

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 6738E
As of November 21, 2022

Subject: Bahia Substation Lease Renewal to Valero Refinery Request for Approval Under Section 851 and General Order 173

Division Assigned: Energy

Date Filed: 10-14-2022

Date to Calendar: 10-19-2022

Authorizing Documents: None

Disposition:	Accepted
Effective Date:	11-13-2022

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Kimberly Loo

(415)973-4587

PGETariffs@pge.com

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to
edtariffunit@cpuc.ca.gov



October 14, 2022

Advice 6738-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Bahia Substation Lease Renewal to Valero Refinery – Request for Approval Under Section 851 and General Order 173

Purpose

The purpose of this transaction is to allow for the continued use of an electrical substation that powers a refinery owned by Valero Refining Company-California (Tenant) in the City of Benicia, Solano County.

Pacific Gas and Electric Company (PG&E or the Company) requests California Public Utilities Commission (Commission) approval under Public Utilities Code Section 851 and General Order 173 for the renewal of Tenant's lease agreement located within PG&E's Bahia Substation (Lease Renewal). The Lease Renewal, which is included as Attachment 1, will be for a period of twenty (20) years and will allow for the continued operation of an electrical substation that powers Tenant's refinery business. This electrical substation is located within PG&E's Bahia Substation and on land owned by PG&E, specifically Assessor's Parcel Number (APN) 0080-040-050 in Solano County (Property).

PG&E has determined that this Lease Renewal and Tenant's use of the Property does not interfere with our ability to provide safe and reliable utility service to our customers. In addition, the Lease Renewal will not be adverse to the public interest.

Background

On September 10, 1991, PG&E and Exxon Mobil Corporation entered into a lease agreement (Original Lease Agreement) for the purpose of constructing, repairing, replacing, maintaining and operating an electrical substation and related facilities along with an access road in connection with Exxon's Benicia refinery on Property. The Original Lease Agreement is included as Attachment 2. On May 15, 2000, Exxon Mobil Assigned the Original Lease Agreement to Tenant, which is shown as Attachment 3 (Assignment Letter).

On August 31, 2011, the Original Lease Agreement expired and was in holdover from September 1, 2011 through April 30, 2015. A renewal lease was commenced on May 1, 2015 and expired on August 31, 2021, shown as Attachment 4 (Current Expired Lease Agreement).

The Lease Renewal that is the subject of this advice letter is to amend and restate the Current Expired Lease Agreement. As mentioned above, PG&E has determined that this Lease Renewal and Tenant's use of the Property does not interfere with our ability to provide safe and reliable utility service to our customers, and is not adverse to the public interest.

Tribal Lands Policy

As explained below, because this transaction is not the transfer of a fee interest in real property, the Tribal Lands Policy does not apply.

On December 5, 2019, the Commission adopted a policy titled, "Investor-Owned Utility Real Property – Land Disposition - First Right of Refusal for Disposition of Real Property Within the Ancestral Territories of California Native American Tribes" (Policy). The Policy directs investor-owned utilities to (1) notify the appropriate local Native American Tribes of any proposed dispositions of utility-owned real property that are subject to Section 851 and (2) to allow 90 days for the Tribes to respond as to their interest in purchasing the subject real property.

Resolution E-5076, effective January 14, 2021, adopted Guidelines to Implement the CPUC Tribal Land Policy (Guidelines). Section 1.3.d of the Guidelines states that "disposition" means the transfer, sale, donation, or disposition by any other means of a fee interest in real property. Therefore, the Lease Renewal subject to this Advice Letter is not covered by the Policy.

Other Information

In accordance with General Order 173, Rule 4, PG&E provides the following information related to the proposed transaction:

(a) Identity and Addresses of All Parties to the Proposed Transaction:

Pacific Gas and Electric Company
Steven Frank
Law Department
P.O. Box 7442
San Francisco, CA 94120
Telephone: (415) 971-5091
Facsimile: (415) 973-5520
Email: Steven.Frank@pge.com

Valero Refinery Company-
California
Danny Zapeda
3400 E 2nd St
Benicia, CA 94510
Telephone: (707) 745-7257
Email: danny.zepeda@valero.com

(b) Complete Description of the Property Including Present Location, Condition and Use:

The Property is located on APN 0080-040-050 in the City of Benicia and was granted to PG&E via Grant Deed, recorded on May 27, 1968, in Book 1510 of Deeds at Page 1, Solano County Records (Attachment 5). The Property is currently used as an electric substation.

(c) Intended Use of the Property:

The Property will be used for the continued operation and maintenance of Tenant's electric substation.

(d) Complete Description of Financial Terms of the Proposed Transaction:

The annual rent will be \$33,380 and, on the 10th anniversary of the agreement, is subject to change based on the Consumer Price Index for June 2021 and June 2031.

(e) Description of How Financial Proceeds of the Transaction Will Be Distributed:

The financial proceeds generated from this transaction will be credited to Other Operating Revenue. The funds will be used to reduce the distribution revenue requirement, consistent with conventional cost-of-service ratemaking.

(f) Statement on the Impact of the Transaction on Ratebase and Any Effect on the Ability of the Utility to Serve Customers and the Public:

There is no impact to PG&E's ratebase nor will granting this Lease Renewal affect PG&E's ability to provide reliable service to its customers and the public at large.

(g) The Original Cost, Present Book Value, and Present Fair Market Value for Sales of Real Property and Depreciable Assets, and a Detailed Description of How the Fair Market Value Was Determined (e.g., Appraisal):

Not applicable.

(h) The Fair Market Rental Value for Leases of Real Property, and a Detailed Description of How the Fair Market Rental Value Was Determined:

The historic annual rent under the Current Expired Lease Agreement is \$28,840. The annual rent under the Lease Renewal reflects a reasonable increase over the historic amount. The annual rent of \$33,380 under the Lease Renewal also exceeds what would be calculated using market rates for similar property, as shown below:

- Subject property land value = \$4 per sf (Fee Simple Value)
- Lease Area = 37,957 square sf
- 37,957 sf * \$4/sf = \$151,828
- \$151,828 * 6% (annual industrial cap) = \$9,109.68 (Land Use Only)

(i) The Fair Market Value of the Easement or Right-of-Way, and a Detailed Description of How the Fair Market Value Was Determined:

Not applicable.

(j) A Complete Description of any Recent Past (Within the Prior Two Years) or Anticipated Future Transactions that May Appear To Be Related to the Present Transaction:

Other than those described in the Background section above, there are no recent past or anticipated future transactions anticipated by PG&E or Tenant that are related to the present transaction.

(k) Sufficient Information and Documentation (Including Environmental Information) to Show that All of Eligibility Criteria Set Forth in Rule 3 of General Order 173 are Satisfied:

PG&E has provided information in this Advice Letter to satisfy the eligibility criteria under General Order 173 in that:

- The activity proposed in the transaction will not require environmental review by the CPUC as a Lead Agency;
- The transaction will not have an adverse effect on the public interest or on the ability of PG&E to provide safe and reliable service to its customers at reasonable rates;
- The transaction will not materially impact the ratebase of PG&E; and
- The transaction does not warrant a more comprehensive review that would be provided through a formal Section 851 application.

(l) Additional Information to Assist in the Review of the Advice Letter:

No information is readily available other than what has already been included within this advice letter submittal.

(m) Environmental Information:

Pursuant to General Order 173, the Advice Letter program applies to proposed transactions that will not require environmental review by the CPUC as a lead agency under the California Environmental Quality Act ("CEQA") either because: (a) a statutory or categorical exemption applies (the applicant must provide a Notice of Exemption from the Lead Agency or explain why an exemption applies), or (b) because the transaction is not a project under CEQA (the applicant must explain the reasons why it believes that the transaction is not a project), or (c) because another public agency, acting as the Lead Agency under CEQA, has completed environmental review of the project, and the Commission is required to perform environmental review of the project only as a Responsible Agency under CEQA.

For this advice letter, a categorical exemption applies. According to Section 15300 of the CEQA guidelines, this transaction is considered a "CLASS 1: Existing facility" project and is exempt from CEQA.

Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time. The types of "existing facilities" itemized below are not intended to be all-inclusive of the types of projects which might fall within Class 1. The key consideration is whether the project involves negligible or no expansion of an existing use.

Protests

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than November 3, 2022, which is 20 days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
E-mail: EDTariffUnit@cpuc.ca.gov

The protest shall also be electronically sent to PG&E via E-mail at the address shown below on the same date it is electronically delivered to the Commission:

Sidney Bob Dietz II
Director, Regulatory Relations
c/o Megan Lawson
E-mail: PGETariffs@pge.com

***** SERVICE LIST for Advice 6738-E *****
APPENDIX A

Jonathan Reiger
Legal Division
505 Van Ness Avenue
San Francisco, CA 94102
(415) 355-5596
jzr@cpuc.ca.gov

Mary Jo Borak
Energy Division
505 Van Ness Avenue
San Francisco, CA 94102
(415) 703-1333
bor@cpuc.ca.gov

Robert (Mark) Pocta
Public Advocates Office
505 Van Ness Avenue
San Francisco, CA 94102
(415) 703- 2871
robert.pocta@cpuc.ca.gov

Andrew Barnsdale
Energy Division
505 Van Ness Avenue
San Francisco, CA 94102
(415) 703-3221
bca@cpuc.ca.gov

*****AGENCIES*****

Solano County Clerk Recorder
675 Texas Street, Suite 2700
Fairfield, CA 94533
Phone: (707) 784 – 6200
recorder@solanocounty.com

*****3rd Parties*****

Valero Refining Company-California
ATTN: Real Estate Department
One Valero Way
San Antonio, TX 78249
Phone #: (210) 345-4262

Valero Services, Inc.
Attn: Commercial Law – Real Estate
One Valero Way
San Antonio, TX 78249
Phone #: (210) 345-2000

Amy Hamlet
Sr. Real Estate Analyst
Real Estate & Right of Way
The Valero Compaines
Telephone: (210) 345-4262
Amy.Hamlet@valero.com



ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Pacific Gas and Electric Company (ID U39 E)

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Kimberly Loo

Phone #: (415)973-4587

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: KELM@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas WATER = Water
 PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 6738-E

Tier Designation: 2

Subject of AL: Bahia Substation Lease Renewal to Valero Refinery – Request for Approval Under Section 851 and General Order 173

Keywords (choose from CPUC listing): Section 851

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? Yes No

Requested effective date: 11/13/22

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

¹Discuss in AL if more space is needed.

Protests and correspondence regarding this AL are to be sent via email and are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

California Public Utilities Commission
Energy Division Tariff Unit Email:
EDTariffUnit@cpuc.ca.gov

Contact Name: Sidnev Bob Dietz II. c/o Megan Lawson
Title: Director, Regulatory Relations
Utility/Entity Name: Pacific Gas and Electric Company

Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email: PGETariffs@pge.com

Contact Name:
Title:
Utility/Entity Name:

Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

CPUC
Energy Division Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Clear Form

Advice 6738-E
October 14, 2022

Attachment 1

Second Amended and Restated Lease Agreement

SECOND AMENDED AND RESTATED LEASE AGREEMENT

BAHIA SUBSTATION BENICIA, CALIFORNIA

BETWEEN

PACIFIC GAS AND ELECTRIC COMPANY,

a California corporation

as Landlord

and

VALERO REFINING COMPANY-CALIFORNIA,

a Delaware corporation

as Tenant

TABLE OF CONTENTS

	<u>Page</u>
Section 1. Definitions.....	8
Section 2. Term; Termination.....	10
Section 3. CPUC Approval.....	10
Section 4. Rent.....	11
Section 5. Use.....	12
Section 6. Compliance with Legal Requirements.....	14
Section 7. Hazardous Materials.....	15
Section 8. Maintenance; Security; Utilities.....	16
Section 9. Alterations.....	17
Section 10. Liens.....	19
Section 11. Destruction or Damage.....	19
Section 12. Insurance.....	19
Section 13. Indemnification; Release.....	21
Section 14. Assignment or Subletting.....	23
Section 15. Rights Reserved to Landlord.....	24
Section 16. Events of Default.....	25
Section 17. Remedies for Default.....	25
Section 18. Landlord's Right to Cure Default.....	25
Section 19. Attorneys' Fees.....	26
Section 20. Sale.....	26
Section 21. Estoppel Certificates and Rights of Mortgagees.....	26
Section 22. Surrender.....	27

Section 23. Holdover 27

Section 24. Waiver..... 28

Section 25. Notices 29

Section 26. Complete Agreement 29

Section 27. Limitation of Liability 29

Section 28. Broker..... 29

Section 29. Quiet Possession..... 29

Section 30. Miscellaneous..... 30

Section 31. Exhibits 31

SUMMARY OF LEASE TERMS

Amended and Restated Lease, Bahia Substation, Benicia, California

- A. Date: September 1, 2021
- B. Landlord: Pacific Gas and Electric Company, a California corporation
- C. Landlord's address for notices [Section 25]:

If to Landlord by standard U.S. mail or by registered or certified mail, return receipt requested:

Pacific Gas and Electric Company
Land Management Department
ATTN: Lease/License Land Agent
1850 Gateway Blvd 7th Floor
Concord, CA 94520
Phone: (925) 459 – 8059

With a copy to:

Law Department
Pacific Gas and Electric Company
P.O. Box 7442
San Francisco, CA 94120
Attn: Managing Counsel, Environmental and Real Estate
Telephone: (415) 973-7503

If to Landlord by personal delivery or overnight courier:

Pacific Gas and Electric Company
Land Management Department
ATTN: Lease/License Land Agent
1850 Gateway Blvd 7th Floor
Concord, CA 94520
Phone: (925) 459 – 8059

With a copy to:

Law Department
Pacific Gas and Electric Company
P.O. Box 7442
San Francisco, CA 94120
Attn: Managing Counsel, Environmental and Real Estate
Telephone: (415) 973-7503

D. Landlord's address for payments [Section 4]:

Pacific Gas and Electric Company
Land Management Department
ATTN: Lease/License Land Agent
1850 Gateway Blvd 7th Floor
Concord, CA 94520
Phone: (925) 459 – 8059

E. Tenant: Valero Refining Company-California,
a Delaware corporation

F. Tenant's address for notices:

Valero Refining Company-California
ATTN: Real Estate Department
One Valero Way
San Antonio, TX 78249
Phone #: (210) 345-4262

With a copy to:

Valero Services, Inc.
Attn: Commercial Law – Real Estate
One Valero Way
San Antonio, TX 78249
Phone #: (210) 345-2000

G. Description of Premises [Section 1 (f)]:

A portion of the land known as Bahia Substation located in the City of Benicia, County of Solano, California, described as follows:

1. The area shown outlined and designated Parcel "A" on the Exhibit A attached hereto and made a part hereof, containing approximately 24,863 square feet.
2. The area shown outlined and designated Parcel "B" on the Exhibit A attached hereto and made a part hereof, containing approximately 6,204 square feet.

3. The area shown outlined and designated Parcel "C" on the Exhibit A attached hereto and made a part hereof, containing approximately 6,890 square feet.

Excepting therefrom and reserving to Landlord, any and all electric lines, communication lines, pipe lines and other installations on the Premises used by Landlord in the conduct of its business, and the right to reconstruct, maintain, and use the same, together with access thereto and across the Premises.

H. Description of Landlord's Property [Section 1 (g)]:

That certain property known as Bahia Substation, located in the City of Benicia, County of Solano, California, consisting of approximately 4.80 acres, (SBE # 135-48-039-1, APN # 0080-040-050, LD 2403-03-0877), as shown on the Exhibit B, attached hereto and made a part hereof.

I. Term [Section 2]: Twenty (20) Years

J. Commencement Date: September 1, 2021

K. Rent Commencement Date: September 1, 2021

L. Expiration Date: August 31, 2041

M. Annual Rent [Section 4 (a)]:

\$33,380.00 per year, due and payable on the Commencement Date and each September 1 after the commencement Date, subject to adjustment as provided in Section 4(d) below.

N. Tenant's Permitted Use [Section 5]:

Operation, repair, replacement and maintenance of existing electrical substation and related facilities and access road in conjunction with Tenant's Benicia refinery.

O. CPUC Approval [Section 3]:

CPUC Decision _____

Application No. _____

P. EXHIBITS [Section 31]:

EXHIBIT A – Map of Premises

EXHIBIT B – Map of Landlord’s property

The provisions of this Lease identified above in the brackets are those provisions where references to particular Lease terms appear. Each reference shall incorporate the applicable Lease Terms. In the event of any conflict between the Summary of Lease Terms and this Lease, the latter shall control.

[The remainder of this page is intentionally left blank]

SECOND AMENDED AND RESTATED LEASE

THIS SECOND AMENDED AND RESTATED LEASE (this "**Lease**") is made and entered into as of the date set forth in the Summary of Lease Terms, effective upon the full execution and delivery of this Lease (the "**Effective Date**") by and between Landlord and Tenant, as identified in the Summary of Lease Terms.

WHEREAS

A. Landlord and Tenant's predecessor in interest, Exxon Mobil Corporation, a New Jersey corporation (formerly known as Exxon Company, U.S.A., a division of Exxon Corporation, a New Jersey corporation) ("**Exxon**"), entered into that certain Lease of Lands dated September 10, 1991 (the "**Original Lease**") for the lease of the Premises (as described in Section 1 (f) below). Exxon assigned to Tenant its right, title, and interest in and to the Original Lease pursuant to that certain Assignment and Assumption of Lease dated May 15, 2000 between Exxon and Tenant. The Original Lease expired on August 31, 2011 (the "**Original Lease Expiration Date**"). Landlord and Tenant had continued a holdover basis until entering that certain Amended and Restated Lease (the "**First Amended and Restated Lease**") dated April 15, 2015, which among other things, extend the term through August 31, 2021. Tenant is in possession of the Premises on a holdover basis under the First Amended and Restated Lease, with Landlord's consent, at the same rent and on the same terms and conditions that were in effect as of the last year of the term. Landlord and Tenant desire to amend the First Amended and Restated Lease to extend the term thereof and to otherwise amend the First Amended and Restated Lease in several respects, and to restate the First Amended and Restated Lease in its entirety as hereinafter set forth.

NOW, THEREFORE, Landlord hereby leases to Tenant, and Tenant hires from Landlord, the Premises for the term and subject to the terms, covenants, agreements, and conditions hereinafter set forth, each and all of which Tenant and Landlord hereby mutually agree.

Section 1. **Definitions.** The following terms shall have the meanings herein specified:

(a) **Alterations.** All alterations, additions, or improvements to or of the Premises, the Improvements, or any part of either the Premises or the Improvements.

(b) **Hazardous Materials.** The term "**Hazardous Materials**" means (i) petroleum or petroleum products, natural or synthetic gas and asbestos in any form, urea formaldehyde foam insulation, radon gas, polychlorinated biphenyls (PCB's), electromagnetic fields (EMF's), special nuclear or byproduct material, lead based paint and other lead contamination; (ii) any substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "extremely hazardous wastes", "restricted hazardous wastes", "toxic substances", "toxic pollutants", "contaminants", or "pollutants", or words of similar import under any applicable federal, state or local statute, law,

rule, regulation, ordinance, code, policy or rule of common law now or hereafter in effect and in each case as amended, and any judicial or administrative interpretation thereof, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§9601 et seq. ("CERCLA"); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§6901 et seq.; the Clean Air Act, 42 U.S.C. §§7401 et seq.; the Clean Water Act, 33 U.S.C. §§1251 et seq.; the Toxic Substance Control Act, 15 U.S.C. §§2601 et seq.; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §§136 et seq.; the Atomic Energy Act of 1954, 42 U.S.C. §§2014 et seq.; the Nuclear Waste Policy Act of 1982, 42 U.S.C. §§10101 et seq.; the California Hazardous Waste Control Law, Cal. Health and Safety Code §§25100 et seq.; the Porter-Cologne Water Quality Control Act, Cal. Water Code §§13000 et seq.; the Carpenter-Presley-Tanner Hazardous Substance Account Act (Health and Safety Code §§25300 et seq.); the Medical Waste Management Act (Health and Safety Code §§25015 et seq.); and all the rules and regulations of the United States or California Environmental Protection Agency or any successor agency, or any other state or federal department, board or agency, or any other agency or governmental board or entity having jurisdiction, as any of the foregoing have been, or are hereafter amended from time to time; and (iii) any other substance the exposure of which is regulated by any governmental authority.

(c) Hazardous Materials Laws. The term "**Hazardous Materials Laws**" means all Legal Requirements relating to industrial hygiene, environmental protection or the use, analysis, generation, manufacture, storage, presence, licensing, permitting, investigation, remediation, release, disposal, or transportation of any Hazardous Materials, as defined above.

(d) Improvements. The term "**Improvements**" shall mean all currently existing buildings, machinery, equipment, fixtures, facilities, personal property, structures, utilities of every kind and description which is or may be erected on, above or below the Premises, including but not limited to all interconnections and fixtures and all other improvements owned by Tenant located, in, on or about the Premises as of the Effective Date.

(e) Legal Requirements. The term "**Legal Requirements**" shall mean all laws, statutes, ordinances, rules, regulations, requirements or orders of municipal, state, and federal authorities now in force or that may later be in force, including, but not limited to, all provisions of the Americans With Disabilities Act of 1990 (Title 24 of the California Administrative Code), the Subdivision Map Act (California Government Code Sections 66410 et seq.), and all Hazardous Materials Laws, the requirements of any board of fire underwriters or other similar body now or in the future constituted, any occupancy certificate issued by public officers, and any recorded covenants, conditions and restrictions applicable to the Premises.

(f) Premises. The term "**Premises**" shall mean the land described in the Summary of Lease Terms and outline shown on the map attached hereto as Exhibit A.

(g) Property. The term “**Property**” shall mean the real property owned by Landlord as described in the Summary of Lease Terms together with all easements and rights appurtenant thereto, outline shown on the map hereto as Exhibit B.

(h) Tenant Parties. The term “**Tenant Parties**” shall mean Tenant and its employees, agents, contractors, licensees, invitees, and visitors.

Section 2. Term; Termination.

(a) The term of this Lease (the **Term**) shall commence on the Commencement Date set forth in the Summary of Lease Terms and, unless sooner terminated as hereinafter provided, shall expire on the Expiration Date set forth in the Summary of Lease Terms. Upon the Expiration Date, Tenant shall surrender possession of the Premises as set forth in Section 22 of this lease.

(b) Landlord may terminate this lease as to the entire premises or as to any portion thereof, if Landlord, in its reasonable judgment, finds it necessary to obtain the premises, or a portion thereof, in order to use the premises for utility purposes, upon ninety (90) days written notice to Tenant; provided, however, if this lease terminates as to the entire premises or as to any portion thereof exceeding thirty percent (30%) of the square footage of the premises, such written notice shall be no less than twenty-four (24) months. If Landlord terminates this lease as to the entire premises pursuant to this section, Tenant shall be entitled to a refund of any rent allocable to the period after the date that Tenant vacates the premises. If Landlord terminates this lease as to a portion of the premises, the rent shall be equitably reduced by Landlord as Landlord deems reasonable considering the impact, if any, on Tenant's business. Tenant waives any relocation assistance pursuant to section 7260 et seq. of the government code or the uniform relocation assistance and real property acquisition policies act, 42 u.s.c. §§ 4601 et seq., or under any similar law, statute, or ordinance now or hereafter in effect. Tenant shall surrender possession of the premises, or portion thereof, no later than ninety (90) days (or twenty-four (24) months, as applicable) after Tenant's receipt of the termination notice. If Landlord so terminates, Tenant shall surrender possession of the premises, or portion thereof, in the condition required by section 22 of this Lease. (Tenant to initial here _____).

