termination of this Permit, to the effect that, should occurrences during the Term give rise to claims made after expiration or termination of this Permit, such claims shall be covered by such claims-made policies.
  - iii) Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general aggregate limit shall double the occurrence or claims limits specified above.
  - iv) All liability insurance policies or self insurance shall be endorsed to provide the following:
    - (1) Name as additional insured the County of San Mateo, its officers, agents and employees.
    - (2) That such policies or self insurance are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of this Permit, and that insurance applies separately to each insured against whom claim is made or suit is brought.
  - v) Each insurance policy required pursuant to Section 19.1(a) above, if applicable, shall be issued by an insurance company licensed in the State of California and with a general policyholders' rating of "A-" or better and a financial size ranking of "Class VIII" or higher in the most recent edition of Best's Insurance Guide.
  - vi) All policies shall be endorsed to provide thirty (30) days' advance written notice to Permitter of cancellation or intended non-renewal (or ten (10) days' advance written notice in case of nonpayment of premium), mailed to the address(es) for Permitter set forth in the Basic Permit Information.

- vii) Permittee shall deliver to Permitter certificates of insurance in form and from insurers satisfactory to Permitter including evidence of self insurance, evidencing the coverage required hereunder, on or before the Commencement Date, together with complete copies of the policies promptly upon Permitter's request, and Permittee shall provide Permitter with certificates or policies thereafter at least thirty (30) days before the expiration dates of expiring policies. In the event Permittee shall fail to procure such insurance, or to deliver such policies or certificates, Permitter may procure, at its option, without waiving any rights or remedies which Permitter may have for Permittee's default hereunder, the same for the account of Permittee, and the cost thereof shall be paid to Permitter within five (5) days after delivery to Permittee of bills therefor.
- viii) Upon Permitter's request, Permittee and Permitter shall periodically review the limits and types of insurance carried pursuant to this Section. If the general commercial practice in the County of San Mateo is to carry liability insurance in an amount or coverage materially greater than the amount or coverage then being carried by Permittee for risks comparable to those associated with the Premises, then Permittee shall, at Permitter's request, increase the amounts or coverage carried by Permittee to conform to such general commercial practice.
- ix) Permittee's compliance with the provisions of this Section by commercially purchased insurance or self insurance shall in no way relieve or decrease Permittee's liability under Section 19.2 (Permittee's Indemnity), or any of Permittee's other obligations under this Permit.
- x) Notwithstanding anything to the contrary in this Permit, if any of the required insurance coverage lapses, Permitter may elect, at its sole discretion, to terminate this Permit by delivering to Permittee three (3) days written notice of termination and, if so delivered, this Permit shall so terminate unless Permittee renews the insurance coverage within the three (3) day notice period.

**b) Permittee's Self Insurance**

Permittee shall have the right to self-insure with respect to any of the insurance requirements required under this Permit. By request, Permittee shall submit a letter of self-insurance signed by a duly authorized representative, evidencing that the self-insurance program is in full force and effect and in compliance with and subject to all the terms, agreements, covenants, conditions and provisions of this Permit

**c) Permittee's Personal Property**

Permittee shall be responsible, at no cost to the Permitter, for separately insuring Permittee's Personal Property.

**d) Permitter's Self Insurance**

Permittee acknowledges that Permitter self-insures against casualty, property damage and public liability risks and agrees that Permitter may at its sole

election, but shall not be required to, carry any third party insurance with respect to the Property, the Premises or otherwise.

**e) Waiver of Subrogation**

Notwithstanding anything to the contrary contained herein, Permitter, in the event the Permitter does not self-insure, and Permittee (each a "Waiving Party") each hereby waives any right of recovery against the other party for any loss or damage sustained by such other party with respect to the Property or the Premises or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party, to the extent (i) such loss or damage is actually recovered from valid and collectible insurance covering the Waiving Party, and (ii) the Waiving Party's insurance carrier agrees to its written waiver of right to recover such loss or damage.