Section 3. CPUC Approval. This Lease has been approved by, and continues to be under the jurisdiction of, the California Public Utilities Commission (“**CPUC**”), and this Lease is made subject to all the provisions of such approval, as identified in the Summary of Lease Terms, as more particularly set forth in like manner as though said provisions were set forth in full herein.

Section 4. Rent.

(a) Tenant agrees to pay to Landlord as "**Annual Rent**" for the Premises the sum specified in the Summary of Lease Terms. Annual Rent shall be paid annually on or before September 1 of each calendar year during the Term, beginning on the Rent Commencement Date. All charges and other amounts of any kind payable by Tenant to Landlord pursuant to this Lease, other than the Annual Rent, shall be deemed additional rent hereunder ("**Additional Rent**"). Landlord shall have the same remedies for default in the payment of Additional Rent as for default in the payment of Annual Rent, and the term "**Rent**" shall include Annual Rent and Additional Rent.

(b) Rent shall be paid to Landlord, without deduction, recoupment, offset or counterclaim, in lawful money of the United States of America, at Landlord's address for payment set forth in the Summary of Lease Terms to such other person or at such other place as Landlord may from time to time designate in writing.

(c) In addition to all other sums to be paid by Tenant hereunder, Tenant shall pay, before delinquency, any and all special assessments, fees or taxes on the Improvements, Alterations, equipment, furniture, fixtures, merchandise, and other personal property located at or in the Premises, or which may be imposed due to Tenant's use or occupancy of the Premises. Tenant, however, shall have the right to contest such assessments, taxes, or fees. If Landlord is assessed for any of the aforementioned assessments, fees or taxes as part of Landlord's real property tax bill or otherwise (except any penalties or interest resulting from Landlord's negligence in omitting to pay any such taxes or assessments), Landlord shall have the right, but not the obligation, to pay such taxes, and in that event, Tenant shall reimburse Landlord for the portion of such expense attributable to the Improvements, Alterations, equipment, furniture, fixtures, merchandise, and other personal property within thirty (30) days of receipt of an invoice therefor.

(d) Adjustment to Annual Rent.

(1) On September 1, 2031 (the "**Adjustment Date**"), the Annual Rent shall be adjusted by multiplying the Annual Rent by a fraction, the numerator of which shall be the CPI (as defined hereafter) for the month of June 2031, and the denominator of which shall be the CPI for the month of June 2021. The sum so calculated shall constitute the new Annual Rent hereunder; provided, however, in no event shall such new Annual Rent be less than the amount of Annual Rent applicable immediately prior to the Adjustment Date. The term "**CPI**" means the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index (All Urban Consumers, All Items, 1982-1984=100) for San Francisco/Oakland/Hayward, California.

(2) If the CPI is not published for the specified month, the CPI for the next succeeding month shall be substituted and the Annual Rent shall be otherwise be computed in accordance with Section 4(d)(1) above.

(3) If the compilation and/or publication of the CPI shall be transferred to any other governmental department or bureau or agency or shall be discontinued, then the index most nearly the same as the CPI shall be used to make such calculation. If the parties cannot agree on such alternative index, then the matter shall be submitted for decision to the American Arbitration Association in accordance with the then rules of said Association and the decision of the arbitrators shall be binding upon the Landlord and Tenant. The cost of said arbitration shall be paid equally by Landlord and Tenant.

(e) Tenant acknowledges that late payment of Rent will cause Landlord to incur costs not contemplated by this Lease, the exact amount of such costs (other than interest and attorneys' fees and costs) being extremely difficult and impractical to fix. Such costs include, without limitation, processing and accounting charges and costs of collection. Therefore, if any installment of Rent is not received by Landlord within thirty (30) days after its due date, then Tenant shall pay a late charge equal to ten percent (10%) of the amount of Rent due ("**Late Fee**") to Landlord, which sum shall constitute liquidated damages for such late payment, in lieu of actual damages (other than interest and attorneys' fees and costs, which shall be payable by Tenant in accordance with the provisions of this Lease) which Landlord may suffer on account of such default. The parties agree that the amount set forth as the Late Fee represents a fair and reasonable estimate of the costs that Landlord will incur by reason of late payment by Tenant. Acceptance of any liquidated damages shall not constitute a waiver of Tenant's default with respect to the overdue amount or prevent Landlord from exercising any of the rights and remedies available to Landlord under this Lease or by law. Such liquidated damages shall constitute Additional Rent hereunder and shall be payable in addition to any attorneys' fees and costs which may be payable under this Lease.

Section 5. Use.

(a) Tenant acknowledges and agrees that the primary use of the Property is and has been for the operation of an electric substation. Landlord shall have the right in Landlord's sole judgment to take all actions necessary or appropriate in conjunction with Landlord's use of the Property for electric substation purposes, regardless of the presence of improvements or occupancy or the area affected, and in such event Landlord will not be liable to Tenant for any amount whatsoever with respect to any personal injury or property damage; provided, however, that Landlord shall cause to be repaired, at no cost or expense to Tenant, any damage to the Improvements, Alterations, equipment, fixtures, and other personal property which may be located on the Premises caused by Landlord's exercise of its rights under this Section 5(a).

(b) The Premises shall be for Tenant's Permitted Use as set forth in the Summary of Lease Terms, and for no other purpose without Landlord's written consent, which such consent may be granted or withheld in Landlord's sole and absolute discretion. Tenant acknowledges that Landlord has made no representation to Tenant regarding the fitness or suitability of the Premises for Tenant's Permitted Use. Tenant shall use the Premises at its sole risk and expense.

(c) Tenant shall have the non-exclusive right to maintain, use, repair and replace the underground conduits, pipes, manholes, service boxes, wires, cables, and electrical conductors existing at the Commencement Date under the Original Lease, which are located in the strips of land of the uniform width of 10 feet, the center lines of which are delineated by the heavy dashed lines shown on Exhibit A. Tenant's entry onto portions of the Property adjacent to the Premises for the purpose of maintaining, repairing, replacing, modifying, or removing any of Tenant's facilities installed in accordance with this paragraph shall be subject to 24 hours prior notice to Landlord. Said notice shall be given to Landlord's Substation Supervisor, Bobby Murphy – Business hours telephone (707) 577-7283 – Non-Business hours telephone (707) 486-1547. In the event of an emergency, Tenant shall contact PG&E's Fulton Substation telephone (707) 449-6714. At all times during Tenant's entry onto portions of the Property adjacent to the Premises, a qualified Landlord employee designated by the Substation Supervisor, will be in attendance. All costs incurred by Landlord in maintaining said employee on site during Tenant's entry onto portions of the Property adjacent to the Premises pursuant to this paragraph shall be paid by Tenant.

(d) Tenant, and the Tenant Parties, shall not do or permit to be done in, on, onto or about the Property, nor bring into or keep in or permit to be brought into or kept therein, anything which is prohibited by or will in any way conflict with any Legal Requirements now in force or which may hereafter be enacted or promulgated, or will in any way increase the existing rate of or affect any fire or other insurance, or cause a cancellation of any insurance policy covering the Property. Tenant shall promptly remove rubbish, debris, and waste from the Premises at Tenant's sole expense. Tenant shall not burn any debris outside of a furnace or fireplace constructed for that purpose within a building, or in an existing fire ring or campfire pit, and shall otherwise take precautions to prevent and suppress fires on the Premises. Tenant shall not commit or suffer to be committed any waste in, on, or about the Premises, nor shall Tenant cause or permit objectionable noises or odors to emanate from the Premises, or cause, maintain or permit in, on or about the Premises any nuisance or other act or condition which may in any way injure or annoy, disturb the quiet enjoyment of, or obstruct or interfere with the rights of, any occupant of the surrounding area or the Property, nor shall Tenant use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose, as determined by Landlord in good faith.

(e) Tenant and the Tenant Parties shall not in any way interfere or permit any interference with Landlord's use of its Property. Interference shall include, but not be limited to, any activity by Tenant that places any of Landlord's gas or electric facilities in violation of any of the provisions of General Order Nos. 95 (Overhead Electric), 112-E (Gas), or 128 (Underground Electric) of the CPUC or any other applicable provisions of the laws and regulations of the State of California or other governmental agencies (whether federal or state). Tenant shall not erect, handle, or operate any tools, machinery, apparatus, equipment, or materials closer to any of Landlord's high-voltage electric conductors than the minimum clearances set forth in the High-Voltage Electrical Safety Orders of the California Division of Industrial Safety, which minimum clearances are incorporated herein by reference, but in no event closer than ten (10) feet to any energized electric conductors or appliances. Tenant shall not drill, bore, or excavate without the

prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned, or delayed.

(f) Tenant shall not install any signs without the prior written approval of Landlord, including approval of complete plans and specifications for each such sign. Tenant acknowledges that Landlord's approval may be given or withheld in Landlord's sole and absolute discretion, Tenant shall not install or erect any flashing or blinking illuminated signs, neon signs or signs constructed from any non-durable material. All signs must be in compliance with all Legal Requirements.

(g) If Landlord determines that Tenant's activities in any way endanger, or reasonably could be anticipated to endanger, the Property, utility facilities, the environment, or the health or safety of any person or persons, after 30 days prior written notice from Landlord to Tenant (except in the event of an emergency when no notice shall be necessary) Landlord may, at Landlord's sole discretion, request that Tenant temporarily halt Tenant's use and activities until proper and appropriate protective measures may be taken to eliminate such endangerment. Landlord's right to halt activities shall not in any way affect or alter Tenant's obligations under this Lease, nor shall it release Tenant from any of its obligations hereunder that pertain to health, safety, or the protection of the environment.

Section 6. Compliance with Legal Requirements.

(a) Tenant, at its sole cost and expense, shall promptly comply, and cause the Tenant Parties to promptly comply, with all Legal Requirements, regardless of when they become effective, insofar as they relate to the subdivision, condition, use or occupancy of the Premises. Tenant, and the Tenant Parties, shall not do or permit to be done in, on, onto or about the Property, nor bring into or keep in or permit to be brought into or kept therein, anything which is prohibited by or will in any way conflict with any Legal Requirements now in force or which may hereafter be enacted or promulgated, or cause a cancellation of any insurance policy covering the Property. Tenant shall obtain and maintain, at no cost to Landlord, all permits, approvals, and authorizations from all local, state, and federal governmental or permitting authorities and shall provide all notifications to all such authorities as required for Tenant's Permitted Use, the Improvements, or any Alterations. Prior to submission to any governmental entity or agency, Tenant shall submit all applications to Landlord for Landlord's review and written consent, which consent may be withheld at Landlord's sole and absolute discretion. Thereafter, Tenant shall also obtain Landlord's written consent, which consent may be withheld at Landlord's sole and absolute discretion, to any conditions imposed by any governmental entity related thereto. Tenant hereby represents and warrants that the Improvements as of the date of this Lease comply with all Legal Requirements.

(b) Notwithstanding anything to the contrary set forth in Section 6(a) above, without Landlord's prior written consent, Tenant shall not seek any change or amendment related to subdivisions or zoning. Tenant shall not attempt to record any document against the Property, including, but not limited to, any parcel map, without Landlord's prior written consent. Tenant

shall not obtain or apply for any zoning variance. Landlord makes no representation regarding compliance with any and all subdivision laws.

(c) If any local, state or federal governmental entity, agency or regulatory authority requires Landlord to construct or install certain improvements in connection with Tenant's use of the Property or to bring the Property into compliance with Legal Requirements (including, without limitation, the Subdivision Map Act), including, but not limited to, roads, grading, erosion control, sewage systems, landscaping, utilities or street lights, either to comply with Legal Requirements or as a condition to the issuance of any lot line adjustment, parcel map, land use entitlements, permits, approvals or authorizations in relation to the Property, Tenant shall reimburse Landlord for the reasonable costs of such improvements, or for assessments related thereto, in an amount reasonably determined by Landlord. However, upon receipt or such agency requirements. Landlord shall provide Tenant with notice and Tenant may elect to change its use or proposed plans to avoid or eliminate any such additional costs. If such costs cannot be avoided, Tenant shall pay such reimbursement to Landlord within thirty (30) days of receipt of an invoice therefor.

(d) If as a result of Tenant's acts, the construction or installation of the Improvements or Alterations by or for Tenant, the division of the Property to lease the Premises to Tenant, or the particular character of Tenant's use or the Premises, Landlord shall be required to comply with any Legal Requirements or pay any survey fees, costs, fees (including, without limitation, any fees to file a request for a Certificate of Compliance or other documents in order to comply with the Subdivision Map Act) or penalties related to any permit, authority or other governmental approval, Landlord shall send to Tenant an estimate of any and all costs associated with Landlord's compliance with Legal Requirements in connection therewith. Upon receipt of such estimate Tenant may elect to change its use or proposed plans to avoid or eliminate any such additional costs. If such costs cannot be avoided, Tenant shall pay such estimate, as Additional Rent, within ten (10) days of receipt of such estimate. At such time as Landlord determines the actual cost incurred by Landlord for such compliance, Landlord will send a statement to Tenant. If the cost exceeds the estimate, Tenant shall pay such additional cost within thirty (30) days of receipt of the statement, and if the estimate exceeds the cost, Landlord shall refund such excess to Tenant.

Section 7. Hazardous Materials.

(a) Tenant, at its expense shall comply with all Hazardous Materials Laws which impose any obligation on Tenant with respect to the Premises or the use or occupation thereof, including, without limitation, any obligation to post so-called "Proposition 65" notices or similar disclosures of the existence of Hazardous Materials in or about the Premises which may be required by the circumstances of Tenant's business. Except as specifically set forth on Exhibit C attached hereto, Tenant shall not cause or permit any Hazardous Materials to be brought upon, kept, used, released, discharged, or disposed of in or about the Premises without the prior written consent of Landlord, which consent may be withheld in Landlord's sole and absolute discretion.

Notwithstanding the foregoing, Tenant may store or use on the Premises (i) Hazardous Materials authorized in writing by Landlord, such permission to be at Landlord's sole and absolute discretion and subject to whatever conditions Landlord may impose, and (ii) de minimus quantities of cleaning products, or the gasoline, diesel or other fuel contained within the gas tanks of automobiles on the Premises. Tenant shall maintain Material Safety and Data Sheets (and supply copies thereof to Landlord as requested) for each Hazardous Materials brought into the Premises. The disposal of Hazardous Materials shall be in approved containers which shall be removed from the Premises only by duly licensed carriers. Any removal, manifesting, transport or disposal of Hazardous Materials shall be conducted pursuant to an EPA generator number or other appropriate license obtained by Tenant or its authorized agents.

(b) If any clean-up, remedial action, removal or restoration work is required by any federal, state or local governmental agency or political subdivision ("**Governmental Agency**") because of the presence of Hazardous Materials in or about the Premises, then Tenant shall, at its sole cost, promptly take any and all action necessary to perform such clean-up, remedial action, removal or restoration in compliance with all Hazardous Materials Laws to the extent caused or permitted by Tenant or any of the Tenant Parties; provided however, Tenant shall have no obligation to take any such action to the extent the Hazardous Materials were brought upon, kept, used, released, discharged or disposed of in or about the Premises by Landlord, its employees, agents, contractors, licensees or invitees, other than Tenant and its employees, agents, contractors. The disposal of Hazardous Materials shall be in approved containers which shall be removed from the Premises only by duly licensed carriers. Any removal, manifesting, transport or disposal of Hazardous Materials shall be conducted pursuant to an EPA generator number or other appropriate license obtained by Tenant or its authorized agents. Tenant shall deliver promptly to Landlord a copy of any notice regarding the Premises received by Tenant from any person, including any Governmental Agency, relating to, or asserting a violation of any Hazardous Materials laws or a claim arising under or relating to any Hazardous Materials Laws.

(c) If Landlord has good cause to believe that the Premises have or may have become contaminated by Hazardous Materials permitted by Tenant or any of the Tenant Parties, Landlord may cause tests to be performed, including tests of the air, soil and ground water to detect the presence of Hazardous Materials and may elect to perform any clean-up, remedial action, removal or restoration work. The cost of such tests, clean-up, remedial action, removal or restoration work shall be paid by Tenant upon demand as Additional Rent.

(d) Tenant acknowledges that there may be Hazardous Materials or other substances, materials, products, or conditions, in, on, under or about the Premises that may be hazardous. Tenant also acknowledges that Landlord's adjoining substation and other facilities emit high levels of noise, and Landlord shall not be required to reduce or otherwise diminish said noise level in any manner whatsoever.

(e) Tenant acknowledges that there are existing buried transite electrical conduits on the Property and that said conduits contain asbestos, a Hazardous Material known to

the State of California to cause cancer. Tenant agrees that to the extent that it comes in contact with the transite electrical conduit, it will do so in a manner that fully complies with all Hazardous Materials Laws.

(f) The rights and obligations of the parties under this Section 7 shall survive the expiration or termination of this Lease and/or Tenant's leasehold estate hereunder.

Section 8. Maintenance; Security; Utilities.

(a) Maintenance. Tenant shall maintain the Improvements and Alterations, including, without limitation, all buildings, structures, utilities, drainage and sewage lines, and all other improvements on the Premises in reasonably good order and condition to the satisfaction of Landlord, and Landlord shall have no obligation whatsoever to maintain the Property, the Premises, or any part thereof. Subject to Landlord's reserved rights as set forth in Section 15 below, Tenant shall remove trees which exist in a deteriorated or hazardous condition, flammable brush, undergrowth, and other vegetative debris, and shall provide notice to Landlord of such maintenance activities at least three (3) business days prior to performing such activities.

(b) Security. Tenant shall be responsible for the safety and security of Tenant's agents, employees, contractors, licensees, invitees, visitors or other persons or property in, upon or about the Premises. Landlord does not assume any responsibility for the security of the Premises.

(c) Utilities. Landlord shall have no obligation, as Landlord hereunder, to provide the Premises with electricity, heat, air conditioning, ventilation, sewer, water, or other utility services whatsoever. Tenant agrees to abide by any reasonable requirement that Landlord may prescribe for the proper functioning and protection of utility and other systems.

(d) Interruption of Services. Landlord has no obligation, as Landlord hereunder, to provide any services to the Premises, and Landlord shall not be liable for any damages directly or indirectly resulting from, nor shall Tenant be entitled to any reduction or abatement of Rent, should there be a failure or interruption in services, including, without limitation, utility service.

(e) Landlord Executing as Property Owner Not as Utility Provider. Tenant acknowledges that Landlord is executing this Lease in its capacity as the owner of the Premises, and not in its capacity as a public utility company or provider of electricity and natural gas. Notwithstanding anything to the contrary contained herein, no act or omission of Pacific Gas and Electric Company or its employees, agents or contractors as a provider of electricity and natural gas shall abrogate, diminish, or otherwise affect the respective rights, obligations and liabilities of Tenant and Landlord under this Lease. Further, Tenant covenants not to raise as a defense to its obligations under this Lease, or assert as a counterclaim or cross-claim in any litigation or arbitration between Tenant and Landlord relating to this Lease, any claim, loss, damage, cause or action, liability, cost or expense (including, without limitation, attorneys' fees) arising from or in

connection with Pacific Gas and Electric Company's provision (or failure to provide) electricity and natural gas.

Section 9. Alterations.

(a) Tenant will not make or allow to be made any Alterations without in each instance first obtaining Landlord's written consent to such Alterations, however, Tenant may perform maintenance, repairs, remodeling, replacements or upgrades to the existing Improvements or Alterations. When requesting Landlord's consent, Tenant shall furnish complete plans and specifications for the proposed Alterations. Tenant acknowledges and agrees that Landlord has no obligation to be reasonable in connection with its granting or withholding such approval, and Tenant agrees that Landlord's approval may be withheld in Landlord's sole and absolute discretion, for no reason or for any reason (including, among others that the proposed Alterations, in the opinion of Landlord are inconsistent or incompatible with the scenic character of the area or are of a nature that CPUC approval would be required). Tenant acknowledges that Landlord's approval of any proposed Alterations, if given, may be made contingent upon Tenant's satisfaction of additional terms, covenants and conditions which Landlord may prescribe or impose without regard to whether such conditions are reasonable.

(b) Landlord may consult with engineers or other professionals to the extent Landlord deems necessary in connection with Landlord's review of Tenant's plans and specifications, and Tenant shall reimburse Landlord for Landlord's reasonable, standard administrative charges for such review and any costs incurred in connection with such consultations within ten (10) days after demand, as Additional Rent. Tenant acknowledges and agrees that Landlord's sole interest in reviewing and approving Tenant's plans and specifications is to protect Landlord's interests, and that such review and approval by Landlord shall not be deemed to create any liability of any kind on the part of Landlord, or to constitute a representation on the part of Landlord that such plans and specifications are correct or accurate, or comply with any applicable Legal Requirements.

(c) All work of constructing or installing Alterations shall be performed diligently, in a good and workmanlike manner, at Tenant's sole cost and expense, in accordance with plans and specifications previously approved in writing by Landlord. All Alterations shall comply with all applicable Legal Requirements. Tenant shall provide Landlord with at least fifteen (15) days prior written notice before commencing any construction of Alterations to allow Landlord to post appropriate notices of non-responsibility. Prior to the commencement of construction of any Alterations by Tenant or Tenant's contractor, Tenant shall (i) deliver to Landlord the building permit, (ii) furnish to Landlord satisfactory evidence of such types of insurance, in such forms, with such companies, for such periods and in such amounts as Landlord reasonably may require, and (iii) upon request, furnish to Landlord satisfactory evidence of such payment and performance and/or completion bonds as Landlord reasonably considers necessary with respect to construction of the Alterations. Tenant shall comply with Section 6 above in regard

to compliance with Legal Requirements and the process of obtaining permits and other governmental authorizations related to any Alterations.

(d) Upon completion of construction of any Alterations, Tenant shall record a notice of completion in accordance with the provisions of Civil Code Section 8182 and shall furnish to Landlord "as-built" plans for the completed Alterations and a copy of the building permit, showing all final inspection approvals.

(e) Prior to the expiration, or upon earlier termination, of this Lease, Tenant shall surrender the Premises in the condition required by Section 22 of this Lease, which requires, among other things, that Tenant remove any Improvements and Alterations designated by Landlord as more specifically set forth in Section 22.

Section 10. Liens. Tenant shall keep the Premises free from any liens arising out of any work performed, materials furnished, or obligations incurred by or for the benefit of Tenant. Should Tenant fail to remove any such lien or post adequate security within fifteen (15) business days after written notice to do so from Landlord, Landlord may, in addition to any other remedies, record a bond pursuant to California Civil Code Section 8510 and all costs incurred by Landlord in so doing, plus all other amounts which Landlord shall become obligated to pay the surety issuing such bond, shall be due and payable by Tenant to Landlord upon demand as Additional Rent.

Section 11. Destruction or Damage.

(a) In the event the Improvements or Alterations are damaged by fire or other casualty, neither Landlord nor Tenant shall have any obligation to repair and restore any damage. Should Tenant elect to repair and restore the Improvements and/or Alterations, such repair and restoration shall be performed in compliance with Section 9 of this Lease. Should Tenant elect not to repair and restore the Improvements and/or Alterations, Tenant shall raze all damaged buildings and shall remove fire damaged improvements and all debris from the Premises.

(b) In the event the Improvements or Alterations are damaged by fire or other casualty, Tenant may, at its option, terminate this Lease by delivering written notice of termination to Landlord within ninety (90) days following the date such damage occurs.

(c) In the event this Lease is not terminated by Tenant, this Lease shall remain in full force and effect notwithstanding such damage, without abatement of Rent on account of such damage.

(d) Landlord and Tenant acknowledge that this Lease constitutes the entire agreement of the parties regarding events or damage or destruction, and Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) and any similar statute now or hereafter in force.

Section 12. Insurance.

(a) At all times during the Term, Tenant, at its sole expense, shall procure and maintain, or to the extent permitted by applicable Legal Requirements and under Section 12(f) below, Tenant may self-insure for each of the required coverages listed below, and shall cause any subtenant to procure and maintain, the following types of insurance coverage:

(1) Commercial general liability insurance with coverage at least as broad as the Insurance Services Office (ISO) Commercial General Liability Coverage "occurrence" form, with no coverage deletions, insuring against any and all damages and liability, including attorneys' fees and other costs and expenses, on account of or arising out of injuries to or the death of any person or damage to property, however occasioned, in, on, or about the Premises, in the minimum amount of Two Million Dollars (\$2,000,000) per occurrence and Two Million Dollars (\$2,000,000) annually in the aggregate for all claims. In addition, such insurance shall insure the performance by Tenant of its indemnity and other contractual obligations set forth in this Lease;

(2) Insurance against damage by fire and other perils included within standard fire and extended coverage insurance policies in an amount not less than the full replacement cost of the Improvements and Alterations;

(3) Workers' compensation coverage as required by law, including employer's liability insurance, with a limit not less than Two Million Dollars (\$2,000,000) for injury or death, each accident;

(4) Business Auto with coverage at least as broad as the Insurance Services Office (ISO) Business Auto Coverage from covering automobile liability, code I "any auto," with a limit not less than Two Million Dollars (\$2,000,000) for each accident for bodily injury and property damage; and,

(5) Such other insurance as shall reasonably be deemed necessary by Landlord from time to time.

(b) The insurance required under this Section 12 and all renewals thereof shall be issued by companies qualified to do business in the State of California and rated A:X or better in "Best's Key Rating Guide." The insurance described in Sections 12(a)(1) and 12(a)(4) shall be endorsed to include Landlord and any mortgagees, property managers and other parties as Landlord may specify from time to time, as additional insureds, as their interests may appear. Each policy shall provide expressly, in the form of such policy or by endorsement, (1) that the policy shall not be cancelled or altered in such a manner as adversely to affect the coverage afforded there by without thirty (30) days' prior written notice to Landlord, (2) that the coverage shall be primary and noncontributing with any insurance that may be carried by Landlord, (3) that any loss arising out of this Lease shall be payable notwithstanding any act of negligence of any additional insured that might otherwise result in a forfeiture of coverage, (4) that the word "Insured" is used therein severally and not collectively and insurance coverage hereunder shall apply as though a separate policy were issued to each insured, although the inclusion of more than

one insured party shall not operate to increase the limits of the insurer's liability, and (5) with respect to the insurance described in Section 12(a)(2), for waiver of the insurer's rights to subrogation against Landlord. If at any time or from time to time, the insurance coverage specified herein is no longer reasonably adequate in the opinion of Landlord's insurance department, Tenant shall increase the coverage to reasonable amounts of coverage specified by Landlord within thirty (30) days after written notice from Landlord, provided that Tenant shall not be required to increase its coverage more often than once in any 24-month period.

(c) No later than the Effective Date of this Lease, and upon renewal not fewer than ten (10) days prior to the expiration of such coverage, Tenant shall deliver to Landlord a certificate of insurance evidencing each policy of insurance required to be carried under this Section 12. This shall be delivered to Landlord at Landlord's Address for notices, as specified in the Summary of Lease Terms.

(d) Tenant's compliance with the provisions of this Section 12 shall in no way limit Tenant's liability under any of the other provisions of this Lease.

(e) With respect to loss or damage resulting from any cause insured against by the insurance carried by Tenant, or required to be carried by Tenant pursuant to the terms of Section 12 hereof, Tenant waives any and all rights of subrogation against Landlord, and Tenant hereby agrees that it shall not make any claim against Landlord, or seek to recover from Landlord, for loss or damage to Tenant, or its property, or property of others under its control, which may be insured against by such insurance, and Tenant shall give notice to any insurance carrier of the foregoing waiver of subrogation, and obtain a waiver of the right to recovery against Landlord, its agents and employees. In furtherance of the foregoing, Tenant agrees that in the event of a sale of the Premises by Landlord, the waiver of subrogation shall continue in favor of the original Landlord hereunder, and any subsequent landlord, as well as be in favor of any such purchaser, and their respective successors and assigns.

(f) Self-Insurance.

(1) To the extent permitted by applicable Legal Requirements and subject to the terms of this Section 12(f), Tenant may satisfy its obligations to obtain insurance under the Lease, in whole or in part, by way of "Self-Insurance." For purposes hereof, "Self-Insurance" means that the Tenant is acting as though it were the insurance company providing the insurance required to be procured by Tenant under the provisions of the Lease, and Tenant shall pay any and all amounts due in lieu of insurance proceeds as required under the provisions of the Lease, which amounts shall be treated as insurance proceeds for all purposes under this Lease.

(2) Tenant's right to self-insure is conditioned upon and subject to (A) the Tenant under the Lease must be Valero Refining Company-California or another affiliate of Valero Energy Corporation, and (B) at all times during which Tenant self-insures, Tenant represents and warrants to Landlord that Tenant's self-insurance program provides adequate, enforceable, sufficiently funded and long-term coverage for the risks to be insured against and

such program of self-insurance shall provide Landlord with the same rights and privileges to which Landlord is otherwise entitled under the terms of this Lease when there is a third-party insurer.

(3) If an event or claim occurs for which a defense and/or coverage would have been available from the insurance company issuing insurance for which Tenant is required to maintain pursuant to this Lease and Tenant has self-insured with respect to such required insurance, Tenant shall (A) undertake the defense of any such claim, including a defense of Landlord at Tenant's sole cost and expense; and (B) use its own funds to pay any claim or replace any property or otherwise provide the funding that would have been available from insurance proceeds but for such election by Tenant to self-insure.

(4) Tenant acknowledges and agrees that the provisions of this Section 12(1)(f) shall in no way relieve, limit, or reduce Tenant's indemnification obligations under this Lease or Tenant's legal obligations under any law. Tenant's obligations as a self-insurer for claims that accrue during the Term (e.g., the obligation to continue to provide a defense for such claims) shall survive the expiration or earlier termination of this Lease. Tenant shall be deemed to have elected to self-insure with respect to any coverage required to be maintained by Tenant hereunder which Tenant fails to obtain from a third-party insurer.

Section 13. Indemnification; Release.

(a) Tenant shall indemnify, defend and hold Landlord and Landlord's directors, officers, employees, successors, assigns and agents (each, an "**Indemnitee**", and collectively, "**Indemnitees**") harmless from and against any and all claims, demands, obligations (including remedial obligations, removal or Hazardous Materials, clean-up or restoration work, including all materials), damages (including consequential and/or punitive damages), losses, lost profits, costs and liabilities, including attorneys' fees and costs (collectively, "**Claims**"), including, without limitation, Claims for injury or damage to personal property, and Claims for penalties, fines and reasonable attorneys' fees and costs (including attorneys' fees and costs incurred to enforce this indemnity), incurred in connection with or arising from this Lease, however the same may have been caused (including, without limitation, if caused in whole or in part by the act, omission, or active or passive negligence of any Indemnitee, except with respect to any Indemnitee to the extent caused by the sole negligence, gross negligence and/or willful or criminal misconduct of any such Indemnitee), and including, without limiting the generality of the foregoing, Claims arising out of or in connection with:

(1) any default by Tenant in the observance or performance of any of the terms, covenants, or conditions of this Lease on Tenant's part to be observed or performed, following written notice and an opportunity to cure in accordance with Section 17, or

(2) the use or occupancy or manner of use or occupancy of the Premises by Tenant, the Tenant Parties or any person or entity claiming through or under Tenant, or

(3) the condition of the Premises or the Property, including, without limitation, noise emanating from the substation or other facilities, or any occurrence or happening on the Premises from any cause whatsoever, including, without limitation, any theft, burglary, vandalism, or property damage, or

(4) any act, omission or negligence of Tenant, the Tenant Parties or any person or entity claiming through or under Tenant, occurring in, on or about the Premises or the Property, either prior to the commencement of, during, or after the expiration of the Term, including without limitation any acts, omissions or negligence in the construction of the Improvements or in the making or performing of any Alterations, or

(5) the actual or alleged presence of Hazardous Materials in or about the Premises to the extent caused or permitted by Tenant or any of the Tenant Parties, or

(6) any violation of any Legal Requirement, including, without limitation, violation of any Hazardous Materials Laws, by Tenant or any of the Tenant Parties, or

(7) any delay or action caused or taken by Landlord to temporarily halt Tenant's use and activities under Section 5(f) of this Lease, or

(8) any failure to surrender possession upon the Expiration Date or sooner termination of the Term as required by Section 22 of this Lease, or

(9) any broker, agent or finder claiming any commissions or fees on the basis of contacts or dealings with Tenant.

(b) Tenant further agrees to indemnify, defend and save harmless Indemnitees from and against any and all Claims arising from or occasioned by any use, occupancy, condition, occurrence, happening, act, omission or negligence referred to above. In the event any action or proceeding is brought against any Indemnitee for any Claim against which Tenant is obligated to indemnify or provide a defense to an Indemnitee hereunder, Tenant upon notice from Landlord shall defend such action or proceeding at Tenant's sole expense by counsel approved by Landlord, which approval shall not be unreasonably withheld.

(c) Tenant accepts all risk relating to its occupancy and use of the Premises. Landlord shall not be liable to Tenant for, and Tenant hereby waives and fully and forever releases, exonerates, discharges and covenants not to sue Landlord, the other Indemnitees and/or each and all of Landlord's past, present and future officers, directors, partners, employees, agents, representatives, shareholders, attorneys, affiliates, parent and subsidiary corporations, divisions, insurance carriers, heirs, legal representatives, beneficiaries, executors, administrators, predecessors, transferees, successors (including, without limitation, lenders who become successors-in-title) and assigns from and for any and all Claims based in whole or in part on any and all liability, whether in contract, tort or any other basis, for any injury, damage, or loss resulting from or attributable to any occurrence on or about the Premises, the condition of Premises or the Property, or the use or occupancy of the Premises, arising prior to, during or subsequent to the expiration or termination of this Lease, including without limitation, liability related to (i) theft, burglary, trespass, or vandalism, (ii) disposal of sewage, (iii) the noise emanating from Landlord's

substation or other facilities or (iv) the need for CPUC approval or the failure of the CPUC to grant such approval.

(d) Tenant hereby represents and warrants that Tenant has no Claim against Landlord, that Landlord has not been, in any respect, in default in performing its obligations under the Original Lease, nor is there any fact or condition that, with notice, the passage of time, or both, would ripen into such Claim or default. Tenant has no existing defenses, credits or offsets against Landlord that in any way precludes or limits enforcement of this Lease by Landlord, or that excuse or constitute Tenant's performance under the prior lease or this Lease.

(e) The provisions of this Section 13 shall survive the expiration or earlier termination of this Lease.

Section 14. Assignment or Subletting.

(a) Tenant acknowledges that Tenant's identity, reputation and experience, the specific character of Tenant's activities and anticipated use of the Premises and the relationship between such anticipated use and other present and/or future planned uses of the Property have been a material consideration to Landlord's entry into this Lease. Except as provided in subsection (d) below, Tenant may assign this Lease only with Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed beyond ten (10) days after Landlord's receipt of Tenant's request. Tenant shall not, without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed, mortgage, pledge, encumber or otherwise hypothecate or create any security interest in this Lease or the Premises or any part thereof in any manner whatsoever. It shall be reasonable for Landlord to withhold its consent to any assignment or other transfer of this Lease that requires CPUC approval in the sole opinion of Landlord. Tenant may sublease or license all or any part of the Premises only with Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that it shall be reasonable for Landlord to withhold its consent to any sublease or license that requires CPUC approval in the sole opinion of Landlord. Tenant shall remain primarily liable for all its obligations under this Lease, notwithstanding any assignment, sublease, license, mortgage, pledge, encumbrance, or other transfer. Any assignment, sublease, license, mortgage, pledge, encumbrance, or other transfer violating the requirements of this Section 14 shall be voidable at Landlord's election, and, at the option of Landlord, shall constitute an Event of Default as described in Section 16.

(b) Regardless of Landlord's consent, no assignment shall release Tenant of Tenant's obligations or alter the primary liability of Tenant to pay the Rent and to perform all other obligations to be performed by Tenant hereunder. At the option of Landlord, an assignee of Tenant shall become directly liable to Landlord for all obligations of Tenant hereunder, but no assignment by Tenant shall release Tenant from its obligations hereunder. The acceptance of Rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. Consent to one assignment shall not be deemed consent to any further assignment, hypothecation, or third-party use. In the event of default by any assignee or successor of Tenant, in the performance of any of the terms hereof Landlord may proceed directly against Tenant without the

necessity of exhausting remedies against said assignee or successor. Landlord may consent to subsequent assignments or subletting of this Lease or amendments or modifications to this Lease with assignees of Tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereto and such action shall not relieve Tenant or any successor of Tenant of liability under this Lease.

(c) Tenant shall pay Landlord 's reasonable attorneys' fees and costs incurred in connection with Tenant's request to assign this Lease not to exceed \$1,000.00, whether or not Landlord consents to the proposed transfer, payable within thirty (30) days of receipt by Tenant of an invoice.

Section 15. Rights Reserved to Landlord.

(a) Landlord reserves the right to restrict access to the Premises or any portion or portions thereof in the event of civil disturbance, fire, earthquake or other casualty or emergency, or in connection with Landlord's response thereto, or, otherwise, when Landlord deems it advisable to do so, including in connection with events and emergencies occurring or affecting Landlord's business operations located outside the immediate vicinity of the Premises.

(b) Landlord may enter the Premises at any time to (i) inspect the same, (ii) exhibit the same to prospective purchasers, lenders, or tenants, (iii) determine whether Tenant is complying with all its obligations hereunder, (iv) post notices of non-responsibility, (v) enforce the provisions of this Lease, or (vi) undertake any activities connected with Landlord's reasonable use and operation of the Property. Any such entry shall be accomplished as expeditiously as reasonably possible and, in a manner, so as to cause as little interference to Tenant or Tenant's business as reasonably possible.

(c) Landlord reserves the right to access the Premises to construct, reconstruct, maintain, operate, and use such facilities on the Premises as Landlord deems necessary or appropriate in Landlord's judgment for generation of electric power, including , without limitation, aqueducts, electric lines, telecommunication lines and pipelines.

(d) Landlord also reserves the right to grant easements and rights of way in, on and across the Premises to third parties to the extent that such easement and rights of way do not unreasonably and materially interfere with Tenant's use of, or access to the Premises.

(e) Tenant shall not use any water on the Premises or any other source on or adjacent to the Premises.

Section 16. Events of Default. The occurrence of any one or more of the following events (each, an "**Event of Default**") shall constitute a breach of this Lease by Tenant for which Landlord may exercise any of the remedies set forth in Section 17 of this Lease or provided by law or equity: (a) if Tenant shall fail to pay any Rent when due and payable hereunder and such failure shall continue for thirty (30) days after written notice thereof from Landlord; or (b) if Tenant shall

fail to perform or observe any other term, covenant or obligation to be performed or observed by Tenant under this Lease, and such failure shall not have been cured by Tenant within thirty (30) days of written notice thereof from Landlord, provided, however, that if such failure is not reasonably capable of being cured within the thirty (30) day cure period. Tenant shall have additional time to cure such failure if it diligently commences to cure within such thirty (30) day cure period, it continuously and diligently pursues such remedy until cured and such failure is capable of being cured by Tenant within no more than ninety (90) days after receipt of such notice.

Section 17. Remedies for Default. Upon the occurrence of any Event of Default, Landlord shall have the option to pursue any one or more of the following remedies available to Landlord under California law:

(a) Landlord may terminate this Lease and recover possession of the Premises. Upon such termination of this Lease, Landlord may recover from Tenant damages in the amounts set forth in Civil Code Section 1951.2, including, without limitation, the worth at the time of the award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Tenant proves could be reasonably avoided.

(b) Even though Tenant has breached this Lease, this Lease shall continue in effect for so long as the Landlord does not terminate Tenant's right to possession, and the Landlord shall have the right to enforce all its rights and remedies under this Lease, including the remedies described in California Civil Code Section 1951.4.

(c) The remedies provided for in this Lease are in addition to all other remedies available to Landlord at law or in equity, by statute or otherwise.

Section 18. Landlord's Right to Cure Default. All agreements and provisions to be performed by Tenant under any of the terms of this Lease shall be at its sole cost and expense and without abatement of Rent. If Tenant shall fail to pay any sum of money, other than Rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder and such failure shall not be cured within the applicable cure period provided for herein, Landlord may, subject to Tenant's rights to cure set forth in Section 16 above, upon 30 days written notice (except in the event of an emergency when no notice shall be required) but shall not be obligated so to do, and without waiving or releasing Tenant from any obligations of Tenant, make any such payment or perform any such other act on Tenant's part to be made or performed as provided in this Lease. All sums so paid by Landlord and all necessary incidental costs shall be deemed Additional Rent hereunder and shall be payable to Landlord on demand.

Section 19. Attorneys' Fees. Should either party bring an action or other proceeding against the other party, arising from or related to this Lease, whether for declaratory or other relief, then the party which prevails in such action shall be entitled, in addition to any other recovery or relief, to its reasonable attorneys' fees (of both in-house and outside counsel) and costs and expenses incurred in the action or proceeding, including any appeal thereof. Tenant shall also pay all attorneys' fees and costs Landlord incurs in defending this Lease or otherwise protecting Landlord's rights in any voluntary or involuntary bankruptcy case, assignment for the benefit of creditors, or other insolvency, liquidation or reorganization proceeding involving Tenant, or this

Lease. For purposes hereof, the reasonable fees of Landlord's or Tenant's in-house attorneys, as the case may be, who perform services in connection with any such action or proceeding are recoverable, and shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the relevant subject matter of the law, in law firms in the City and County of San Francisco with approximately the same number of attorneys as are employed by Landlord's or Tenant's law department, as the case may be.

Section 20. Sale. In the event the original Landlord hereunder, or any successor owner of the Premises, shall sell, convey or otherwise transfer the Premises, provided that any such successor owner of the Premises shall assume the obligations of Landlord pursuant to the Lease, the original Landlord, or such successor owner, shall thereupon be released from any and all covenants, liabilities and obligations (express or implied) on the part of Landlord under this Lease, accruing from or after the date of such sale or conveyance, and Tenant shall look solely to the successor in interest or the transferor for performance of the obligations of Landlord under this Lease. Provided that such transferee assumes the obligations of the original Landlord under this Lease, this Lease shall not be affected by such sale or conveyance, and Tenant agrees to attorn to the transferee, such attornment to be effective and self-operative without the execution of any further instrument by the parties to this Lease.

Section 21. Estoppel Certificates and Rights of Mortgagees.

(a) At any time and from time to time, Tenant shall execute, acknowledge and deliver to Landlord, within ten (10) business days after receipt thereof, a certificate certifying (i) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect, as modified, and stating the date and nature of each modification), (ii) the date, if any, to Annual Rent and other sums payable hereunder have been paid, (iii) that no notice has been received by Tenant of any default which has not been cured, except as to defaults specified in said certificate, (iv) that Tenant does not claim the existence of any default on the part of Landlord, except as specified in such certificate, and (v) such other matters as reasonably may be requested by Landlord, or any mortgagee, beneficiary, purchaser or prospective purchaser of the Property or any interest therein. Any such certificate may be relied upon by Landlord and any mortgagee, beneficiary, purchaser, or prospective purchaser of the Property or any interest therein. Tenant's failure to execute, acknowledge and deliver such certificate within such period of time shall, at the option of Landlord, and without further notice, constitute an Event of Default hereunder.

(b) This Lease and the rights of Tenant hereunder are subject and subordinate to any mortgage, deed, trust, or easement agreement which now or in the future encumbers the Property; provided, however, notwithstanding the foregoing, the subordination of Tenant's interests hereunder to any existing or future ground lease, mortgage, deed of trust or other security instrument shall be conditioned upon Tenant's receipt of an executed and acknowledged commercially reasonable Subordination, Non Disturbance and Attornment Agreement (SNDA) from such applicable Lender. Notwithstanding such subordination, Tenant's right to quiet

possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant observes and performs all of the provision of this Lease; provided, however, that Tenant agrees to execute such documentation as may be reasonably requested to evidence such subordination.

Section 22. Surrender. Upon the expiration or earlier termination of this Lease, Tenant shall surrender the Premises to Landlord in the condition required by this paragraph, Tenant, at its sole cost and expense, shall remove promptly all Improvements and Alterations, and restore the Premises as nearly as possible to the condition that existed prior to Tenant's original entry upon the Premises under the Original Lease. Prior to the expiration or sooner termination of the Term, Tenant shall also remove all equipment, fixtures, merchandise, personal property, debris, and waste material resulting from the use and occupancy of the Premises by Tenant and/or any of the Tenant Parties, and Tenant shall promptly repair, at its sole cost and expense, any damage to the Premises caused by such removal. To the extent Tenant fails to perform the obligations under this Section, Landlord may, but need not, remove or demolish any Improvements, Alterations, equipment, fixtures, merchandise, personal property, debris and waste material, and restore the Premises to the condition that existed prior to Tenant's predecessor's entry upon the Premises under the Original Lease, and Tenant shall pay the cost thereof within sixty (60) days of receipt of an invoice therefor. Tenant's obligations under this Section 22 shall survive the termination of this Lease. (Tenant to initial here: _____)

Section 23. Holdover. Tenant shall have no right to holdover possession of the Premises after the expiration or termination of this Lease without Landlord's prior written consent, which Landlord may withhold in its sole and absolute discretion. If Tenant retains possession of any part of the Premises after expiration or termination, without the written consent of Landlord, Tenant shall become a tenant at sufferance only, for the entire Premises upon all of the terms of this Lease as might be applicable to such tenancy, except that Tenant shall pay Annual Rent at one hundred and fifty percent (150%) of the rate in effect immediately prior to such holdover, computed on a monthly basis for each full or partial month Tenant remains in possession. If Tenant remains in possession of the Premises after the expiration or other termination of the Term of this Lease, with Landlord's written consent, Tenant shall be deemed to be occupying the Premises as a month- to-month tenant only, at a monthly rental equal to one-twelfth (1/12th) of the Annual Rent in effect immediately prior to such holdover. Tenant shall also pay Landlord all of Landlord's direct and consequential damages resulting from Tenant's holdover. No acceptance of Rent or other payments by Landlord under this holdover provision shall operate as a waiver of Landlord's right to regain possession or any other of Landlord's remedies.

Section 24. Waiver. The waiver by Landlord or Tenant of any agreement, condition or provision herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition or provision herein contained, nor shall any custom or practice which may grow up between the parties in the administration of the terms hereof be construed to waive or to lessen the right of Landlord or Tenant to insist upon the performance by Tenant or Landlord in strict accordance with said terms. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of

any agreement, condition or provision of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent.

Section 25. Notices. Notices to be given under this Lease shall be in writing, sent as specified in the Summary of Lease Terms, and either sent by:

(a) personal delivery, in which case notice shall be deemed delivered upon actual receipt, or

(b) sent by certified mail, return receipt requested, in which case notice shall be deemed delivered upon actual receipt, or

(c) sent by a nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) business day after deposit with this courier. The addresses set forth in the Summary of Lease Terms may be changed by written notice to all parties set forth therein.