**f) Certificates**

- i) Permittee, at any time and from time to time upon not less than ten (10) days' prior notice from Permitter, shall execute and deliver to Permitter or to any party designated by Permitter a certificate stating: (a) that Permittee has accepted the Premises, (b) the Commencement Date and Expiration Date of this Permit, (c) that this Permit is unmodified and in full force and effect (or, if there have been modifications, that the Permit is in full force and effect as modified and stating the modifications), (d) whether or not there are then existing any defenses against the enforcement of any of Permittee's obligations hereunder (and if so, specifying the same), (e) whether or not there are any defaults then existing under this Permit (and if so specifying the same), (f) the dates, if any, to which the Base permit fee and Additional Charges have been paid, and (g) any other information that may reasonably be required.
- ii) Permitter, at any time and from time to time upon not less than ten (10) days' prior notice from Permittee, shall execute and deliver to Permittee or to any party designated by Permittee a certificate stating: (a) the Commencement Date and Expiration Date of this Permit, (b) that this Permit is unmodified and in full force and effect (or, if there have been modifications, that the Permit is in full force and effect as modified and stating the modifications), (c) whether or not there are any defaults then existing under this Permit (and if so specifying the same), (d) the dates, if any, to which the Base permit fee and Additional Charges have been paid, and (f) any other information that may reasonably be required.

**30) HAZARDOUS MATERIALS ACTIVITY**

Permittee may not store, handle or generate hazardous materials/waste/underground tanks on the property unless Permittee has completed and filed a San Mateo County

Hazardous Materials Release Response Plan and Inventory ("Business Plan") with the San Mateo County Environmental Health Department.

Hazardous material means any material that, because of its quantity, concentration, or physical or chemical characteristics, poses a significant present or potential hazard to human health and safety or to the environment if released into the work place or the environment. Hazardous materials include, but are not limited to, hazardous substances, hazardous waste, and any material which a handler or the administering agency has a reasonable basis for believing that it would be injurious to the health and safety of persons or harmful to the environment if released into the work place or the environment. Examples of such hazardous materials are, but are not limited to: waste oil, solvents, gasoline and compressed gases.

If Permittee does store, handle or generate hazardous materials/waste, or operate an underground storage tank, Permittee must do so in compliance with all state and federal regulations regarding hazardous materials, including but not limited to, California Health and Safety Code, Chapters 6.5, Sections 25100-25249, California Code of Regulations Title 26 and Code of Federal Regulations Section 40 Parts 240-281. Permittee shall be in default hereunder in the event of Permittee's failure to (1) file the Business Plan, (2) follow the Business Plan, and (3) comply with applicable State and Federal statutes regarding the handling of hazardous materials/waste/underground tanks. In addition, Permittor may exercise any rights applicable under State and Federal law, in regards to requiring Permittee to be responsible for disposal or removal of the hazardous materials/waste/underground tanks in a safe manner.

Subject to Section 21 herein, Permittor shall have the right to inspect the Premises to ensure Permittee's compliance, and charge inspection fees, in accordance with applicable State and Federal statutes.

If Permittee does not intend to and will not store, handle hazardous materials/underground tanks or general hazardous waste, then Permittee must complete and file a "Hazardous Materials Negative Response Form" to that effect with the San Mateo County Environmental Health Department. If, at any time during the term of this Agreement, Permittee commences activity that would involve the handling, storage or generation of hazardous materials/waste/underground tanks, Permittee must follow the directives set forth above.

### **31) HOLDING OVER**

If Permittee holds over after the expiration or earlier termination of the term hereof without the express written consent of Permittor, Permittee shall become a permittee at sufferance only, at the monthly rental rate of one hundred fifty per cent (150%) of the rent in effect upon the date of such expiration and otherwise upon the terms, covenants and conditions herein specified, so far as applicable. Acceptance by Permittor of monthly payments after such expiration or earlier termination shall not constitute a

holdover hereunder or result in a renewal. The foregoing provisions of this paragraph are in addition to and do not affect Permittor's right of re-entry or any other rights of Permittor hereunder or as otherwise provided by law.

### **32) ASSIGNMENT AND SUBLETTING**

Permittee shall not, either voluntarily or by operation of law, assign, transfer, mortgage, pledge, hypothecate or encumber this Permit or any interest therein, and shall not sublet the Premises or any part thereof, or any right or privilege appurtenant thereto, or suffer any other person (the employees, agents, servants and invitees of Permittee excepted) to occupy or use the Premises, or any portion thereof, without the written consent of Permittor first had and obtained, which consent shall not be unreasonably withheld, and a consent to one assignment, subletting, occupation or use by any other person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person. Any such assignment or subletting without such consent shall be voidable, and shall, at the option of Permittor, constitute a default under this Permit.