Section 26. Complete Agreement. There are no oral agreements between Landlord and Tenant affecting this Lease, and this Lease shall constitute the entire agreement between the parties relative to the subject matter hereof, and supersedes and cancels any and all prior negotiations, arrangements, correspondence, communications, leases, licenses, agreements and understandings, if any, whether oral or written, between Landlord and Tenant with respect to the subject matter of this Lease. There are no representations between Landlord and Tenant other than those contained in this Lease and all reliance with respect to any representations is based solely upon the terms of this Lease. No amendment or modification of this Lease shall be binding or valid unless expressed in writing and executed and delivered by Landlord and Tenant. Subject to the limitations provided herein, the terms, covenants and conditions contained in this Lease shall bind and inure to the benefit of the respective heirs, successors, executors, administrators and assigns of each of the parties hereto.

Section 27. Limitation of Liability. Tenant agrees to look only to the interest of Landlord in the Property and not to Landlord, its directors, officers, shareholders, employees, or agents personally with respect to any obligations or payments due or which may become due from Landlord to Tenant hereunder, or for the satisfaction of any of Tenant's remedies hereunder.

Section 28. Broker. Tenant represents and warrants to Landlord that no real estate broker, agent, or finder negotiated or was instrumental in negotiating or representing Tenant in the negotiation of this Lease or the consummation hereof. Tenant shall pay the commission or fee of any broker, agent or finder acting for Tenant or claiming any commissions or fees on the basis of contacts or dealings with Tenant.

Section 29. Quiet Possession. Landlord agrees that Tenant, upon paying Rent and performing the terms, covenants and conditions of this Lease, may quietly have, hold and enjoy the Premises without disturbance by Landlord or any person claiming under Landlord during the Term of this Lease, subject, however, to the rights of Landlord set forth in this Lease, and any mortgages, deeds of trust, agreements and encumbrances to which this Lease is subordinate.

Section 30. Miscellaneous.

(a) The word "Tenant" as used herein shall include the plural as well as the singular.

(b) If a partnership or more than one legal person is at any time Tenant, each partner and each legal person is jointly and severally liable for the keeping, observing and performing of all of the terms, covenants, conditions, provisions and agreements of this Lease to be kept, observed or performed by Tenant, and the term "Tenant" as used in this Lease shall mean and include each of them jointly and severally and the act of or notice from, or notice or refund to, or the signature of: any one or more of them, with respect to the tenancy or this Lease, including but not limited to, any renewal, extension, expiration, termination or modification of this Lease, shall be binding upon each and all of the persons executing this Lease as Tenant with the same force and effect as if each and all of them had so acted or so given or received such notice or refund or so signed.

(c) Time is of the essence of this Lease and each and all of its provisions.

(d) Submission of this instrument for examination or signature by Tenant does not constitute an offer to lease or a reservation of or option to lease. Landlord shall not be bound by this Lease until Landlord has executed and delivered this Lease to Tenant, notwithstanding Tenant's execution and delivery of this Lease to Landlord.

(e) The waivers of Claims or rights, the releases, and the obligations under this Lease to indemnify, protect, defend and hold harmless Landlord and other Indemnitees shall survive the expiration or earlier termination of this Lease, and so shall all other obligations or agreements hereunder which by their terms survive the expiration or earlier termination of this Lease.

(f) Subject to the provisions of this Lease as to assignment, the agreements, conditions and provisions herein contained shall apply to and bind the heirs, executors, administrators, successors and assigns of the parties hereto.

(g) If any provisions of this Lease shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of this Lease and all such other provisions shall remain in full force and effect.

(h) This Lease shall be governed by and construed pursuant to the laws of the State of California.

(i) The language in all parts of this Lease shall be construed according to its normal and usual meaning and not strictly for or against either Landlord or Tenant.

(j) Neither this Lease, nor any notice nor memorandum regarding the terms hereof, shall be recorded by Tenant. Any such unauthorized recording shall give Landlord the right to declare a breach of this Lease and pursue the remedies provided here in.

(k) All recitals are incorporated herein by this reference.

Section 31. Exhibits. The exhibits attached to this Lease are hereby incorporated into this Lease and made a part hereof.

IN WITNESS WHEREOF, the parties have executed this Lease on the respective dates indicated below.

TENANT:

VALERO REFINING COMPANY-CALIFORNIA,
a Delaware corporation

By: _____

Name: _____

Its: _____

Date: _____

Tenant to initial Sections 2(b) and 22

LANDLORD:

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

By: _____

Name: Aimee Crawford

Its: Director, Land Management

Date: _____

EXHIBITS "A" and "B" attached

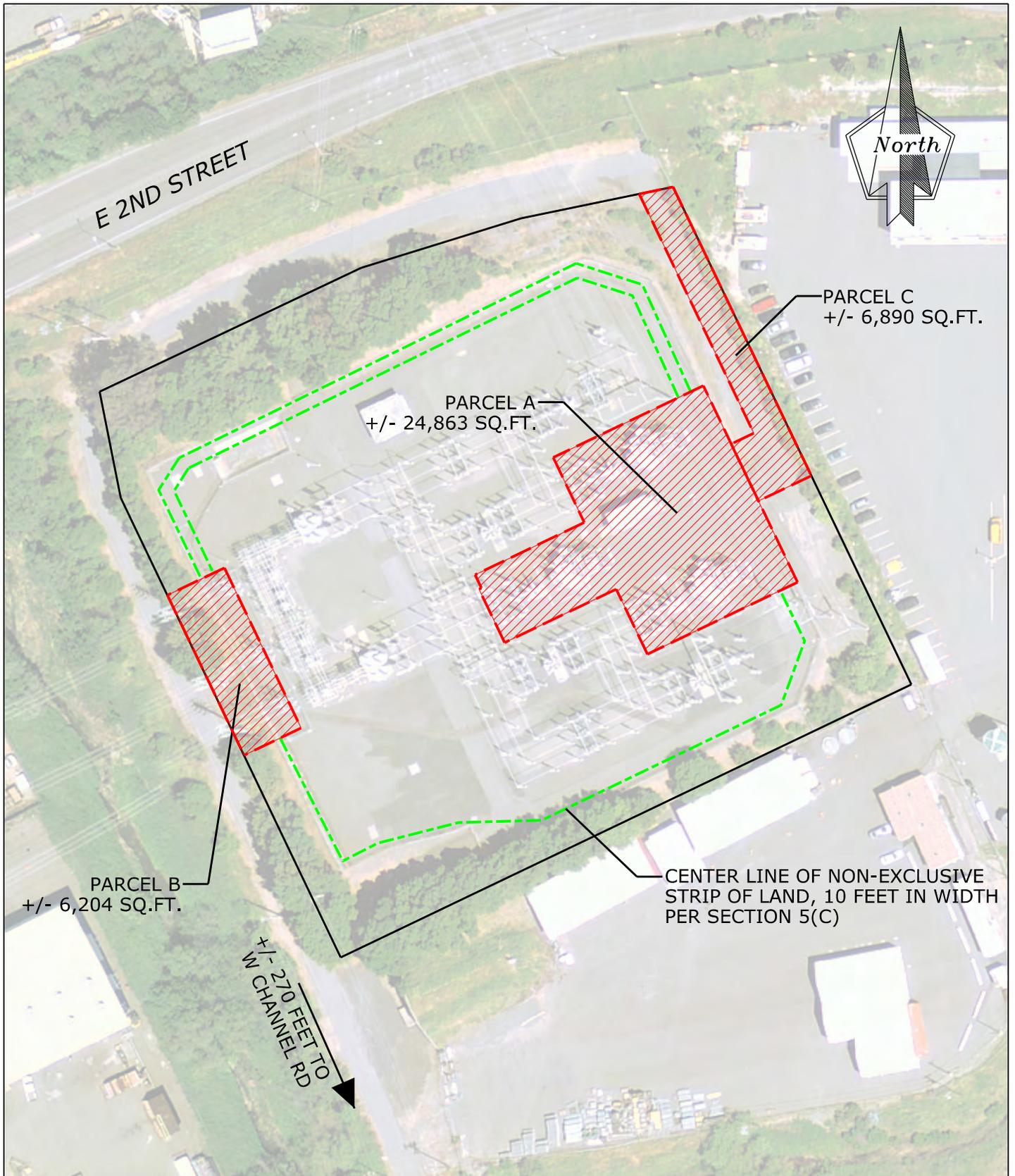


EXHIBIT A - MAP OF PREMISES

SCALE
NTS

DATE
6/8/2021

SECTION NE 1/4 25	TOWNSHIP T3N	RANGE T3W	MERIDIAN MDB&M	COUNTY OF: SOLANO	CITY OF: BENICIA	
PLAT MAP: QQ4224 (ELEC) & 2909-D4 (GAS) REFERENCES: SBE MAP # 135-48-039-1				F.B.: JQW3	DR.BY: JQW3	CH.BY: P1A8
				PG&E	NORTH BAY DIVISION	42145568 AUTHORIZ
						N/A DRAWING NO.



EXHIBIT B - MAP OF LANDLORDS PROPERTY

SCALE
NTS
DATE
6/8/2021

SECTION NE 1/4 25	TOWNSHIP T3N	RANGE T3W	MERIDIAN MDB&M	COUNTY OF: SOLANO	CITY OF: BENICIA		
PLAT MAP: QQ4224 (ELEC) & 2909-D4 (GAS) REFERENCES: SBE MAP # 135-48-039-1				F.B.: JQW3	DR.BY: JQW3	CH.BY: P1A8	
				PG&E	NORTH BAY DIVISION	42145568 AUTHORIZ	N/A DRAWING NO.

Advice 6738-E
October 14, 2022

Attachment 2

Original Lease Agreement

61-6054 (REV. 5-84)

LEASE OF LANDS

THIS LEASE AGREEMENT made by and between PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called PGandE, and EXXON COMPANY, U.S.A., a division of Exxon Corporation, a New Jersey Corporation,

hereinafter called Tenant,

WITNESSETH that in consideration of the rents and covenants to be performed by Tenant as provided herein, PGandE leases to Tenant for the term commencing September 1, 19 91 and ending at the close of August 31, 2011 ~~XX~~, for the purpose of constructing, repairing, replacement, maintaining and operating an electrical substation and related facilities and access road, in conjunction with Tenant's Benicia refinery and for no other purpose, those certain premises in the County of Solano, State of California, described as follows:

1. The area shown by the hatched lines and designated Parcel-"A" on the drawing marked Exhibit "B" attached hereto and made a part hereof and containing 24,863 sq. ft., more or less.
2. The area shown by the hatched lines and designated Parcel-"B" on said Exhibit "B" and containing 6,204 sq. ft., more or less.
3. The area shown by the hatched lines and designated Parcel-"C" on said Exhibit "B" and containing 6,890 sq. ft., more or less.

Excepting therefrom and reserving to PGandE, any and all aqueducts, electric lines, communication lines, pipe lines and other installations on the premises used by PGandE in the conduct of its business, and the right to reconstruct, maintain, and use the same, together with access thereto over and across the premises. PGandE shall also have the right from time to time to inspect the premises to ensure compliance with the terms and conditions provided herein. Prior to entering on the premises, PG&E shall notify Tenant by contacting its Shift Superintendent, telephone 707/745-7562 or 707/745-7782.

The rent during the term of this lease shall be as follows:

The rent for the first 5 years of the term hereof will be \$17,100.00 annually, and payable in advance on the anniversary date of this Lease. At the beginning of the sixth, eleventh and sixteenth years, the rent will be determined by the percentage change in the Consumers Price Index as set forth in Exhibit "A".

Tenant agrees to comply fully with the following conditions:

1. Tenant will pay rent immediately when due and all other sums payable under this lease in lawful money of the United States of America to PGandE's Division Land Supervisor at 111 Stony Circle, Santa Rosa, California 95401, without abatement, setoff, counterclaim, or reduction. Tenant shall pay, as additional rent, a charge for late payment to PGandE. If any installment of rent or of a sum due from Tenant, accruing under the provisions of this lease, is not received by PGandE within ~~30~~ 30 days after the due date, then Tenant shall pay to PGandE a fixed late charge of 10% or the maximum amount allowed by law, whichever is less, of the rent or sum due. In the event Tenant is more than 30 days late in paying this rent or other sum due, PGandE, in addition to all other legal or equitable remedies and at its sole option, may ~~immediately~~ terminate this lease. Should PGandE bring any legal proceeding arising out of or in connection with the lease, and judgement is rendered in PGandE's favor, the court may award all costs incurred by PGandE in the proceeding including reasonable attorneys' fees to PGandE.

2. Tenant will not:

- (a) sublet the premises or any part thereof, or attempt to assign this lease without first obtaining the written consent of PGandE, which consent shall not be unreasonably withheld;
- (b) allow any waste, nuisance, or hazard to occur or exist on the premises; or
- (c) use any of the water from the premises without prior written consent of PGandE.

3. Tenant will observe due diligence and care in maintaining the premises including, but not limited to, fences, buildings, and all other improvements, in proper condition and to the satisfaction of PGandE, and at the expiration or other termination of this lease surrender same to PGandE in as good condition as they are presently in, reasonable use and wear and damage by the elements excepted.

4. Tenant shall comply with all local, state, and federal laws and regulations including those laws whether existing or new which relate to the use, handling, treatment, or disposal of toxic or hazardous substances or relating to the control of rodents, other vermin, or noxious weeds on the premises. Tenant further agrees to indemnify and hold PGandE harmless from any and all loss, expense, and liability arising out of the presence of the aforementioned conditions on the premises. ~~In no event shall Tenant dispose or allow the disposal of any substance on the premises which has hazardous or toxic qualities. />>> to the extent caused by Tenant.~~

5. Tenant shall conduct all operations hereunder in accordance with good property management procedures to avoid unfavorable impact upon the environment, ecology or aesthetics of the surrounding neighborhood and to reflect credit upon both Tenant and PGandE, and shall comply with the applicable provisions of the Environmental Quality Act of 1970 (California Public Resources Code, Sections 21000, et seq.).

6. Should Tenant, with the consent of PGandE, express or implied, hold over possession of said premises after the term hereof, such holding shall be deemed a tenancy from month to month, at a monthly rental of \$ 150% of the amount _____, payable in advance, and on the terms and conditions herein stated. prevailing prior to such holding

>>See Exhibit "A" for Indemnification Clause.

~~7. / Tenant shall indemnify PGandE, its officers, agents and employees against all loss, damage, expense and liability resulting from injury to or death of persons, including, but not limited to, employees of PGandE or Tenant, or injury to property, including, but not limited to, property of PGandE or Tenant, arising out of or in any way connected with the lease or the premises including any loss, damage, expense or liability caused or contributed to by the negligence, whether active or passive, of PGandE, excepting only such loss, damage, expense or liability as may be caused by the sole negligence or willful misconduct of PGandE. In the event this indemnity is not enforceable, Tenant shall indemnify PGandE to the maximum extent allowed by law.~~

~~8. No building or other structure shall be erected by or for Tenant on the premises without prior written consent from PGandE. Tenant shall pay all taxes levied or assessed during the term hereof against any and all improvements which may be constructed by or for Tenant on the premises. All improvements shall become the property of PGandE, at its option, at the expiration or termination of the lease. At the request of PGandE, Tenant will remove any and all improvements erected by the Tenant and restore the premises to as close to its original condition as practicable.~~

9. Tenant will pay and discharge all bills for labor and materials furnished during the term hereof at Tenant's request for use upon the premises, and be solely liable and shall hold PGandE harmless from liability for any and all claims, demands and causes of action that are brought arising out of or in any way connected with any claims or liens for labor or materials or similar action.

10. As required pursuant to General Order No. 69-B of the California Public Utilities Commission, PGandE reserves the right during the term of the lease upon its own motion (or upon order of the Commission) to do any of the following if deemed necessary or desirable at PGandE's sole option exercised in good faith:

- (a) make such temporary, or permanent use of the premises, or any part of it as it shall deem necessary;
- (b) sell, exchange, or lease the whole or any part of the premises to another or others; and
- (c) grant easements and rights of way in, on and across the premises for any and all uses.

If PGandE desires to take any or all of the actions set forth under (a), (b) and (c) above, it shall give Tenant at least 90

days' written notice to that effect. Said notice shall contain a description of the lands to be utilized, sold, exchanged or leased, or the easement to be granted. The lease of the lands described in said written notice will automatically terminate upon the expiration of the above designated period. If the lands include the entire premises, PGandE will refund the unearned portion of any rent Tenant has paid in advance. If only a portion of the premises is included in such description then this lease shall not be affected as to the remainder of the premises and the refund to be paid to Tenant of such unearned rent shall be based on a proration by area and time. Refunds for grazing leases shall be made on the basis of the unexpired portion of the current grazing season. After the expiration of the then current year there shall be an adjustment in the rate of rental for the remainder of the lease term based on the remaining portion of the leased premises.

11. Failure to enforce any right or obligation by either party with respect to any matter arising in connection with this lease shall not constitute a waiver as to that matter or any other matter.

12. Insurance requirements:

(a) *Workers' Compensation*

Tenant shall furnish PGandE a certificate of workers' compensation or self-insurance indicating compliance with the Labor Code of California, including Employer's Liability insurance with a minimum of \$2,000,000 for injury or death of any one person. This certificate should provide 30 days' written notice to PGandE prior to cancellation, termination, alteration, or material change of such insurance.

(b) *Comprehensive General and Comprehensive Automobile Liability Coverage* Tenant shall furnish PG&E satisfactory evidence of its policy of self-insurance within 30 days from the execution of this Lease.

Tenant shall maintain during the performance hereof, Comprehensive General Liability and Comprehensive Automobile Liability of not less than \$2,000,000 combined single limit or equivalent for bodily injury, personal injury, and property damage as the result of any one occurrence.

Comprehensive General Liability shall include coverage for Premises-Operations, Owners and Contractors Protective, Products/Completed Operations Hazard, Contractual Liability, and Broad Form Property Damage including Completed Operations. Comprehensive Automobile Liability shall include coverage for Owned, Hired, and Non-owned automobiles.

Such insurance shall include, by endorsement to the policy(ies), PGandE as an additional insured insofar as any liability arising out of the lease by the Tenant with PGandE is concerned, contain a severability of interest clause, provide that PGandE shall not by reason of its inclusion as an additional insured incur liability to the insurance carrier for payment of premium for such insurance, and provide 30 days' written notice to PGandE prior to cancellation, termination, alteration, or material change of such insurance.

(c) *Additional Insurance Provisions*

- (1) Evidence of coverage described above in Items (a) and (b) shall state that coverage provided is primary and is not excess or contributing with any insurance or self-insurance maintained by PGandE.
- (2) PGandE shall have the right to inspect or obtain a copy of the original policy(ies) of insurance.
- (3) Tenant shall furnish the required certificates and endorsements to PGandE prior to commencing performance hereof.
- (4) All insurance certificates, endorsements, cancellations, terminations, alterations, and material changes of such insurance shall be issued and submitted to the following:

PACIFIC GAS AND ELECTRIC COMPANY
Attention: Manager of Insurance
77 Beale Street
San Francisco, California 94106

13. If two or more parties are designated herein as Tenant, the obligations herein of Tenant shall be the joint and several obligations of all persons herein designated as Tenant.

14. This lease is personal to Tenant.

SEE EXHIBIT "A"

IN WITNESS WHEREOF the parties have executed this lease in duplicate this 10th day of September, 1991.

TENANT

EXXON COMPANY, U.S.A., a division

of Exxon Corporation, a New Jersey Corporation

By: *Frank*
09

Paul A. Raabe

PACIFIC GAS AND ELECTRIC COMPANY

By
Its

Donald J. Kennedy

T.3N. R.3W
M.D.B. & M.
Section 25
E² NE⁴
Solano County

SBE 135-48-39

REF DWG 216050

PG&E CO. APPROVED	DATE
REG LAND <i>DM</i>	<i>9/10/91</i>
REG T&S <i>DM</i>	<i>9/10/91</i>
REG V.P. <i>D</i>	<i>9/10/91</i>
REG GS MGR.	
LAW - <i>DM</i>	<i>9-4-91</i>

EXHIBIT "A"

15. PG&E agrees to enter into negotiations with Tenant 3 years prior to the expiration of the full 20 year term of this lease concerning the possible renewal or extension of this Lease under terms and conditions mutually agreeable to both parties.

16. Except as provided hereinafter, this lease may be terminated early by mutual agreement of PG&E and Tenant. Should said early termination take place, the obligations of both parties regarding termination as stated in this Lease shall apply.

17. Tenant agrees to indemnify PG&E against and to hold PG&E harmless from any loss of or damage to any property, or injury to or death of any person whomsoever, proximately caused in whole or in part by any negligence of Tenant or its contractors, or by any acts for which Tenant or its contractors are liable without fault, in the exercise of the rights herein granted, save and except in those instances where such loss or damage or injury or death is proximately caused in whole or in part by any negligence of PG&E or its contractors, or by any acts for which PG&E or its contractors are liable without fault. Tenant further agrees that any loss, damage, expense and liability that arises out of or is in any way connected with Tenant's use, ownership transformation, release, or disposal of any hazardous or toxic materials (as those terms are recognized under Federal and State Law) on the premises is expressly within the scope of this indemnity.

18. The parties to this agreement expressly acknowledge that the land which is the subject of this Lease has been used by PG&E as part of the Bahia Substation, as electrical substation, and that Tenant does intend to use the leased property solely for the purpose of an electrical substation. A reasonable but not exhaustive search of PG&E's records has revealed no indication of any hazardous substance on or beneath the surface of the Lease land except as indicated in Item 27. The parties mutually agree that PG&E has disclosed to Tenant all information that is in PG&E's possession regarding the presence of any such hazardous substance, and that this disclosure does fully satisfy any requirements for written notice which may be set forth in the California Health and Safety Code. Tenant does expressly waive any claim or cause of action it may now or later have against PG&E for failure to fully disclose the unknown actual presence of any hazardous substance on or beneath the surface of the leased land, and PG&E shall not be in any way responsible to Tenant for any cost or expense that Tenant may later accrue to undertake remedial action, of any kind, brought about by the presence of any hazardous substance on or beneath the surface of the Lease land unless it is shown by Tenant that the hazardous substance was present prior to execution of this Lease.

19. At the beginning of the sixth, eleventh, and sixteenth years of this Lease, the annual rents payable thereafter shall be adjusted by the increase, from the date of commencement of this lease, in the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for Pacific Cities and U.S. City Average (1982-84 = 100), all Urban Consumers, San Francisco - Oakland - San Jose. For the purpose of this Lease the Consumer Price Index for the first month of this Lease shall be that established for the August, 1991 Index. The rent will be adjusted by the percentage change in the Consumer Price Index but not below the base rent of \$17,100.00.

Formula for Rent Escalation

$$\frac{\text{Adjustment Year Index}}{\text{August, 1991 Index}} \times \text{base rent} = \text{New rent}$$

In the event the compilation and/or publication of the CPI shall be transferred to any other governmental department or bureau or agency or shall be discontinued, then the index most nearly the same as the CPI shall be used to make such calculation.

20. (a) PG&E, further, permits Tenant, for the term hereof, the right to install, maintain and use such underground conduits, pipes, manholes, service boxes, wires, cables and electrical conductors as Tenant deems necessary, located within the strips of land of the uniform width of 10 feet, the center lines of which are delineated by the heavy dashed lines shown on said drawing marked Exhibit "B".

(b) Tenant may, within 180 days of the date of execution hereof, survey and prepare a centerline description of said 10 foot wide strips of land. Said centerline description, when submitted to PG&E, shall become a part hereof.

(c) In consideration of the permit herein given to install maintain and use said underground conduits and related facilities, as stated above, tenant shall pay to PG&E a one time payment in the amount of \$31,540.00. Said payment shall be made upon the date of execution hereof.

21. (a) Tenant's entry into PG&E's property adjacent to said leased areas for the purpose of maintaining, repairing, replacing, modifying or removing any of tenant's facilities installed hereunder shall be subject to 24 hours prior notice. Said notice shall be given to PG&E's Redwood Region Substation Superintendent - business hours telephone (707) 577-7034 - Non-business hours telephone (415) 456-8020. In the event of an emergency Tenant shall contact PG&E's Fulton Substation, telephone (707) 542-4070.

(b) At all times during Tenant's entry into PG&E's property adjacent to said Leased areas, a qualified PG&E employee, designated by the Redwood Region Substation Superintendent, will be in attendance. All costs incurred by PG&E in maintaining said employee on site during Tenant's use of PG&E's property shall be paid by Tenant.

22. The existing grades within the areas designated Parcel-"A" and Parcel-"B", and said strips of land shall not be altered without the prior written consent of PG&E. Upon the completion of the installation of all of Tenant's facilities within the above areas, Tenant shall return said areas to as near as practicable to their original condition.

P.G.&E. CO.
COPY

23. Within the area designated Parcel-"C" all design, grading, landscape and irrigation drawings shall be submitted to PG&E, prior to construction, for its review and written approval.

24. All necessary fencing and gates to be constructed in order to separate Tenant's facilities and said leased areas from PG&E's adjacent lands shall be constructed by PG&E and paid for by Tenant. The gates at the locations designated "1", "2", "3", "4" and "5" on said drawing marked Exhibit "B" shall be locked with PG&E locks only.

25. All buildings, equipment and other improvements constructed or placed on the Lease premises and strips of land by Tenant shall remain the personal property of Tenant. At the expiration or other termination of this Lease, Tenant shall remove, in as reasonable time as possible, any and all buildings, equipment and other improvements constructed or placed on said premises and strips of land and restore the areas to as close to their original condition as practicable, unless, by mutual agreement, buildings, equipment or other improvements, or any part thereof, are left in place and ownership transfers to PG&E in its existing condition.

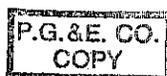
26. In the event of Tenant's operation hereunder, toxic or hazardous substances are released on the premises, Tenant shall, within 24 hours of such occurrence, notify PG&E's Substation Superintendent. Tenant shall, within 24 hours of such occurrence, proceed to fully clean-up and remove from the premises such substances released thereon. In the event that Tenant fails to fully clean-up any toxic or hazardous substances released on the premises, PG&E may at its option and at Tenant's sole expense, clean-up and remove all toxic or hazardous substances released on the premises as a result of Tenant's operation hereunder.

27. PG&E has informed Tenant, and Tenant acknowledges that it has received from PG&E and fully understands, information disclosing that within the leasehold there is existing buried Transite electrical conduit, and that said conduit does contain asbestos, a hazardous substance known to the State of California to cause cancer. Tenant agrees that to the extent that it will handle the Transite electrical conduit it will do so in a manner that fully complies with all federal, state, and local laws and regulations, including those laws and regulations concerning worker safety and disposal of hazardous substances.

28. All notices or demands herein provided to be given or made or which may be given or made by either party to the other shall be deemed to have been fully given and made, when made in writing and given only by certified or registered letter, postage or charges prepaid and addressed as follows:

Tenant
Exxon Company, U.S.A.
3400 East Second Street
Benicia, California 94510
Attention: Refinery Manager

PG&E
Pacific Gas and Electric Company
111 Stony Circle
Santa Rosa, California 95401
Attention: Land Superintendent



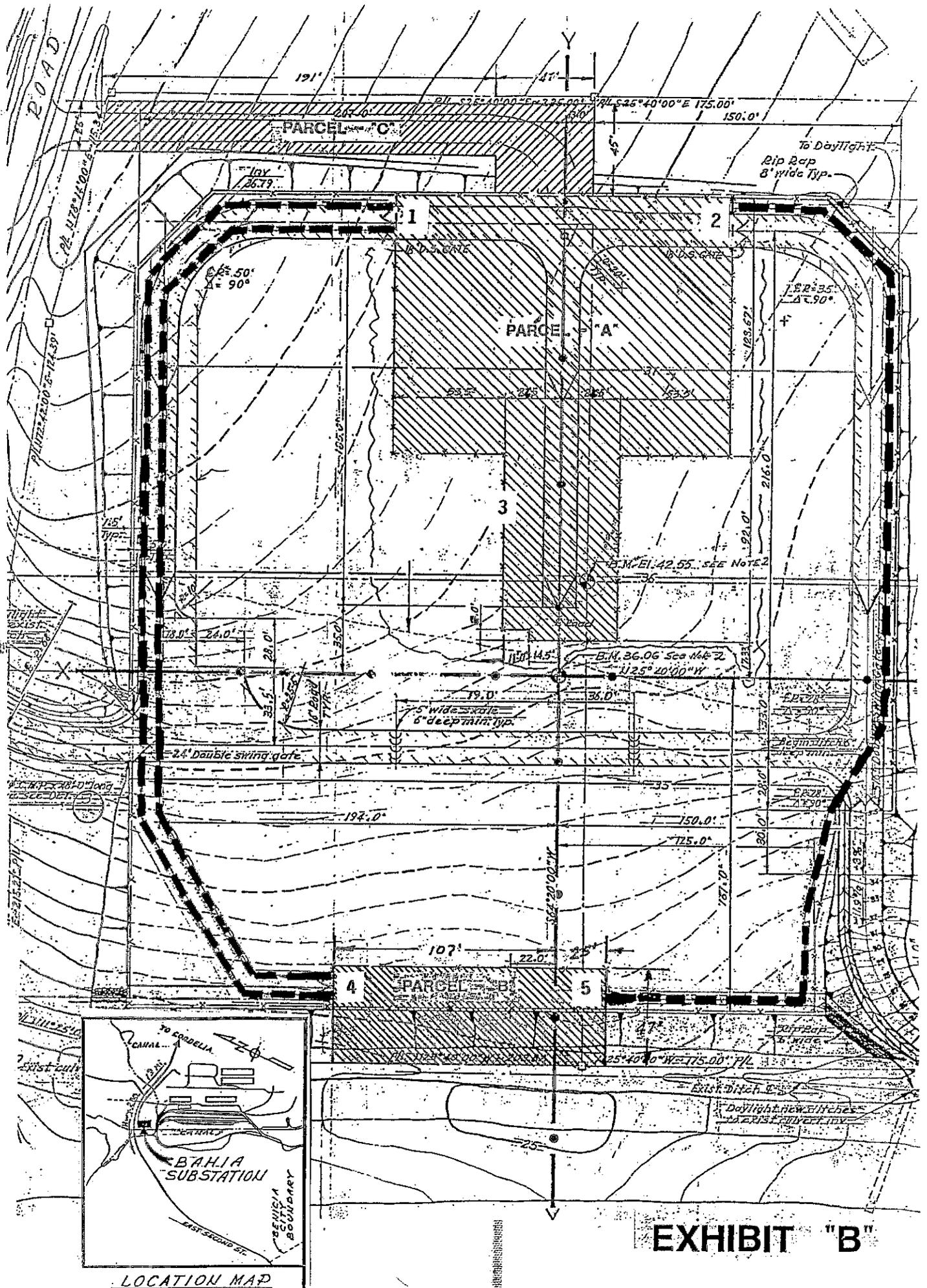


EXHIBIT "B"

P.G.&E. CO.
COPY

Advice 6738-E
October 14, 2022

Attachment 3

Assignment Letter

Exxon Mobil Corporation
Law Department
P.O. Box 2180
Houston, Texas 77252-2180

Stanley M. Walker
Counsel

713-656-8214 Telephone
713-656-6305 Facsimile
stanley.m.walker@exxon.com

Attachment 3 - Assignment Letter



VIA FEDERAL EXPRESS

May 10, 2000

Pacific Gas and Electric Company
111 Stony Circle
Santa Rosa CA 75401
Attn: Land Superintendent

Re: Lease Agreement commencing September 1, 1991
Solano County CA

Ladies and Gentlemen:

Pacific Gas and Electric Company ("PG&E") has leased three parcels of land to Exxon Mobil Corporation ("ExxonMobil") (formerly known as Exxon Corporation) by Lease Agreement commencing September 1, 1991. A copy of the Lease Agreement is attached for your reference. The parcels are used for the operation of an electrical substation, related facilities, and an access road in conjunction with operation of ExxonMobil's Benicia Refinery.

ExxonMobil has contracted to sell the Benicia Refinery to Valero Refining Company-California ("Valero"), a subsidiary of Valero Energy Corporation, and intends to assign the Lease Agreement to Valero in connection with the sale. As indicated by the enclosed Assignment and Assumption of Lease Agreement ("Assignment"), Valero agrees to assume and perform all obligations of ExxonMobil arising under the PG&E Lease Agreement after the date of the Assignment.

The Lease Agreement provides in applicable part as follows:

"2. Tenant will not: (a) sublet the premises or any part thereof, or attempt to assign this lease without first obtaining the written consent of PG&E, which consent shall not be unreasonably withheld; . . ."

ExxonMobil requests PG&E's consent to the proposed assignment.

Please indicate the consent of PG&E to the proposed assignment by countersigning this letter as provided below and returning a copy to me by facsimile at 713-850-0456 and the original to me as follows: Stanley M. Walker, c/o First American Title Insurance Company, 3200 Southwest Freeway, Suite 3050, Houston, Texas 77027.

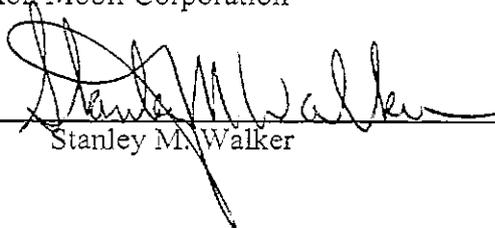
May 10, 2000

If there are any questions, please call me at 713-850-0455.

Very truly yours,

Exxon Mobil Corporation

By



Stanley M. Walker

Consent to assignment of Lease Agreement to Valero Refining Company-California.

Pacific Gas and Electric Company

By Lu de Silva

Name

Title Lu de Silva, Director

Date Land Rights And Resource Management

5.17.00

SMW:cal

G:\DOWNSTREAM\SMWalker\Letters\Pacific Gas & Electric--5-10-00.doc

ASSIGNMENT AND ASSUMPTION OF LEASE

THIS ASSIGNMENT AND ASSUMPTION OF LEASE (this "Assignment") is effective as of May 15, 2000 between EXXON MOBIL CORPORATION, a New Jersey corporation (hereinafter "Assignor") and VALERO REFINING COMPANY-CALIFORNIA, a Delaware corporation (hereinafter "Assignee").

In consideration of the covenants contained in this Assignment and in the Sale and Purchase Agreement for Exxon California Refining and Marketing Assets dated March 2, 2000 between Assignor and Assignee (the "Agreement"), Assignor, for valuable consideration received from Assignee does hereby grant, bargain, convey, assign, transfer and deliver to Assignee all of Assignor's right, title, and interest (including any options) in, to, and under the lease described on Schedule A attached to this Assignment (the "Lease").

Assignee hereby: (a) accepts this Agreement; (b) assumes and agrees to faithfully perform and observe all Assignor's obligations arising out of such Lease after the date of this Assignment in accordance with and subject to all the terms, covenants and conditions of the Lease and all applicable laws; and (c) in addition to the obligations of Assignee under the Agreement, Assignee shall indemnify and hold Assignor, its affiliates, agents and employees harmless from and against each and every loss, cost, claim, obligation, damage, liability, payment, fine, penalty cause of action, judgment (including expert witness fees and attorneys' fees awarded to any franchisees as part of a judgment), lien or expense, including, but not limited to, reasonable attorneys' fees and other litigation expense (a "Claim") that arise under, or are incurred on account of any breach or claim of breach of lessee's obligations under said Lease arising from acts or omissions occurring subsequent to this Assignment.

Assignor covenants and warrants that, as of the effective date of this Assignment: (1) the Lease is valid and in full effect, (2) the Lease is free of all liens and encumbrances, (3) Assignor has the right to assign the same, (4) all rents payable thereunder have been paid current, and (5) all of Assignor's obligations thereunder have been fully performed.

This Assignment shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to its rules on the conflicts of law.

This Assignment shall become effective between Assignor and Assignee on the date first above written.

This Assignment shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment to be duly executed as of the day and year first written above.

EXXON MOBIL CORPORATION

VALERO REFINING COMPANY-
CALIFORNIA

By: _____
Name: _____
Title: _____

**SCHEDULE A
TO ASSIGNMENT AND ASSUMPTION OF LEASE**

Lease Of Lands between Pacific Gas and Electric Company and Exxon Company,
U.S.A., a division of Exxon Corporation dated September 10, 1991.

Exxon Mobil Corporation
P.O. Box 2180
Houston, Texas 77252-2180

ExxonMobil

May 15, 2000

Pacific Gas and Electric Company
Land Rights Office
111 Stony Circle
Santa Rosa CA 95401

Attn: Brenda San Julian, Land Agent

Re: Lease Agreement commencing September 1, 1991

Dear Ms. San Julian:

This letter is notice to Pacific Gas and Electric Company to that the assignment of Lease Agreement by Exxon Mobil Corporation to Valero Refining Company-California has occurred and is effective as of May 15, 2000. A copy of the executed Assignment and Assumption instrument is attached for your reference.

Future communications in this matter should be addressed to Valero Refining Company-California, as follows:

Valero Energy Corporation
Attn: Jason W. Fraser
One Valero Place
San Antonio TX 78212
P.O.Box 500
San Antonio TX 78292-0500
Telephone: 210-370-2280
Facimile: 210-370-2988

Very truly yours,

Exxon Mobil Corporation

By *MT Walker*
Name *MT Walker*
Title *Agent and Attorney-in-fact*

copy: Valero Refining Company-California

ASSIGNMENT AND ASSUMPTION OF AGREEMENTS

THIS ASSIGNMENT AND ASSUMPTION OF AGREEMENTS (this "Assignment") is effective as of May 15, 2000 between EXXON MOBIL CORPORATION, a New Jersey corporation (hereinafter "Assignor") and VALERO REFINING COMPANY-CALIFORNIA, a Delaware corporation (hereinafter "Assignee").

In consideration of the covenants contained in this Assignment and in the Sale and Purchase Agreement for Exxon California Refining and Marketing Assets dated March 2, 2000 between Assignor and Assignee (the "Sale and Purchase Agreement"), Assignor, for valuable consideration received from Assignee does hereby grant, bargain, convey, assign, transfer and deliver to Assignee all of Assignor's right, title, and interest (including any options) in, to, and under the leases, easements, licenses and similar agreements described on Schedule A attached to this Assignment (collectively "Agreements").

Assignee hereby: (a) accepts this Assignment; (b) assumes and agrees to faithfully perform and observe all Assignor's obligations arising out of such Agreements after the date of this Assignment in accordance with and subject to all the terms, covenants and conditions of the Agreements and all applicable laws; and (c) in addition to the obligations of Assignee under the Agreement, Assignee shall indemnify and hold Assignor, its affiliates, agents and employees harmless from and against each and every loss, cost, claim, obligation, damage, liability, payment, fine, penalty cause of action, judgment (including expert witness fees and attorneys' fees awarded as part of a judgment), lien or expense, including, but not limited to, reasonable attorneys' fees and other litigation expense (a "Claim") that arise under, or are incurred on account of any breach or claim of breach of lessee's obligations under said Agreements arising from acts or omissions occurring subsequent to this Assignment.

Assignor covenants and warrants that, as of the effective date of this Assignment: (1) the Agreements are valid and in full effect, (2) the Agreements are free of all liens and encumbrances, (3) Assignor has the right to assign the same, (4) all rents payable thereunder have been paid current, and (5) all of Assignor's obligations thereunder have been fully performed.

This Assignment shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to its rules on the conflicts of law.

This Assignment shall become effective between Assignor and Assignee on the date first above written.

This Assignment shall bind and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment to be duly executed as of the day and year first written above.

EXXON MOBIL CORPORATION

VALERO REFINING COMPANY-
CALIFORNIA

By: W.P. Rupp *W.P. Rupp*
Name: W. P. Rupp
Title: VICE PRESIDENT

By: Stanley M. Walker
Name: Stanley M. Walker
Title: Assistant Secretary

By: Michael S. Ciskowski
Name: Michael S. Ciskowski
Title: Vice President

By: J. W. Fraser
Name: J. W. Fraser
Title: Asst. Secretary

SCHEDULE A
TO ASSIGNMENT AND ASSUMPTION OF AGREEMENTS

1. Lease Agreement between Donald G. and Victor Parachini and Exxon Company, U.S.A., a division of Exxon Corporation dated November 30, 1987, as amended by letter agreement dated September 5, 1990.
2. License Agreement between Mt. View Sanitary District and Exxon Corporation dated June 19, 1991.
3. Lease of Lands between Pacific Gas & Electric Company and Exxon Company, U.S.A., a division of Exxon Corporation dated September 10, 1991.

SANTA ROSA LAND SERVICES
NORTH BAY AREA
SBE No. 135-48-39
T. 3N, R 3W, MDB+M,
Sec. 25, E 1/2 of NE 1/4
AF: 2403-03-1664

LEASE / LICENSE ABSTRACT

Date: 5/24/2000	From: Brenda San Julian
Company #: 323-7267	Work Location: Santa Rosa LRO

1.	Lease / License Type: (select one)	New	Renewal	Other X
2.	Use:	Electric Substation		
3.	Location	Bahia Sub, Solano County		
4.	Term Dates:	May 15, 2000 - September 1, 2011		
5.	Rent/Fees/Conditions: (due date; adjusted schedule)	Currently \$19,134.90 per year, due Sept. 1, 2000; CPI adj. every 5 years, with next adj. in 2001		
6.	Billing Date:	August 1		
7.	Lessee's Name and Address for Billing Purposes:	Valero Refining Company - California Accounts Payable 3400 East Second St. Benicia, CA 94510		
8.	Lessee's County Location:	Solano		
9.	Document Dated:	May 15, 2000		
10.	LD #:	2403-03-1664, 2403-03-1751		
11.	Lease/License I.D. #:			
12.	SBE# / Account #:	135-48-39		
13.	Comments	This is an assignment of PG&E's lease with Exxon Company, U.S.A. to Valero.		

Distribution of Lease/License & Abstract:

Original: DIC
 Copy: Insurance Department
 Tax Department

Customer #: _____
Contract #: _____
Sales Order #: _____
Billing # (formerly D&C): _____

Advice 6738-E
October 14, 2022

Attachment 4

Current Expired Lease Agreement

2403-03-1903

Attachment 4 - The Current Expired Lease Agreement

AMENDED AND RESTATED LEASE
BAHIA SUBSTATION, BENICIA CALIFORNIA

BETWEEN

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

as Landlord

and

VALERO REFINING COMPANY-CALIFORNIA,
a Delaware corporation

as Tenant

TABLE OF CONTENTS

	<u>Page</u>
Section 1. Definitions	1
Section 2. Term; Termination	3
Section 3. CPUC Approval	4
Section 4. Rent	4
Section 5. Use	6
Section 6. Compliance With Legal Requirements.....	7
Section 7. Hazardous Materials.....	9
Section 8. Maintenance; Security; Utilities.....	10
Section 9. Alterations.....	11
Section 10. Liens.....	12
Section 11. Destruction or Damage.....	12
Section 12. Insurance	13
Section 13. Indemnification; Release.....	15
Section 14. Assignment or Subletting.....	17
Section 15. Rights Reserved to Landlord.....	18
Section 16. Events of Default.....	19
Section 17. Remedies for Default.....	19
Section 18. Landlord's Right to Cure Default.....	19
Section 19. Attorneys' Fees	20
Section 20. Sale.....	20
Section 21. Estoppel Certificates and Rights of Mortgagees	20
Section 22. Surrender.....	21
Section 23. Holdover	21
Section 24. Waiver.....	22
Section 25. Notices	22
Section 26. Complete Agreement.....	22
Section 27. Limitation of Liability	22
Section 28. Broker	23
Section 29. Quiet Possession.....	23
Section 30. Miscellaneous	23
Section 31. Exhibits	24

SUMMARY OF LEASE TERMS

Amended and Restated Lease, Bahia Substation, Benicia, California

- A. Date (For Reference Purposes Only): April 1, 2015
- B. Landlord: Pacific Gas and Electric Company,
a California corporation
- C. Landlord's address for notices: If to Landlord by registered or certified mail, return [Section 25] receipt requested:

Manager, Land Management
PG&E Land Management
P.O. Box 770000, Mail Code N10A
San Francisco, CA 94177

With a copy to:

Law Department
Pacific Gas and Electric Company
P.O. Box 7442
San Francisco, CA 94120
Attn: Lead Counsel, Environmental and Real Estate

and

Pacific Gas and Electric Company
Land Rights Services
111 Stony Circle
Santa Rosa, CA 95401
Attention: Land Agent

If to Landlord by personal delivery or overnight courier:

Manager, Land Management
PG&E Land Management
245 Market Street, Room 1036
San Francisco, CA 94105

With a copy to:

Law Department
Pacific Gas and Electric Company
77 Beale Street, Mail Code B30A
San Francisco, CA 94105
Attn: Lead Counsel, Environmental and Real Estate

and

Pacific Gas and Electric Company
Land Rights Services
111 Stony Circle
Santa Rosa, CA 95401
Attention: Land Agent

- D. Landlord's address for payments
and insurance certificates:
[Section 4 and Section 12]

Pacific Gas and Electric Company
Land Rights Services
111 Stony Circle
Santa Rosa, CA 95401
Attn: Land Agent
Telephone: (707) 577-7061

- E. Tenant:

Valero Refining Company-California, a Delaware
corporation

F. Tenant's address for notices:
[Section 25]

Valero Refining Company - California
Attn: Real Estate Department
One Valero Way
San Antonio, TX 78249
Phone No. (210) 345-4262
Fax Number: (210) 370-4417

With a copy to:

Valero Services, Inc.
Attention: General Counsel
One Valero Way
San Antonio, TX 78249
Phone No. (210) 345-2000
Fax Number: (210) 345-3214

H. Description of Premises:
[Section 1(f)]

A portion of the land known as Bahia Substation, located in the City of Benicia, County of Solano, California, described as follows:

1. The area shown by the hatched lines and designated Parcel "A" on the drawing marked Exhibit A attached hereto and made a part hereof, containing approximately 24,863 square feet.
2. The area shown by the hatched lines and designated Parcel "B" on said Exhibit A, containing approximately 6,204 square feet.
3. The area shown by the hatched lines and designated Parcel "C" on said Exhibit A, containing approximately 6,890 square feet.

Excepting therefrom and reserving to Landlord, any and all electric lines, communication lines, pipe lines and other installations on the Premises used by Landlord in the conduct of its business, and the right to reconstruct, maintain, and use the same, together with access thereto over and across the Premises.

- | | | |
|----|---|---|
| I. | Description of Landlord's Property:
[Section 1(g)] | That certain property known as Bahia Substation, located in the City of Benicia, County of Solano, California, consisting of approximately 37,957 square feet, as shown on the map attached as <u>Exhibit B</u> , attached hereto and made a part hereof. |
| J. | Term:
[Section 2] | Approximately six (6) years, four (4) months. |
| K. | Commencement Date: | May 1, 2015 |
| L. | Rent Commencement Date: | Upon the Commencement Date. |
| M. | Expiration Date: | August 31, 2021 |
| N. | Annual Rent:
[Section 4(a)] | \$28,840.00 per year, due and payable on the Commencement Date and on each September 1 after the Commencement Date, subject to adjustment as provided in Section 4(d) below. |
| P. | Tenant's Permitted Use:
[Section 5] | Operation, repair, replacement and maintenance of an existing electrical substation and related facilities and access road, in conjunction with Tenant's Benicia refinery. |
| T. | CPUC Approval:
[Section 3] | CPUC Decision No. D.04-07-023 (Issued July 8, 2004)
Application No. A.00-06-010 (filed June 1, 2000) |
| U. | Exhibits:
[Section 31] | Exhibit A – Map of Premises
Exhibit B – Map of the Property |

The provisions of this Lease identified above in brackets are those provisions where references to particular Lease terms appear. Each such reference shall incorporate the applicable Lease terms. In the event of any conflict between the Summary of Lease Terms and this Lease, the latter shall control.