If Permittee is a corporation, any dissolution, merger, consolidation, or other reorganization of Permittee, or the sale or other transfer of a controlling percentage of the capital stock of Permittee, or the sale of at least 51 percent of the value of the assets of Permittee, shall be deemed a voluntary assignment. The phrase "controlling percentage" means the ownership of, and the right to vote, stock possessing at least 10% of the total combined voting power of all classes of Permittee's capital stock issued, outstanding, and entitled to vote for the election of directors. This paragraph shall not apply to corporations the stock of which is traded through an exchange or over the counter.

### **33) SAN MATEO COUNTY NO SMOKING ORDINANCE**

Permittee is aware that on April 18, 2006, the County of San Mateo modified its Ordinance Code, adopting Section 4.96.040, which prohibits smoking in all County facilities whether owned or leased. Permittee understands that said Ordinance authorizes County to enforce the provisions contained therein and Permittee agrees to enforce the provisions of said ordinance on the Premises.

### **34) LAWS, RULES, REGULATIONS AND PERMITS**

Permittee shall construct any improvements, use, maintain and occupy the Premises in compliance with all applicable laws, rules, and regulations. These include, but are not limited to the Americans With Disabilities Act of 1990 and Title 24 of the California Code of Regulations and all other applicable federal, state, local and administrative laws, rules, regulations, orders and requirements intended to provide equal accessibility for persons with disabilities (collectively, "Disabilities Laws"), any applicable City, County, State or Federal ordinances, rules, policies, laws and regulations. Permittee is responsible for ascertaining the need for and obtaining all required permits, licenses,

etc., for all of its activities on the Premises. The cost for all permits, licenses, etc., shall be borne solely by Permittee.

### **35) PERSONAL PROPERTY**

Permittee's personal property shall include equipment, furniture, merchandise, and movable property placed in the Premises by Permittee, including trade fixtures. Trade fixtures include any property installed in or on the Premises by Permittee for purposes of trade, manufacture, ornament, or related use.

### **36) NOTICES**

Any notice, demand, request, consent, approval, waiver, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid mail, and if given by mail shall be deemed sufficiently given when sent by registered or certified mail. Any notice, demand, request, consent, approval, waiver, or communication that either party desires or is required to give by mail to the other party shall be addressed to the other party at the address set forth in Section 1 (Basic Permit Information) of this Permit. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this Section.

### **37) LIENS**

Permittee shall keep the Premises, free from any liens arising out of the work performed, materials furnished or obligations incurred by Permittee.

### **38) PAYMENT OF PERCENTAGE SHARE OF OPERATING EXPENSES**

Not used.

### **39) GENERAL PROVISIONS.**

#### **a) Compliance with Law**

Permittee shall not use the Premises or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated. Permittee shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to, or affecting the condition, use or occupancy of the Premises. The judgment of any court of competent jurisdiction or the admission of Permittee in any

action against Permittee, whether Permitter be a party thereto or not, that Permittee has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between Permitter and Permittee.

**b) Authority of Parties**

- (i) Corporate Authority. If either party hereto is a corporation, each party executing this Permit on behalf of the corporation represents and warrants that he or she is duly authorized to execute and deliver this Permit on behalf of said corporation, in accordance with a duly adopted Resolution of the Board of Directors of the corporation or in accordance with the By-Laws of the corporation, and that this Permit is binding upon the corporation in accordance with its terms.
- (ii) Partnership. If either party hereto is a partnership or other unincorporated association, each party executing this Permit on behalf of the partnership or other association represents and warrants that he or she is duly authorized to execute and deliver this Permit on behalf of the partnership or association, in accordance with the partnership agreement or the agreement of said association.
- (iii) Authorized Permit Representative of the County of San Mateo. The County Manager, or the designee of the County Manager, shall be the only authorized agent of the County of San Mateo for purposes of giving any notices or exercising any rights, options, privileges or obligations of the County of San Mateo under this Permit. This Permit shall not be valid unless executed by the President of the Board of Supervisors of the County of San Mateo pursuant to a Resolution adopted in accordance with the California Government Code.

**c) Other Terms**

Clauses, plats, exhibits and riders, if any, initialed and dated by Permitter and Permittee and endorsed on or affixed to this Permit are a part hereof.