AMENDED AND RESTATED LEASE

THIS AMENDED AND RESTATED LEASE (this "**Lease**") is made and entered into as of the date set forth in the Summary of Lease Terms, effective upon the full execution and delivery of this Lease (the "**Effective Date**") by and between Landlord and Tenant, as identified in the Summary of Lease Terms.

Landlord and Tenant's predecessor in interest, Exxon Mobil Corporation, a New Jersey corporation (formerly known as Exxon Company, U.S.A., a division of Exxon Corporation, a New Jersey corporation) ("**Exxon**"), entered that certain Lease of Lands dated September 10, 1991 (the "**Original Lease**") for the lease of the Premises (as described in Section 1(f) below). Exxon assigned to Tenant its right, title and interest in and to the Original Lease pursuant to that certain Assignment and Assumption of Lease dated as of May 15, 2000 between Exxon and Tenant. The Original Lease expired on August 31, 2011 (the "**Original Lease Expiration Date**") and Tenant has continued on a holdover basis. Landlord and Tenant desire to amend the Original Lease to extend the term thereof and to otherwise amend the Original Lease in several respects, and to restate the Original Lease in its entirety as hereinafter set forth. Landlord hereby leases to Tenant, and Tenant hires from Landlord, the Premises for the term and subject to the terms, covenants, agreements and conditions hereinafter set forth, each and all of which Tenant and Landlord hereby mutually agree.

Section 1. **Definitions.** The following terms shall have the meanings herein specified:

(a) **Alterations.** All alterations, additions or improvements to or of the Premises, the Improvements or any part of either the Premises or the Improvements.

(b) **Hazardous Materials.** The term "**Hazardous Materials**" means (i) petroleum or petroleum products, natural or synthetic gas, asbestos in any form, urea formaldehyde foam insulation, radon gas, polychlorinated biphenyls (PCBs), electromagnetic fields (EMFs), special nuclear or byproduct material, lead based paint and other lead contamination; (ii) any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "contaminants" or "pollutants," or words of similar import, under any applicable federal, state or local statute, law, rule, regulation, ordinance, code, policy or rule of common law now or hereafter in effect and in each case as amended, and any judicial or administrative interpretation thereof, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. §§ 9601 et seq.) ("**CERCLA**"); the Hazardous Materials Transportation Act (49 U.S.C. §§ 1801 et seq.); the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901 et seq.); the Federal Water Pollution Control Act (33 U.S.C. §§ 1251 et seq.); the Clean Air Act (42 U.S.C. §§ 1857 et seq.); the Safe Drinking Water Act (42 U.S.C. §§ 300(f) et seq.); the River and Harbors Act of 1899 (33 U.S.C. §§ 401 et seq.); the National Emission Standard for Hazardous Air Pollutants for Asbestos (40 C.F.R. §§ 61.140 et seq.), the OSHA Construction Standard (29

C.F.R. §§ 1926.1 et seq.); the Toxic Substances Control Act (15 U.S.C. §§ 2601 et seq.); the Oil Pollution Act (33 U.S.C. §§ 2701 et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §§121 et seq.); the Emergency Planning and Community Right-to-Know Act (42 U.S.C. §§ 11001 et seq.); the Atomic Energy Act of 1954, (42 U.S.C. §§2011 et seq.); the Nuclear Waste Policy Act of 1982 (42 U.S.C. §§10101 et seq.); the Medical Waste Management Act (Cal. Health and Safety Code §§117600 et seq.); the Porter-Cologne Water Quality Control Act (Cal. Water Code §§ 13000 et seq.); the Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code §§ 25249.5 et seq.); the Carpenter-Presley-Tanner Hazardous Substance Account Act (Cal. Health and Safety Code §§ 25300 et seq.); the Hazardous Waste Act (Cal. Health & Safety Code §§ 25100 et seq.); and all rules and regulations of the United States or California Environmental Protection Agency or any successor agency, or any other state or federal department, board or agency, or any other agency or governmental board or entity having jurisdiction, as any of the foregoing have been, or are hereafter amended from time to time; and (iii) any other substance the exposure of which is regulated by any governmental authority.

(c) Hazardous Materials Laws. The term "**Hazardous Materials Laws**" means all Legal Requirements relating to industrial hygiene, environmental protection or the use, analysis, generation, manufacture, storage, presence, reporting, licensing, permitting, investigation, remediation, release, disposal or transportation of any Hazardous Materials, as defined above.

(d) Improvements. The term "**Improvements**" shall mean all existing buildings, structures, utilities, and all other improvements of Tenant currently located on the Premises pursuant to the Original Lease.

(e) Legal Requirements. The term "**Legal Requirements**" shall mean all laws, statutes, ordinances, rules, regulations, requirements or orders of municipal, state, and federal authorities now in force or that may later be in force, including, but not limited to, all provisions of the Americans With Disabilities Act of 1990 (Title 24 of the California Administrative Code), the Subdivision Map Act (California Government Code Sections 66410 et seq.), and all Hazardous Materials Laws, the requirements of any board of fire underwriters or other similar body now or in the future constituted, any occupancy certificate issued by public officers, and any recorded covenants, conditions and restrictions applicable to the Premises.

(f) Premises. The term "**Premises**" shall mean the land as described in the Summary of Lease Terms, shown outlined by the hatched lines on the map attached hereto as Exhibit A.

(g) Property. The term "**Property**" shall mean the real property owned by Landlord as described in the Summary of Lease Terms together with all easements and rights appurtenant thereto, shown outlined by the dotted line on the map attached hereto as Exhibit B.

(h) Tenant Parties. The term "**Tenant Parties**" shall mean Tenant and its employees, agents, contractors, licensees, and invitees.

Section 2. Term; Termination.

(a) The term of this Lease (the "**Term**") shall commence on the Commencement Date set forth in the Summary of Lease Terms and, unless sooner terminated as hereinafter provided, shall expire on the Expiration Date as set forth in the Summary of Lease Terms. Upon the Expiration Date, Tenant shall surrender possession of the Premises as set forth in Section 22 of this Lease.

(b) Tenant is in possession of the Premises on a holdover basis under the Original Lease, with Landlord's consent, at the same rent and on the same terms and conditions that were in effect as of the last year of the term. The Original Lease shall be replaced as of the Commencement Date of this Lease, and Tenant shall continue in possession under the terms of this Lease, which amends and restates the Original Lease. Tenant's predecessor constructed the Improvements on the Premises in 1991, and Tenant has indicated that the Improvements were built in compliance with permits issued by the City of Benicia at that time. Tenant is thoroughly familiar with the current condition of the Premises, and Tenant agrees to accept the Premises in their existing "as-is" condition on the date hereof, without any representations or warranties of any kind, express or implied, with respect to the condition of the Premises, and with no obligation on the part of Landlord to alter, remodel, improve, maintain or repair the Premises or any part thereof, or to construct or install any improvements or perform any work therein. Tenant acknowledges that there may be Hazardous Materials, fuel or chemical storage tanks, electric and magnetic fields or other substances, materials, products, or conditions, in, on, under or about the Premises that may be hazardous. Tenant shall use the Premises at its sole risk and expense. Tenant's continued occupation of the Premises shall conclusively evidence its agreement that the Premises are in the condition required hereunder.

(c) **LANDLORD MAY TERMINATE THIS LEASE AS TO THE ENTIRE PREMISES OR AS TO ANY PORTION THEREOF, IF LANDLORD, IN ITS REASONABLE JUDGMENT, FINDS IT NECESSARY TO OBTAIN THE PREMISES, OR A PORTION THEREOF, IN ORDER TO USE THE PREMISES FOR UTILITY PURPOSES, UPON NINETY (90) DAYS WRITTEN NOTICE TO TENANT; PROVIDED, HOWEVER, IF THIS LEASE TERMINATES AS TO THE ENTIRE PREMISES OR AS TO ANY PORTION THEREOF EXCEEDING TWENTY PERCENT (20%) OF THE SQUARE FOOTAGE OF THE PREMISES, SUCH WRITTEN NOTICE SHALL BE NO LESS THAN TWENTY-FOUR (24) MONTHS. IF LANDLORD TERMINATES THIS LEASE AS TO THE ENTIRE PREMISES PURSUANT TO THIS SECTION, TENANT SHALL BE ENTITLED TO A REFUND OF ANY RENT ALLOCABLE TO THE PERIOD AFTER THE DATE THAT TENANT VACATES THE PREMISES. IF LANDLORD TERMINATES THIS LEASE AS TO A PORTION OF THE PREMISES, THE RENT SHALL BE EQUITABLY REDUCED BY LANDLORD AS LANDLORD DEEMS REASONABLE CONSIDERING THE IMPACT, IF ANY, ON**

obligation, to pay such taxes, and in that event, Tenant shall reimburse Landlord for the portion of such expense attributable to the Improvements, Alterations, equipment, furniture, fixtures, merchandise, and other personal property within thirty (30) days of receipt of an invoice therefor.

(d) Adjustment to Annual Rent.

(1) On September 1, 2016 (the "**Adjustment Date**"), the Annual Rent shall be adjusted by multiplying the Annual Rent amount by a fraction, the numerator of which shall be the CPI (as defined hereafter) for the month of June, 2016, and the denominator of which shall be the CPI for the month of June, 2011. The sum so calculated shall constitute the new Annual Rent hereunder; provided, however, in no event shall such new Annual Rent be less than the amount of Annual Rent applicable immediately prior to the Adjustment Date. The term "**CPI**" means the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index (All Urban Consumers, All Items, 1982-1984 = 100) for San Francisco/Oakland/San Jose.

(2) If the CPI is not published for the specified month, the CPI for the next succeeding month shall be substituted and the Annual Rent shall otherwise be computed in accordance with Section 4(d)(1) above.

(3) If the compilation and/or publication of the CPI shall be transferred to any other governmental department or bureau or agency or shall be discontinued, then the index most nearly the same as the CPI shall be used to make such calculation. If the parties cannot agree on such alternative index, then the matter shall be submitted for decision to the American Arbitration Association in accordance with the then rules of said Association and the decision of the arbitrators shall be binding upon the Landlord and Tenant. The cost of said arbitration shall be paid equally by Landlord and Tenant.

(e) Tenant acknowledges that late payment of Rent will cause Landlord to incur costs not contemplated by this Lease, the exact amount of such costs (other than interest and attorneys' fees and costs) being extremely difficult and impractical to fix. Such costs include, without limitation, processing and accounting charges and costs of collection. Therefore, if any installment of Rent is not received by Landlord within thirty (30) days after its due date, then Tenant shall pay a late charge equal to ten percent (10%) of the amount of Rent due ("**Late Fee**") to Landlord, which sum shall constitute liquidated damages for such late payment, in lieu of actual damages (other than interest and attorneys' fees and costs, which shall be payable by Tenant in accordance with the provisions of this Lease) which Landlord may suffer on account of such default. The parties agree that the amount set forth as the Late Fee represents a fair and reasonable estimate of the costs that Landlord will incur by reason of late payment by Tenant. Acceptance of any liquidated damages shall not constitute a waiver of Tenant's default with respect to the overdue amount or prevent Landlord from exercising any of the rights and remedies available to Landlord under this Lease or by law. Such liquidated damages shall constitute Additional Rent hereunder, and shall be payable in addition to any attorneys' fees and costs which may be payable under this Lease.

Section 5. Use.

(a) Tenant acknowledges and agrees that the primary use of the Property is and has been for the operation of an electric substation. Landlord shall have the right in Landlord's sole judgment to take all actions necessary or appropriate in conjunction with Landlord's use of the Property for electric substation purposes, regardless of the presence of improvements or occupancy of the area affected, and in such event Landlord will not be liable to Tenant for any amount whatsoever with respect to any personal injury or property damage; provided, however, that Landlord shall cause to be repaired, at no cost or expense to Tenant, any damage to the Improvements, Alterations, equipment, fixtures, and other personal property which may be located on the Premises caused by Landlord's exercise of its rights under this Section 5(a).

(b) The Premises shall be for Tenant's Permitted Use as set forth in the Summary of Lease Terms, and for no other purpose without Landlord's written consent, which may be granted or withheld by Landlord in its sole and absolute discretion. Tenant acknowledges that Landlord has made no representation to Tenant regarding the fitness or suitability of the Premises for Tenant's Permitted Use. Tenant shall use the Premises at its sole risk and expense.

(c) Tenant shall have the non-exclusive right to maintain, use, repair and replace the underground conduits, pipes, manholes, service boxes, wires, cables and electrical conductors existing at the Commencement Date under the Original Lease, which are located in the strips of land of the uniform width of 10 feet, the center lines of which are delineated by the heavy dashed lines shown on Exhibit A. Tenant's entry onto portions of the Property adjacent to the Premises for the purpose of maintaining, repairing, replacing modifying or removing any of Tenant's facilities installed in accordance with this paragraph shall be subject to 24 hours prior notice to Landlord. Said notice shall be given to Landlord's Substation Supervisor - Business hours telephone (707) 577-7283 - Non-business hours telephone (707) 486-1547. In the event of an emergency, Tenant shall contact PG&E's Fulton Substation, (707) 449-6714. At all times during Tenant's entry onto portions of the Property adjacent to the Premises, a qualified Landlord employee, designated by the Substation Supervisor, will be in attendance. All costs incurred by Landlord in maintaining said employee on site during Tenant's entry onto portions of the Property adjacent to the Premises pursuant to this paragraph shall be paid by Tenant.

(d) Tenant, and the Tenant Parties, shall not do or permit to be done in, on, onto or about the Property, nor bring into or keep in or permit to be brought into or kept therein, anything which is prohibited by or will in any way conflict with any Legal Requirements now in force or which may hereafter be enacted or promulgated, or which is prohibited by the standard form of fire and extended coverage insurance policy, or will in any way increase the existing rate of or affect any fire or other insurance, or cause a cancellation of any insurance policy covering the Property. Tenant shall promptly remove rubbish, debris and waste from the Premises at Tenant's sole expense. Tenant shall not burn any debris outside of a furnace or fireplace constructed for that purpose within a building, or in an existing fire ring or campfire pit, and

shall otherwise take precautions to prevent and suppress fires on the Premises. Tenant shall not commit or suffer to be committed any waste in, on, or about the Premises, nor shall Tenant cause or permit objectionable noises or odors to emanate from the Premises, or cause, maintain or permit in, on or about the Premises any nuisance or other act or condition which may in any way injure or annoy, disturb the quiet enjoyment of, or obstruct or interfere with the rights of, any occupant of the surrounding area or the Property, nor shall Tenant use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose, as determined by Landlord in good faith.

(e) Tenant and the Tenant Parties shall not in any way interfere or permit any interference with Landlord's use of its Property. Interference shall include, but not be limited to, any activity by Tenant that places any of Landlord's gas or electric facilities in violation of any of the provisions of General Order Nos. 95 (Overhead Electric), 112E (Gas), or 128 (Underground Electric) of the CPUC or any other applicable provisions of the laws and regulations of the State of California or other governmental agencies (whether federal or state). Tenant shall not erect, handle, or operate any tools, machinery, apparatus, equipment, or materials closer to any of Landlord's high-voltage electric conductors than the minimum clearances set forth in the High-Voltage Electrical Safety Orders of the California Division of Industrial Safety, which minimum clearances are incorporated herein by reference, but in no event closer than ten (10) feet to any energized electric conductors or appliances. Tenant shall not drill, bore, or excavate without the prior written consent of Landlord, which consent may be withheld at Landlord's sole and absolute discretion.

(f) Tenant shall not install any signs without the prior written approval of Landlord, including approval of complete plans and specifications for each such sign. Tenant acknowledges that Landlord's approval may be given or withheld in Landlord's sole and absolute discretion. Tenant shall not install or erect any flashing or blinking illuminated signs, neon signs or signs constructed from any non-durable material. All signs must be in compliance with all Legal Requirements.

(g) If Landlord determines that Tenant's activities in any way endanger, or reasonably could be anticipated to endanger, the Property, utility facilities, the environment, or the health or safety of any person or persons, Landlord may, at Landlord's sole discretion, temporarily halt Tenant's use and activities until proper and appropriate protective measures may be taken to eliminate such endangerment. Landlord's right to halt activities shall not in any way affect or alter Tenant's obligations under this Lease, nor shall it release Tenant from any of its obligations hereunder that pertain to health, safety, or the protection of the environment.

Section 6. Compliance With Legal Requirements.

(a) Tenant, at its sole cost and expense, shall promptly comply, and cause the Tenant Parties to promptly comply, with all Legal Requirements, regardless of when they become effective, insofar as they relate to the subdivision, condition, use or occupancy of the Premises. Tenant, and the Tenant Parties, shall not do or permit to be done in, on, onto or about

the Property, nor bring into or keep in or permit to be brought into or kept therein, anything which is prohibited by or will in any way conflict with any Legal Requirements now in force or which may hereafter be enacted or promulgated, or which is prohibited by the standard form of fire and extended coverage insurance policy, or will in any way increase the existing rate of or affect any fire or other insurance, or cause a cancellation of any insurance policy covering the Property. Tenant shall obtain and maintain, at no cost to Landlord, all permits, approvals and authorizations from all local, state, and federal governmental or permitting authorities and shall provide all notifications to all such authorities as required for Tenant's Permitted Use, the Improvements or any Alterations. Prior to submission to any governmental entity or agency, Tenant shall submit all applications to Landlord for Landlord's review and written consent, which consent may be withheld at Landlord's sole and absolute discretion. Thereafter, Tenant shall also obtain Landlord's written consent, which consent may be withheld at Landlord's sole and absolute discretion, to any conditions imposed by any governmental entity related thereto. Tenant hereby represents and warrants that the Improvements as of the date of this Lease comply with all Legal Requirements.

(b) Notwithstanding anything to the contrary set forth in Section 6(a) above, without Landlord's prior written consent, Tenant shall not seek any change or amendment related to subdivisions or zoning. Tenant shall not attempt to record any document against the Property, including, but not limited to, any parcel map, without Landlord's prior written consent. Tenant shall not obtain or apply for any zoning variance. Landlord makes no representation regarding compliance with any and all subdivision laws.

(c) If any local, state or federal governmental entity, agency or regulatory authority requires Landlord to construct or install certain improvements in connection with Tenant's use of the Property or to bring the Property into compliance with Legal Requirements (including, without limitation, the Subdivision Map Act), including, but not limited to, roads, grading, erosion control, sewage systems, landscaping, utilities or street lights, either to comply with Legal Requirements or as a condition to the issuance of any lot line adjustment, parcel map, land use entitlements, permits, approvals or authorizations in relation to the Property, Tenant shall reimburse Landlord for the reasonable costs of such improvements, or for assessments related thereto, in an amount reasonably determined by Landlord. Tenant shall pay such reimbursement to Landlord within thirty (30) days of receipt of an invoice therefor.

(d) If as a result of Tenant's acts, the construction or installation of the Improvements or Alterations by or for Tenant, the division of the Property to lease the Premises to Tenant, or the particular character of Tenant's use of the Premises, Landlord shall be required to comply with any Legal Requirements or pay any survey fees, costs, fees (including, without limitation, any fee to file a request for a Certificate of Compliance or other documents in order to comply with the Subdivision Map Act) or penalties related to any permit, authority or other governmental approval, Landlord shall send to Tenant an estimate of any and all costs associated with Landlord's compliance with Legal Requirements in connection therewith. Tenant shall pay such estimate, as Additional Rent, within ten (10) days of receipt of such estimate. At such time as Landlord determines the actual cost incurred by Landlord for such compliance, Landlord will

send a statement to Tenant. If the cost exceeds the estimate, Tenant shall pay such additional cost within (30) days of receipt of the statement, and if the estimate exceeds the cost, Landlord shall refund such excess to Tenant.

(e) The provisions of this Section 6 shall survive the expiration or earlier termination of this Lease.

Section 7. Hazardous Materials.

(a) Tenant, at its expense, shall comply with all Hazardous Materials Laws which impose any obligation on Landlord or Tenant with respect to the Premises or the use or occupation thereof, including, without limitation, any obligation to post so-called "Proposition 65" notices or similar disclosures of the existence of Hazardous Materials in or about the Premises which may be required by the circumstances of Tenant's business. Tenant shall not cause or permit any Hazardous Materials to be brought upon, kept, used, released, discharged or disposed of in or about the Premises without the prior written consent of Landlord, which consent may be withheld in Landlord's sole and absolute discretion. Notwithstanding the foregoing, Tenant may store or use on the Premises (i) Hazardous Materials authorized in writing by Landlord, such permission to be at Landlord's sole and absolute discretion and subject to whatever conditions Landlord may impose, and (ii) de minimus quantities of cleaning products, or the gasoline, diesel or other fuel contained within the gas tanks of automobiles on the Premises. Tenant shall maintain Material Safety and Data Sheets (and supply copies thereof to Landlord as requested) for each and every Hazardous Materials brought into the Premises. The disposal of Hazardous Materials shall be in approved containers which shall be removed from the Premises only by duly licensed carriers. Any removal, manifesting, transport or disposal of Hazardous Materials shall be conducted pursuant to an EPA generator number or other appropriate license obtained by Tenant or its authorized agents.

(b) If any clean-up, remedial removal or restoration work is required by any federal, state or local governmental agency or political subdivision ("**Governmental Agency**") because of the presence of Hazardous Materials in or about the Premises, then Tenant shall, at its sole cost, promptly take any and all action necessary to perform such clean-up, remedial removal or restoration in compliance with all Hazardous Materials Laws to the extent caused or permitted by Tenant or any of the Tenant Parties; provided, however, Tenant shall have no obligation to take any such action to the extent such Hazardous Materials were brought upon, kept, used, released, discharged or disposed of in or about the Premises by Landlord, its employees, agents, contractors, licensees or invitees (excluding Tenant, its employees, agents, contractors, licensees and invitees from "agents, contractors, licensees or invitees"). The disposal of Hazardous Materials shall be in approved containers which shall be removed from the Premises only by duly licensed carriers. Any removal, manifesting, transport or disposal of Hazardous Materials shall be conducted pursuant to an EPA generator number or other appropriate license obtained by Tenant or its authorized agents. Tenant shall deliver immediately to Landlord a copy of any notice regarding the Premises received from any person, including any Governmental Agency,

relating to, or asserting a violation of any Hazardous Materials Laws or a claim arising under or relating to any Hazardous Materials Laws.

(c) If Landlord has good cause to believe that the Premises have or may have become contaminated by Hazardous Materials permitted by Tenant or any of the Tenant Parties, Landlord may cause tests to be performed, including tests of the air, soil and ground water, to detect the presence of Hazardous Materials and may elect to perform any clean-up, remedial removal or restoration work. The cost of such tests, clean-up, remedial removal or restoration work shall be paid by Tenant upon demand, as Additional Rent.

(d) Tenant acknowledges that there may be Hazardous Materials or other substances, materials, products, or conditions, in, on, under or about the Premises that may be hazardous. Tenant also acknowledges that Landlord's adjoining substation and other facilities emit high levels of noise, and Landlord shall not be required to reduce or otherwise diminish said noise level in any manner whatsoever.

(e) Tenant acknowledges that there are existing buried Transite electrical conduits on the Property, and that said conduits contain asbestos, a Hazardous Material known to the State of California to cause cancer. Tenant agrees that to the extent that it comes in contact with the Transite electrical conduits it will do so in a manner that fully complies with all Hazardous Materials Laws.

(f) The rights and obligations of the parties under this Section 7 shall survive the expiration or termination of this Lease and/or Tenant's leasehold estate hereunder.

Section 8. Maintenance; Security; Utilities.

(a) Maintenance. Tenant shall maintain the Improvements and Alterations, including, without limitation, all buildings, structures, utilities, drainage and sewage lines, and all other improvements on the Premises in reasonably good order and condition to the satisfaction of Landlord, and Landlord shall have no obligation whatsoever to maintain the Property, the Premises or any part thereof. Subject to Landlord's reserved rights as set forth in Section 15(f) below, Tenant shall remove trees which exist in a deteriorated or hazardous condition, flammable brush, undergrowth and other vegetative debris, and shall provide notice to Landlord of such maintenance activities at least three (3) business days prior to performing such activities.

(b) Security. Tenant shall be responsible for the safety and security of Tenant's agents, employees, contractors, licensees, invitees, visitors or other persons or property in, upon or about the Premises. Landlord does not assume any responsibility for the security of the Premises.

(c) Utilities. Landlord shall have no obligation, as landlord hereunder, to provide the Premises with electricity, heat, air conditioning, ventilation, sewer, water or other utility services whatsoever. Tenant agrees to abide by any reasonable requirement that Landlord may prescribe for the proper functioning and protection of utility and other systems.

(d) Interruption of Services. Landlord has no obligation, as landlord hereunder, to provide any services to the Premises, and Landlord shall not be liable for any damages directly or indirectly resulting from, nor shall Tenant be entitled to any reduction or abatement of Rent, should there be a failure or interruption in services, including, without limitation, utility service.

(e) Landlord Executing as Property Owner Not as Utility Provider. Tenant acknowledges that Landlord is executing this Lease in its capacity as the owner of the Premises, and not in its capacity as a public utility company or provider of electricity and natural gas. Notwithstanding anything to the contrary contained herein, no act or omission of Pacific Gas and Electric Company or its employees, agents or contractors as a provider of electricity and natural gas shall abrogate, diminish, or otherwise affect the respective rights, obligations and liabilities of Tenant and Landlord under this Lease. Further, Tenant covenants not to raise as a defense to its obligations under this Lease, or assert as a counterclaim or cross-claim in any litigation or arbitration between Tenant and Landlord relating to this Lease, any claim, loss, damage, cause of action, liability, cost or expense (including, without limitation, attorneys' fees) arising from or in connection with Pacific Gas and Electric Company's provision (or failure to provide) electricity and natural gas.

Section 9. Alterations.

(a) Tenant will not make or allow to be made any Alterations without in each instance first obtaining Landlord's written consent to such Alterations, except that Tenant may perform maintenance, repairs, remodeling, replacements or upgrades to the existing Improvements or Alterations. When requesting Landlord's consent, Tenant shall furnish complete plans and specifications for the proposed Alterations. Tenant acknowledges and agrees that Landlord has no obligation to be reasonable in connection with its granting or withholding such approval, and Tenant agrees that Landlord's approval may be withheld in Landlord's sole and absolute discretion, for no reason or for any reason (including, among others, that the proposed Alterations, in the opinion of Landlord, are inconsistent or incompatible with the scenic character of the area, or are of a nature that CPUC approval would be required). Tenant acknowledges that Landlord's approval of any proposed Alterations, if given, may be made contingent upon Tenant's satisfaction of additional terms, covenants and conditions which Landlord may prescribe or impose, without regard to whether such conditions are reasonable.

(b) Landlord may consult with engineers or other professionals to the extent Landlord deems necessary in connection with Landlord's review of Tenant's plans and specifications, and Tenant shall reimburse Landlord for Landlord's standard administrative charge for such review and any costs incurred in connection with such consultations within ten (10) days after demand, as Additional Rent. Tenant acknowledges and agrees that Landlord's sole interest in reviewing and approving Tenant's plans and specifications is to protect Landlord's interests, and that such review and approval by Landlord shall not be deemed to create any liability of any kind on the part of Landlord, or to constitute a representation on the part of

Landlord that such plans and specifications are correct or accurate, or comply with any applicable Legal Requirements.

(c) All work of constructing or installing Alterations shall be performed diligently, in a good and workerlike manner, at Tenant's sole cost and expense, in accordance with plans and specifications previously approved in writing by Landlord. All Alterations shall comply with all applicable Legal Requirements. Tenant shall provide Landlord with at least fifteen (15) days prior written notice before commencing any construction of Alterations to allow Landlord to post appropriate notices of non-responsibility. Prior to the commencement of construction of any Alterations by Tenant or Tenant's contractor, Tenant shall (i) deliver to Landlord the building permit, (ii) furnish to Landlord satisfactory evidence of such types of insurance, in such forms, with such companies, for such periods and in such amounts as Landlord reasonably may require, and (iii) upon request, furnish to Landlord satisfactory evidence of such payment and performance and/or completion bonds as Landlord reasonably considers necessary with respect to construction of the Alterations. Tenant shall comply with Section 6 above in regard to compliance with Legal Requirements and the process of obtaining permits and other governmental authorizations related to any Alterations.

(d) Upon completion of construction of any Alterations, Tenant shall record a notice of completion in accordance with the provisions of Civil Code Section 3093, and shall furnish to Landlord "as-built" plans for the completed Alterations and a copy of the building permit, showing all final inspection approvals.

(e) Prior to the expiration, or upon earlier termination, of this Lease, Tenant shall surrender the Premises in the condition required by Section 22 of this Lease, which requires, among other things, that Tenant remove any Improvements and Alterations designated by Landlord, as more specifically set forth in Section 22.

Section 10. Liens. Tenant shall keep the Premises free from any liens arising out of any work performed, materials furnished or obligations incurred by or for the benefit of Tenant. Should Tenant fail to remove any such lien within five (5) business days after notice to do so from Landlord, Landlord may, in addition to any other remedies, record a bond pursuant to California Civil Code Section 3143 and all costs incurred by Landlord in so doing, plus all other amounts which Landlord shall become obligated to pay the surety issuing such bond, shall be due and payable by Tenant to Landlord upon demand as Additional Rent.

Section 11. Destruction or Damage.

(a) In the event the Improvements or Alterations are damaged by fire or other casualty, neither Landlord nor Tenant shall have any obligation to repair and restore any damage. Should Tenant elect to repair and restore the Improvements and/or Alterations, such repair and restoration shall be performed in compliance with Section 9 of this Lease. Should Tenant elect not to repair and restore the Improvements and/or Alterations, Tenant shall raze all damaged buildings and shall remove fire damaged improvements and all debris from the Premises.

(b) In the event the Improvements or Alterations are damaged by fire or other casualty, Tenant may, at its option, terminate this Lease by delivering written notice of termination to Landlord within ninety (90) days following the date such damage occurs.

(c) In the event this Lease is not terminated by Tenant, this Lease shall remain in full force and effect notwithstanding such damage, without abatement of Rent on account of such damage.

(d) Landlord and Tenant acknowledge that this Lease constitutes the entire agreement of the parties regarding events of damage or destruction, and Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) and any similar statute now or hereafter in force.

Section 12. Insurance.

(a) At all times during the Term, Tenant, at its sole expense, shall procure and maintain or to the extent permitted by applicable Legal Requirements and Section 12(f) below, Tenant may self-insure for each of the required coverages listed below, and shall cause any subtenant to procure and maintain, the following types of insurance coverage:

(1) Commercial general liability insurance with coverage at least as broad as the Insurance Services Office (ISO) Commercial General Liability Coverage "occurrence" form, with no coverage deletions, insuring against any and all damages and liability, including attorneys' fees and other costs and expenses, on account of or arising out of injuries to or the death of any person or damage to property, however occasioned, in, on, or about the Premises, in the minimum amount of Two Million Dollars (\$2,000,000) per occurrence and Two Million Dollars (\$2,000,000) annually in the aggregate for all claims. In addition, such insurance shall insure the performance by Tenant of its indemnity and other contractual obligations set forth in this Lease;

(2) Insurance against damage by fire and other perils included within standard fire and extended coverage insurance policies in an amount not less than the full replacement cost of the Improvements and Alterations;

(3) Workers' compensation coverage as required by law, including employer's liability insurance, with a limit not less than Two Million Dollars (\$2,000,000) for injury or death, each accident;

(4) Business Auto with coverage at least as broad as the Insurance Services Office (ISO) Business Auto Coverage from covering automobile liability, code 1 "any auto," with a limit not less than Two Million Dollars (\$2,000,000) for each accident for bodily injury and property damage; and,

(5) Such other insurance as shall reasonably be deemed necessary by Landlord from time to time.

(b) The insurance required under this Section 12 and all renewals thereof shall be issued by companies qualified to do business in the State of California and rated A:X or better in "Best's Key Rating Guide." The insurance described in Sections 12(a)(1) and 12(a)(4) shall be endorsed to include Landlord and any mortgagees and property managers as Landlord may specify from time to time, as additional insureds, as their interests may appear. Each policy shall provide expressly, in the form of such policy or by endorsement, (1) that the policy shall not be cancelled or altered in such a manner as adversely to affect the coverage afforded thereby without thirty (30) days' prior written notice to Landlord, (2) that the coverage shall be primary and noncontributing with any insurance that may be carried by Landlord, (3) that any loss arising out of this Lease shall be payable notwithstanding any act of negligence of any additional insured that might otherwise result in a forfeiture of coverage, (4) that the word "Insured" is used therein severally and not collectively and insurance coverage hereunder shall apply as though a separate policy were issued to each insured, although the inclusion of more than one insured party shall not operate to increase the limits of the insurer's liability, and (5) with respect to the insurance described in Section 12(a)(2), for waiver of the insurer's rights to subrogation against Landlord. If at any time or from time to time, the insurance coverage specified herein is no longer reasonably adequate in the opinion of Landlord's insurance department, Tenant shall increase the coverage to the amount specified by Landlord within thirty (30) days after notice from Landlord, provided that Tenant shall not be required to increase its coverage more often than once in any 24-month period.

(c) No later than the Effective Date of this Lease, and upon renewal not fewer than ten (10) days prior to the expiration of such coverage, Tenant shall deliver to Landlord a certificate of insurance evidencing each policy of insurance required to be carried under this Section 12. This shall be delivered to Landlord at Landlord's Address for Insurance Certificates, as specified in the Summary of Lease Terms.

(d) Tenant's compliance with the provisions of this Section 12 shall in no way limit Tenant's liability under any of the other provisions of this Lease.

(e) With respect to loss or damage resulting from any cause insured against by the insurance carried by Tenant, or required to be carried by Tenant pursuant to the terms of this Section 12, Tenant waives any and all rights of subrogation against Landlord, and Tenant hereby agrees that it shall not make any claim against Landlord, or seek to recover from Landlord, for loss or damage to Tenant, or its property, or property of others under its control, which may be insured against by such insurance, and Tenant shall give notice to any insurance carrier of the foregoing waiver of subrogation, and obtain a waiver of the right to recovery against Landlord, its agents and employees. In furtherance of the foregoing, Tenant agrees that in the event of a sale of the Premises by Landlord, the hereinabove waiver of subrogation shall continue in favor of the original Landlord hereunder, and any subsequent landlord, as well as be in favor of any such purchaser, and their respective successors and assigns.

(f) Self-Insurance.

(1) To the extent permitted by applicable Legal Requirements and subject to the terms of this Section 12(f), Tenant may satisfy its obligations to obtain insurance under the Lease, in whole or in part, by way of "Self-Insurance." For purposes hereof, "Self-Insurance" means that the Tenant is acting as though it were the insurance company providing the insurance required to be procured by Tenant under the provisions of the Lease, and Tenant shall pay any and all amounts due in lieu of insurance proceeds as required under the provisions of the Lease, which amounts shall be treated as insurance proceeds for all purposes under this Lease.

(2) Tenant's right to self-insure and to continue to self-insure is conditioned upon and subject to (A) the Tenant under the Lease must be Valero Refining Company-California or another affiliate of Valero Energy Corporation, and (B) at all times during which Tenant self-insures, Tenant represents and warrants to Landlord that Tenant's self-insurance program provides adequate, enforceable, sufficiently funded and long-term coverage for the risks to be insured against and such program of self-insurance shall provide Landlord with the same rights and privileges to which Landlord is otherwise entitled under the terms of this Lease when there is a third-party insurer.

(3) If an event or claim occurs for which a defense and/or coverage would have been available from the insurance company issuing insurance for which Tenant is required to maintain pursuant to this Lease and Tenant has self-insured with respect to such required insurance, Tenant shall (A) undertake the defense of any such claim, including a defense of Landlord at Tenant's sole cost and expense; and (B) use its own funds to pay any claim or replace any property or otherwise provide the funding that would have been available from insurance proceeds but for such election by Tenant to self-insure.

(4) Tenant acknowledges and agrees that the provisions of this Section 12(f) shall in no way relieve, limit or reduce Tenant's indemnification obligations under this Lease or Tenant's legal obligations under any law. Tenant's obligations as a self-insurer for claims that accrue during the Term (e.g., the obligation to continue to provide a defense for such claims) shall survive the expiration or earlier termination of this Lease. Tenant shall be deemed to have elected to self-insure with respect to any coverage required to be maintained by Tenant hereunder which Tenant fails to obtain from a third party insurer.

Section 13. Indemnification; Release.

(a) Tenant shall indemnify, defend and hold Landlord and Landlord's directors, officers, employees, successors, assigns and agents (collectively, "Indemnitees") harmless from and against any and all claims, demands, obligations (including remedial obligations, removal of Hazardous Materials, clean-up or restoration work, including all materials), damages (including consequential and/or punitive damages), losses, lost profits, costs and liabilities, including attorneys' fees and costs (collectively, "Claims"), including, without

limitation, Claims for injury or damage to persons or property, and Claims for penalties, fines and reasonable attorneys' fees and costs (including attorneys' fees and costs incurred to enforce this indemnity), incurred in connection with or arising from this Lease, however the same may have been caused (including, without limitation, if caused in whole or in part by the act, omission, or active or passive negligence of any Indemnitee, except with respect to any Indemnitee, to the extent caused by the gross negligence or willful or criminal misconduct of such Indemnitee), and including, without limiting the generality of the foregoing, Claims arising out of or in connection with:

- (1) any default by Tenant in the observance or performance of any of the terms, covenants or conditions of this Lease on Tenant's part to be observed or performed, or
- (2) the use or occupancy or manner of use or occupancy of the Premises by Tenant, the Tenant Parties or any person or entity claiming through or under Tenant, or
- (3) the condition of the Premises or the Property, including, without limitation, noise emanating from the substation or other facilities, or any occurrence or happening on the Premises from any cause whatsoever, including, without limitation, any theft, burglary, vandalism or property damage, or
- (4) any act, omission or negligence of Tenant, the Tenant Parties or any person or entity claiming through or under Tenant, occurring in, on or about the Premises or the Property, either prior to the commencement of, during, or after the expiration of the Term, including without limitation any acts, omissions or negligence in the construction of the Improvements or in the making or performing of any Alterations, or
- (5) the actual or alleged presence of Hazardous Materials in or about the Premises to the extent caused or permitted by Tenant or any of the Tenant Parties, or
- (6) any violation of any Legal Requirement, including, without limitation, violation of any Hazardous Materials Laws, by Tenant or any of the Tenant Parties, or
- (7) any delay or action caused or taken by Landlord to temporarily halt Tenant's use and activities under Section 5(f) of this Lease, or
- (8) any failure to surrender possession upon the Expiration Date or sooner termination of the Term as required by Section 22 of this Lease, or
- (9) any broker, agent or finder claiming any commissions or fees on the basis of contacts or dealings with Tenant.

Tenant further agrees to indemnify, defend, and save harmless Indemnitees from and against any and all Claims arising from or occasioned by any use, occupancy, condition, occurrence, happening, act, omission or negligence referred to above. In the event any action or proceeding is brought against any Indemnitee for any Claim against which Tenant is obligated to indemnify

or provide a defense to an Indemnitee hereunder, Tenant upon notice from Landlord shall defend such action or proceeding at Tenant's sole expense by counsel approved by Landlord, which approval shall not be unreasonably withheld.

(b) Tenant accepts all risk relating to its occupancy and use of the Premises. Landlord shall not be liable to Tenant for, and Tenant hereby waives and fully and forever releases, exonerates, discharges and covenants not to sue Landlord, the other Indemnitees and/or each and all of Landlord's past, present and future officers, directors, partners, employees, agents, representatives, shareholders, attorneys, affiliates, parent and subsidiary corporations, divisions, insurance carriers, heirs, legal representatives, beneficiaries, executors, administrators, predecessors, transferees, successors (including, without limitation, lenders who become successors-in-title) and assigns, from and for any and all Claims, based in whole or in part on any and all liability, whether in contract, tort or on any other basis, for any injury, damage, or loss resulting from or attributable to any occurrence on or about the Premises, the condition of Premises or the Property, or the use or occupancy of the Premises, arising prior to, during or subsequent to the expiration or termination of this Lease, including, without limitation, liability related to (i) theft, burglary, trespass or vandalism, (ii) disposal of sewage, (iii) the noise emanating from Landlord's substation or other facilities, or (iv) the need for CPUC approval or the failure of the CPUC to grant such approval.

(c) Tenant hereby represents and warrants that Tenant has no claim against Landlord, that Landlord has not been, in any respect, in default in performing its obligations under the Original Lease, nor is there any fact or condition that, with notice, the passage of time, or both, would ripen into such claim or default. Tenant has no existing defenses, credits or offsets against Landlord that in any way precludes or limits enforcement of this Lease by Landlord, or that excuse or constitute Tenant's performance under the prior lease or this Lease.

(d) The provisions of this Section 13 shall survive the expiration or earlier termination of this Lease.

Section 14. Assignment or Subletting.

(a) Tenant acknowledges that Tenant's identity, reputation and experience, the specific character of Tenant's activities and anticipated use of the Premises and the relationship between such anticipated use and other present and/or future planned uses of the Property have been a material consideration to Landlord's entry into this Lease. Tenant may assign this Lease only with Landlord's prior written consent, which consent shall not be unreasonably withheld. Tenant shall not, without the prior written consent of Landlord, which consent shall not be unreasonably withheld, mortgage, pledge, encumber or otherwise hypothecate or create any security interest in this Lease or the Premises or any part thereof in any manner whatsoever. It shall be reasonable for Landlord to withhold its consent to any assignment or other transfer of this Lease that requires CPUC approval in the sole opinion of Landlord. Tenant may sublease or license all or any part of the Premises only with Landlord's prior written consent, which consent shall not be unreasonably withheld; provided, however, that it shall be reasonable for Landlord to

withhold its consent to any sublease or license that requires CPUC approval in the sole opinion of Landlord. Tenant shall remain primarily liable for all of its obligations under this Lease, notwithstanding any assignment, sublease, license, mortgage, pledge, encumbrance or other transfer. Any assignment, sublease, license, mortgage, pledge, encumbrance or other transfer violating the requirements of this Section 14 shall be voidable at Landlord's election, and, at the option of Landlord, shall constitute an Event of Default hereunder.

(b) Regardless of Landlord's consent, no assignment shall release Tenant of Tenant's obligations or alter the primary liability of Tenant to pay the Rent and to perform all other obligations to be performed by Tenant hereunder. At the option of Landlord, an assignee of Tenant shall become directly liable to Landlord for all obligations of Tenant hereunder, but no assignment by Tenant shall release Tenant from its obligations hereunder. The acceptance of Rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. Consent to one assignment shall not be deemed consent to any further assignment, hypothecation or third party use. In the event of default by any assignee or successor of Tenant, in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against said assignee or successor. Landlord may consent to subsequent assignments or subletting of this Lease or amendments or modifications to this Lease with assignees of Tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereto and such action shall not relieve Tenant or any successor of Tenant of liability under this Lease.

(c) Tenant shall pay Landlord's reasonable attorneys' fees and costs incurred in connection with Tenant's request to assign this Lease, whether or not Landlord consents to the proposed transfer, payable within thirty (30) days of receipt by Tenant of an invoice therefor.

Section 15. Rights Reserved to Landlord.

(a) Landlord reserves the right to restrict access to the Premises or any portion or portions thereof in the event of civil disturbance, fire, earthquake or other casualty or emergency, or in connection with Landlord's response thereto, or otherwise when Landlord deems it advisable to do so, including in connection with events and emergencies occurring or affecting Landlord's business operations located outside the immediate vicinity of the Premises.

(b) Landlord may enter the Premises at any time to (i) inspect the same, (ii) exhibit the same to prospective purchasers, lenders or tenants, (iii) determine whether Tenant is complying with all its obligations hereunder, (iv) post notices of nonresponsibility, (v) enforce the provisions of this Lease, or (vi) undertake any activities connected with Landlord's use and operation of the Property.

(c) Landlord reserves the right to access the Premises to construct, reconstruct, maintain, operate and use such facilities on the Premises as Landlord deems appropriate, in Landlord's sole and absolute discretion, for the conduct of Landlord's business, including, without limitation, aqueducts, electric lines, telecommunication lines and pipelines.

(d) Landlord also reserves the right to grant easements and rights of way in, on and across the Premises to third parties to the extent that such easement and rights of way do not unreasonably and materially interfere with Tenant's use of the Premises.

(e) Tenant shall not use any water on the Premises or any other source on or adjacent to the Premises.

(f) Tenant shall not be permitted to use the gates at locations designated "1," "2," "3," "4," and "5," on Exhibit A, which gates shall be locked with Landlord locks only.

Section 16. Events of Default. The occurrence of any one or more of the following events (each, an "**Event of Default**") shall constitute a breach of this Lease by Tenant for which Landlord may exercise any of the remedies set forth in Section 17 of this Lease or provided by law or equity: (a) if Tenant shall fail to pay any Rent when due and payable hereunder and such failure shall continue for thirty (30) days after written notice thereof from Landlord; or (b) if Tenant shall fail to perform or observe any other term, covenant or obligation to be performed or observed by Tenant under this Lease, and such failure shall not have been cured by Tenant within thirty (30) days after notice thereof from Landlord.

Section 17. Remedies for Default. Upon the occurrence of any Event of Default, Landlord shall have the option to pursue any one or more of the following remedies available to Landlord under California law:

(a) Landlord may terminate this Lease and recover possession of the Premises. Upon such termination of this Lease, Landlord may recover from Tenant damages in the amounts set forth in Civil Code Section 1951.2, including, without limitation, the worth at the time of the award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Tenant proves could be reasonably avoided.

(b) Even though Tenant has breached this Lease, this Lease shall continue in effect for so long as the Landlord does not terminate Tenant's right to possession, and the Landlord shall have the right to enforce all its rights and remedies under this Lease, including the remedies described in California Civil Code Section 1951.4.

(c) The remedies provided for in this Lease are in addition to all other remedies available to Landlord at law or in equity, by statute or otherwise.

Section 18. Landlord's Right to Cure Default. All agreements and provisions to be performed by Tenant under any of the terms of this Lease shall be at its sole cost and expense and without abatement of Rent. If Tenant shall fail to pay any sum of money, other than Rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder and such failure shall not be cured within the applicable cure period provided for herein, Landlord may, but shall not be obligated so to do, and without waiving or releasing Tenant from any obligations of Tenant, make any such payment or perform any such other act on Tenant's part

to be made or performed as provided in this Lease. All sums so paid by Landlord and all necessary incidental costs shall be deemed Additional Rent hereunder and shall be payable to Landlord on demand.

Section 19. Attorneys' Fees. If as a result of any breach or default on the part of Tenant under this Lease, Landlord uses the services of an attorney in order to secure compliance with this Lease, Tenant shall reimburse Landlord within ten (10) days following demand, as Additional Rent, for any and all attorneys' fees and expenses incurred by Landlord, whether or not formal legal proceedings are instituted. Should either party bring an action or other proceeding against the other party, arising from or related to this Lease, whether for declaratory or other relief, then the party which prevails in such action shall be entitled, in addition to any other recovery or relief, to its reasonable attorneys' fees (of both in-house and outside counsel), costs and expenses incurred in the action or proceeding, including any appeal thereof. Tenant shall also pay all attorneys' fees and costs Landlord incurs in defending this Lease or otherwise protecting Landlord's rights in any voluntary or involuntary bankruptcy case, assignment for the benefit of creditors, or other insolvency, liquidation or reorganization proceeding involving Tenant or this Lease. For purposes hereof, the reasonable fees of Landlord's in-house attorneys who perform services in connection with any such action or proceeding are recoverable, and shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the relevant subject matter of the law, in law firms in the City and County of San Francisco with approximately the same number of attorneys as are employed by Landlord's law department.

Section 20. Sale. In the event the original Landlord hereunder, or any successor owner of the Premises, shall sell, convey or otherwise transfer the Premises, the original Landlord, or such successor owner, shall thereupon be released from any and all covenants, liabilities and obligations (express or implied) on the part of Landlord under this Lease, accruing from or after the date of such sale or conveyance, and Tenant shall look solely to the successor in interest of the transferor for performance of the obligations of Landlord under this Lease. This Lease shall not be affected by such sale or conveyance, and Tenant agrees to attorn to the transferee, provided such transferee shall agree to accept this Lease and not disturb Tenant's occupancy, so long as Tenant timely pays the Rent and observes and performs the terms, covenants and conditions of this Lease to be observed and performed by Tenant. Such attornment, acceptance and non-disturbance shall be effective and self-operative without the execution of any further instrument by the parties to this Lease.

Section 21. Estoppel Certificates and Rights of Mortgagees.

(a) At any time and from time to time, Tenant shall execute, acknowledge and deliver to Landlord, within ten (10) days after receipt thereof, a certificate certifying (i) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect, as modified, and stating the date and nature of each modification), (ii) the date, if any, to Annual Rent and other sums payable hereunder have been paid, (iii) that no notice has been received by Tenant of any default which has not been cured, except as to defaults specified in said certificate, (iv) that Tenant does not claim the existence of

any default on the part of Landlord, except as specified in such certificate, and (v) such other matters as reasonably may be requested by Landlord, or any mortgagee, beneficiary, purchaser or prospective purchaser of the Property or any interest therein. Any such certificate may be relied upon by Landlord and any mortgagee, beneficiary, purchaser or prospective purchaser of the Property or any interest therein. Tenant's failure to execute, acknowledge and deliver such certificate within such period of time shall, at the option of Landlord, and without further notice, constitute an Event of Default hereunder. In addition, Tenant hereby irrevocably appoints Landlord as its agent and attorney-in-fact to execute, acknowledge and deliver any such certificate in the name of and on behalf of Tenant in the event that Tenant fails to so execute, acknowledge and deliver any such certificate within ten (10) days after receipt thereof.

(b) This Lease and the rights of Tenant hereunder are subject and subordinate to any mortgage, deed of trust or easement agreement which now or in the future encumbers the Property. Such subordination shall be effective without executing any further instrument; provided, however, that Tenant agrees to execute such documentation as may be reasonably requested to evidence such subordination.

Section 22. Surrender. **Upon the expiration or earlier termination of this Lease, Tenant shall surrender the Premises to Landlord in the condition required by this paragraph. Tenant, at its sole cost and expense, shall remove promptly all Improvements and Alterations, including without limitation, buildings, structures and fixtures constructed or placed on the Premises by Tenant or Exxon, and restore the Premises as nearly as possible to the condition that existed prior to Exxon's original entry upon the Premises under the Original Lease. Prior to the expiration or sooner termination of the Term, Tenant shall also remove all equipment, fixtures, merchandise, personal property, debris and waste material resulting from the use and occupancy of the Premises by Tenant and/or any of the Tenant Parties, and Tenant shall promptly repair, at its sole cost and expense, any damage to the Premises caused by such removal. To the extent Tenant fails to perform the obligations under this Section, Landlord may, but need not, remove or demolish any Improvements, Alterations, equipment, fixtures, merchandise, personal property, debris and waste material, and restore the Premises to the condition that existed prior to Exxon's entry upon the Premises under the Original Lease, and Tenant shall pay the cost thereof within sixty (60) days of receipt of an invoice therefor. Tenant's obligations under this Section 22 shall survive the termination of this Lease.**

(Tenant to initial here: LL)

Section 23. Holdover. Tenant shall have no right to holdover possession of the Premises after the expiration or termination of this Lease without Landlord's prior written consent, which Landlord may withhold in its sole and absolute discretion. If Tenant retains possession of any part of the Premises after expiration or termination, without the written consent of Landlord, Tenant shall become a tenant at sufferance only, for the entire Premises upon all of the terms of this Lease as might be applicable to such tenancy, except that Tenant shall pay Annual Rent at one hundred and fifty percent (150%) of the rate in effect immediately prior to such holdover,

computed on a monthly basis for each full or partial month Tenant remains in possession. If Tenant remains in possession of the Premises after the expiration or other termination of the Term of this Lease, with Landlord's written consent, Tenant shall be deemed to be occupying the Premises as a month-to-month tenant only, at a monthly rental equal to one-twelfth (1/12th) of the Annual Rent in effect immediately prior to such holdover. Tenant shall also pay Landlord all of Landlord's direct and consequential damages resulting from Tenant's holdover. No acceptance of Rent or other payments by Landlord under this holdover provision shall operate as a waiver of Landlord's right to regain possession or any other of Landlord's remedies.

Section 24. Waiver. The waiver by Landlord or Tenant of any agreement, condition or provision herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition or provision herein contained, nor shall any custom or practice which may grow up between the parties in the administration of the terms hereof be construed to waive or to lessen the right of Landlord or Tenant to insist upon the performance by Tenant or Landlord in strict accordance with said terms. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any agreement, condition or provision of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent.

Section 25. Notices. Notices to be given under this Lease shall be in writing, sent as specified in the Summary of Lease Terms, and either sent by: (a) personal delivery, in which case notice shall be deemed delivered upon actual receipt, or (b) sent by certified mail, return receipt requested, in which case notice shall be deemed delivered upon actual receipt, or (c) sent by a nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) business day after deposit with this courier. The addresses set forth in the Summary of Lease Terms may be changed by written notice to the other party.

Section 26. Complete Agreement. There are no oral agreements between Landlord and Tenant affecting this Lease, and this Lease shall constitute the entire agreement between the parties relative to the subject matter hereof, and supersedes and cancels any and all prior negotiations, arrangements, correspondence, communications, leases, licenses, agreements and understandings, if any, whether oral or written, between Landlord and Tenant with respect to the subject matter of this Lease. There are no representations between Landlord and Tenant other than those contained in this Lease and all reliance with respect to any representations is based solely upon the terms of this Lease. No amendment or modification of this Lease shall be binding or valid unless expressed in writing and executed and delivered by Landlord and Tenant. Subject to the limitations provided herein, the terms, covenants and conditions contained in this Lease shall bind and inure to the benefit of the respective heirs, successors, executors, administrators and assigns of each of the parties hereto.

Section 27. Limitation of Liability. Tenant agrees to look only to the interest of Landlord in the Property and not to Landlord, its directors, officers, shareholders, employees, or

agents personally with respect to any obligations or payments due or which may become due from Landlord to Tenant hereunder, or for the satisfaction of any of Tenant's remedies hereunder.

Section 28. Broker. Each of Landlord and Tenant represents and warrants to the other that no real estate broker, agent or finder negotiated or was instrumental in negotiating or representing it in the negotiation of this Lease or the consummation hereof. Each party agrees to indemnify and hold harmless the other from any claim or claims, and costs and expenses, including reasonable attorneys' fees, incurred by the indemnified party in conjunction with any such claim or claims of any broker, agent or finder to a commission in connection with this Lease as a result of the actions of the indemnifying party.

Section 29. Quiet Possession. Landlord agrees that Tenant, upon paying Rent and performing the terms, covenants and conditions of this Lease, may quietly have, hold and enjoy the Premises without disturbance by Landlord or any person claiming under Landlord during the Term of this Lease, subject, however, to the rights of Landlord set forth in this Lease, and any mortgages, deeds of trust, agreements and encumbrances to which this Lease is subordinate.

Section 30. Miscellaneous.

(a) The word "Tenant" as used herein shall include the plural as well as the singular.

(b) If a partnership or more than one legal person is at any time Tenant, each partner and each legal person is jointly and severally liable for the keeping, observing and performing of all of the terms, covenants, conditions, provisions and agreements of this Lease to be kept, observed or performed by Tenant, and the term "Tenant" as used in this Lease shall mean and include each of them jointly and severally and the act of or notice from, or notice or refund to, or the signature of, any one or more of them, with respect to the tenancy or this Lease, including but not limited to, any renewal, extension, expiration, termination or modification of this Lease, shall be binding upon each and all of the persons executing this Lease as Tenant with the same force and effect as if each and all of them had so acted or so given or received such notice or refund or so signed.

(c) Time is of the essence of this Lease and each and all of its provisions.

(d) Submission of this instrument for examination or signature by Tenant does not constitute an offer to lease or a reservation of or option to lease. Landlord shall not be bound by this Lease until Landlord has executed and delivered this Lease to Tenant, notwithstanding Tenant's execution and delivery of this Lease to Landlord.

(e) The waivers of claims or rights, the releases and the obligations under this Lease to indemnify, protect, defend and hold harmless Landlord and other Indemnitees shall survive the expiration or earlier termination of this Lease, and so shall all other obligations or agreements hereunder which by their terms survive the expiration or earlier termination of this Lease.

(f) Subject to the provisions of this Lease as to assignment, the agreements, conditions and provisions herein contained shall apply to and bind the heirs, executors, administrators, successors and assigns of the parties hereto.

(g) If any provisions of this Lease shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of this Lease and all such other provisions shall remain in full force and effect.

(h) This Lease shall be governed by and construed pursuant to the laws of the State of California.

(i) The language in all parts of this Lease shall be construed according to its normal and usual meaning and not strictly for or against either Landlord or Tenant.

(j) Neither this Lease, nor any notice nor memorandum regarding the terms hereof, shall be recorded by Tenant. Any such unauthorized recording shall give Landlord the right to declare a breach of this Lease and pursue the remedies provided herein.

Section 31. Exhibits. The exhibits attached to this Lease are hereby incorporated into this Lease and made a part hereof.

IN WITNESS WHEREOF, the parties have executed this Lease on the respective dates indicated below.

TENANT:

LANDLORD:

VALERO REFINING COMPANY-
CALIFORNIA,
a Delaware corporation

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

By: 
Type or print name: David Sanders
Its: Vice President

By: 
Type or print name: ROBERT L. JONES
Its: MANAGER, LAND RIGHTS

Date of Execution
by Tenant: 5-7-2015

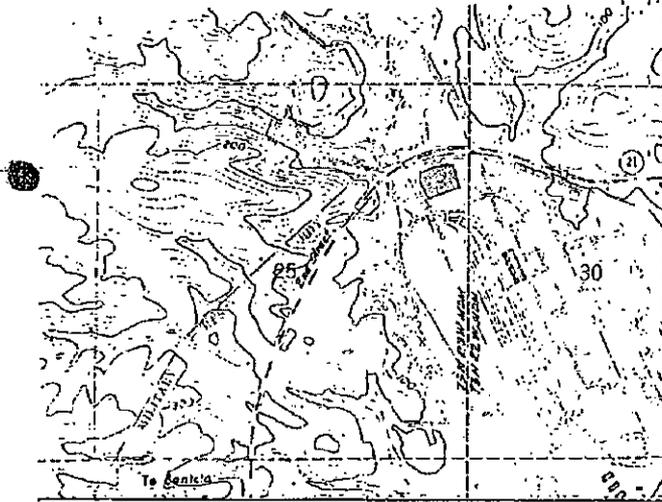
Date of Execution
by Landlord: 5.22.2015

Tenant to initial Sections 2(c) and 22

APPROVED
LEGAL
LC

Exhibit B

MAP OF PROPERTY



TOWNSHIP 3 N RANGE 3 W MD MERIDIAN
 SECTION 25 E-1/2 of NE-1/4
 COUNTY Solano
 CITY, RANCHO, SUBDIVISION, ETC.
City of Benicia

SCALE: 1" = 200 DATE LAST CHANGED

North Bay Division
 Bahia Substation GM 167715
 Ref. Dwg. 216050 & D-2561

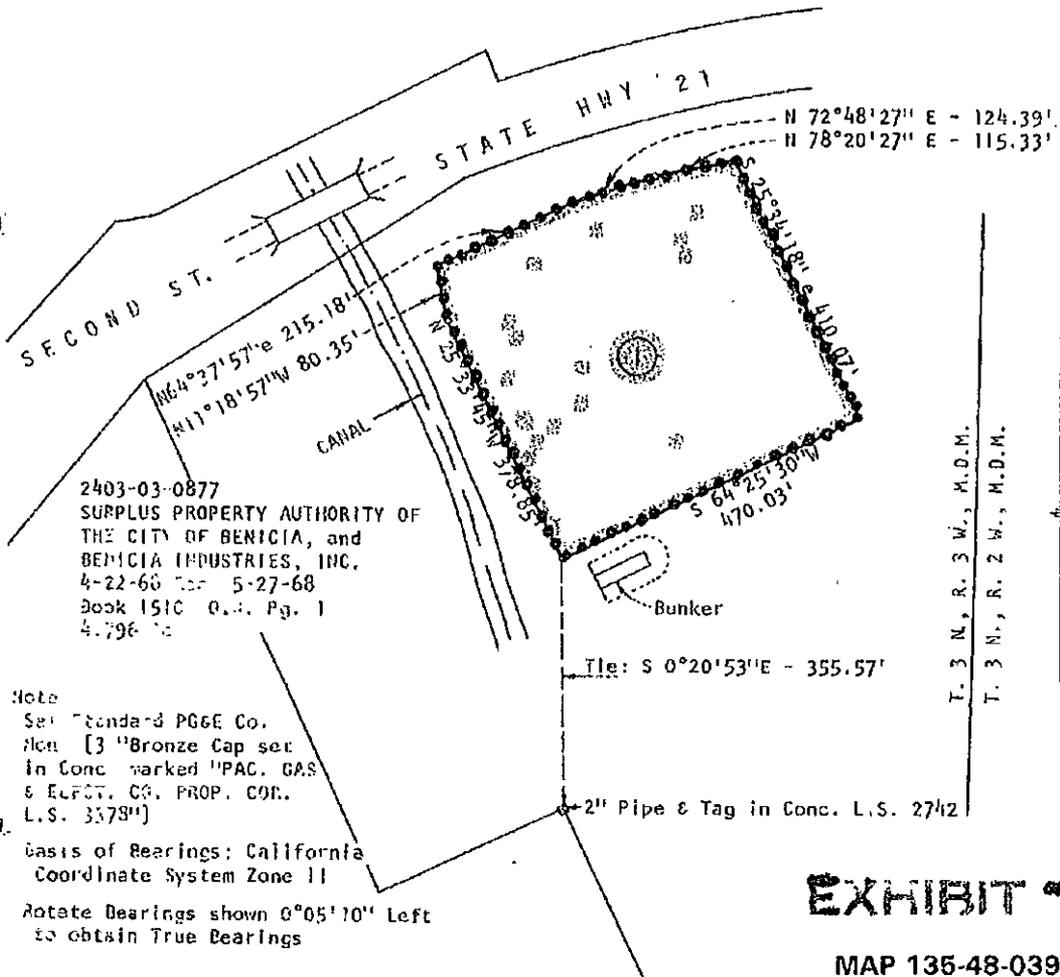


EXHIBIT "B"

MAP 135-48-039-1



CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
05/05/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Aon Risk Services Southwest, Inc. Houston TX Office 5555 San Felipe Suite 1500 Houston TX 77056 USA	CONTACT NAME: PHONE (A/C. No. Ext): (866) 283-7122 FAX (A/C. No.): 800-363-0105	
	E-MAIL ADDRESS:	
INSURED Valero Refining Company - California One Valero Way San Antonio TX 78249 USA	INSURER(S) AFFORDING COVERAGE	
	INSURER A: ACE American Insurance Company NAIC # 22667	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	

Holder Identifier :

COVERAGES **CERTIFICATE NUMBER: 570057611947** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. **Limits shown are as requested**

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input checked="" type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			XSLG27391874*	05/01/2015	05/01/2016	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG SIR \$1,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			ISA H08853496	05/01/2015	05/01/2016	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
A	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> DED <input type="checkbox"/> RETENTION			XSLG27391874	05/01/2015	05/01/2016	EACH OCCURRENCE \$4,000,000 AGGREGATE \$4,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N N/A	WLR48147045 SCFC4814705	05/01/2015 05/01/2015	05/01/2016 05/01/2016	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE-EA EMPLOYEE \$1,000,000 E.L. DISEASE-POLICY LIMIT \$1,000,000

Certificate No : 570057611947

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 RE: Bahia Substation Lease for the Benicia Refinery. Pacific Gas and Electric Company is included as Additional Insured in accordance with the policy provisions of the General Liability policy. A waiver of Subrogation is granted in favor of Pacific Gas and Electric Company in accordance with the policy provisions of the General Liability, Automobile Liability and Workers' Compensation policies.

CERTIFICATE HOLDER**CANCELLATION**

Pacific Gas and Electric Company Attn: Land Agent 111 Stony Circle Santa Rosa CA 95041 USA	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Aon Risk Services Southwest, Inc</i>
---	--

Ashwell, Nicole

From: Chang, Claudia
Sent: Monday, October 17, 2011 4:06 PM
To: Willets, Alison
Cc: Hug, Sarah; Murphy, Bobby
Subject: RE: Bahia Sub - OK to extend Exxon lease

Alison,

All PG&E stakeholders have responded. Substation Asset Strategy concurs with extending the lease of Bahia Sub land to Exxon.



FW: Bahia Sub -
OK to extend ...

Thanks.

Claudia Chang
Substation Asset Strategy
8-442-2495 / 510-874-2495

From: Wong, Joscelyn M
Sent: Monday, October 10, 2011 3:00 PM
To: Chang, Claudia; Murphy, Bob; King, Sherry; Willets, Alison
Cc: Troub, Sarah
Subject: RE: Bahia Sub - OK to extend Exxon lease

Claudia and Alison,

Currently, there are no planned transmission projects for Bahia Substation.

Thank you,
Joscelyn

From: Chang, Claudia
Sent: Wednesday, October 05, 2011 1:24 PM
To: Murphy, Bob; King, Sherry; Wong, Joscelyn M; Willets, Alison
Cc: Troub, Sarah
Subject: ?: Bahia Sub - OK to extend Exxon lease

Bob, Sherry, Joscelyn,

Does Substation Maintenance, Distribution Planning, or Transmission reason why PG&E should not renew the lease of Bahia Sub land to Exxon? This is the T-shaped area between the 230 kV breakers that's fenced off.

Substation Asset Strategy has no plans for it, Distribution Planning's 5-year plan didn't show anything, and I can't find anything for Transmission Planning.

Alison,

In the meanwhile, it's reasonable to move forward with renewing the lease. Please consult with your supervisor about the typical lease to 3rd parties. My understanding is that a typical PG&E lease to a 3rd party is minimum 3 years, maximum 5 years with option to renew.

Thanks for your patience.



Document Routing Summary

Land Management

Date:

Requestor Name:

Document Type:

Is the Document a Standard Law Approved Form? YES NO N/A
 If N/A, Explain Below

NOTE: If the document is not a Standard Law Approved Form, then you must add the Sr. Land Agent as an Approver (this may also be required for Standard Templates at Supervisor's discretion), or an email (attached to EDRS) from Law Department approving the non-Standard Template "as to form" prior to routing to Supervisor for approval.

Wendy Coleman (PG&E Law),
Doug Sands (PG&E
Contractor, Law), Joe Hurley
(PG&E Insurance) & Valero
Insurance and Law approval.

Financial Terms:

Total Agreement Value: \$

Current Requested Value : \$

Mitigation Value / Cost : \$

(Indicate any Mitigation Value/Costs associated with this agreement)

Signing Instructions:

Date Signature is Required:

Document Signer:

Number of Document(s) to be Signed:

Document(s) Require Notarization? YES NO

Additional Signing Instructions:



Document Routing Summary

Land Management

Background / Justification:

This is a lease renewal for a lease that expired on August 31, 2011 and tenant has continued on a holdover basis. Landlord and tenant desire to amend the original lease to extend the term thereof and to otherwise amend the original lease in several respects, and to restate the original lease in its entirety.

Terms / Conditions:

- * Six (6) years and four (4) months
- * Commencement Date = May 1, 2015
- * Expiration Date = August 31, 2021
- * Annual Rent = \$28,840
- * Rent increase June, 2016 = CPI June 2016/CPI June 2011
- * Agreement has been in holdover since August 31, 2011. Upon commencement date, back rent in the amount of \$115,354.60 will be due (\$79.01/day).

Other Approvals Required / Obtained:

Asset Owner (Substation), Distribution Planning and Transmission Planning. PG&E's Law and Insurance Departments.

Additional Remarks:

Return Instructions:

Return Signed Documents To:

Nicole Ashwell, Land Agent
111 Stony Circle
Santa Rosa, CA 95409
nxao@pge.com / (707) 577-7061

Additional Return Instructions:

2015-28192 Document Routing Request

Created on: 4/2/2015 9:50:13 AM

Status: EDR request completed.

Requestor: Ashwell, Nicole

Department: Land Management

Document Type: Lease

Readable by All: Yes

Document Title: Lease to Valero - Bahia Substation

Dollar Amount: \$292,721

Job Order Num: 42150155

ITWR Number:

Major Work Category:

Documents		Reviewers/Approvers	
Title	Version	<input type="button" value="Add to CC List"/>	
VALERO SUBSTATION LEASE FINAL.DOC	Original	Approvers	
BAHIA SUB - ASSET OWNER APPROVAL.MSG	Original	Gigliotti, Michael	Approved on 4/22/2015 9:29:29
VALERO OK WITH LEASE (BAHIA SUBSTATION).MSG	Original	Hug, Sarah	Approved on 4/28/2015 11:02:54
BAHIA SUBSTATION - LAW AND INSURANCE REVIEW 2.MSG	Original	Jones, Bob	Approved on 4/29/2015 7:36:38
BAHIA SUBSTATION - LAW AND INSURANCE REVIEW.MSG	Original		
ORIGINAL AGRMNT - BAHIA SS (1991) 2403-03-1664.PDF	Original		
BAHIA - DOCUMENT ROUTING-SUMMARY.PDF	Original		

Comments

4/13/2015 12:31:36 PM - Ashwell, Nicole

Lease renewal to Valero for use at PG&E's Bahia Substation. The Lease shall be for a term of six (6) years, four (4) commencing on May 1, 2015 and expiring August 31, 2021. Valero shall pay annual rent in the amount of \$28,840 commencement date and on each September 1 thereafter. Rent escalations are subject to June's CPI for 2016 (numerator) and June's CPI for 2011 (denominator). License areas are shown as