**d) Waiver**

The waiver by either party of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Permitter shall not be deemed to be a waiver of any preceding breach by Permittee of any term, covenant or condition of this Permit, other than the failure of the Permittee to pay the particular rent so accepted, regardless of Permitter's knowledge of such preceding breach at the time of the acceptance of such rent.

**e) Joint Obligation**

"Party" shall mean Permittor or Permittee; and if there be more than one Permittee or Permittor, the obligations hereunder imposed upon Permittees or Permittors shall be joint and several.

**f) Time**

Time is of the essence of this Permit and each and all of its provisions in which performance is a factor.

**g) Successors and Assigns**

The terms, covenants and conditions herein contained, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

**h) Recordation**

Neither Permittor nor Permittee shall record this Permit.

**i) Quiet Possession**

Upon Permittee paying the rent and other fees or charges reserved hereunder and observing and performing all of the terms, covenants and conditions on Permittee's part to be observed and performed hereunder, Permittee shall have quiet possession of the Premises for the entire term hereof, subject to all the provisions of this Permit.

**j) Prior Agreements**

This Permit contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Permit, and no prior agreements or understanding pertaining to any such matters shall be effective for any purpose. No provision of this Permit may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. This Permit shall not be effective or binding on any party until fully executed by both parties hereto.

**k) Inability to Perform**

This Permit and the obligations of Permittee hereunder shall not be affected or impaired because Permittor is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of strike, labor troubles, acts of God, or any other cause beyond the reasonable control of Permittor.

**l) Negation of Partnership**

Permittor shall not become or be deemed a partner or a joint venturer with Permittee by reasons of the provisions of this Permit.

**m) Sale or Transfer of Premises**

In the event of any sale or transfer of the Premises by Permittor, Permittor shall be and is hereby entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Permit arising out of any act, occurrence or omission occurring after the consummation of such sale or transfer; and the purchaser or transferee, at such sale or transfer or any subsequent sale or transfer of the Premises shall be deemed, without any further agreement between the parties or their successors in interest or between the parties or their successors in interest or between the parties and any such purchaser or transferee, to have assumed and agreed to carry out any and all of the covenants and obligations and agreed to carry out any and all of the covenants and obligations of Permittor under this permit.

**n) Name**

Permittee shall not use the name of the Premises or of the development, building or facility in which the Premises may be situated for any purpose other than as an address of the business to be conducted by Permittee in the Premises.

**o) Cumulative Remedies**

No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

**p) Signs and Auctions**

Permittee shall not place any sign upon the Premises or conduct any auction thereon without Permittor's prior written consent.

**q) Provisions, Covenants and Conditions**

All provisions herein, whether covenants or conditions, on the part of either party shall be deemed to be both covenants and conditions.

**r) Captions, Table of Contents**

The captions and the Table of Contents of this Permit (if any) shall have no effect on the interpretation of this Permit.

s) **Payments in U.S. Money**

Rent and all sums payable under this Permit must be paid in lawful money of the United States of America.

t) **Singular and Plural**

When required by the context of this Permit, the singular shall include the plural.

u) **Choice of Law**

This Permit shall be construed, interpreted and governed in accordance with the laws of the State of California.

v) **Brokers**

Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, 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 permit contemplated herein except as identified in the Basic Permit Information, whose commission, if any is due, shall be paid pursuant to a separate written agreement between such broker and the party through which such broker contracted. 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 a claim shall be responsible for such commission or fee and shall Indemnify the other party from any and all Claims incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this Permit.

w) **Severability**

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

x) **Venue**

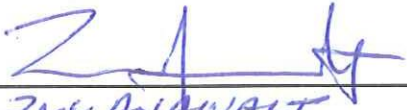
The Venue for any court action to interpret or enforce this agreement or to litigate any claim arising out of this agreement shall be had in State Court of the County of San Mateo.

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IN WITNESS WHEREOF, Permitter and Permittee have executed this Permit as of the date and year first above written.

PERMITTEE

PACIFIC GAS AND ELECTRIC COMPANY

By   
ZACK ANAWALT

Its SUPERVISOR, LAND ACQUISITION

PERMITTOR

COUNTY OF SAN MATEO

By \_\_\_\_\_  
Don Horsley  
President, Board of Supervisors

ATTEST:

RESOLUTION NO.: \_\_\_\_\_

\_\_\_\_\_  
Clerk of the Board

**EXHIBIT A**  
**PROPERTY MAP/  
SITE PLAN OF PREMISES**

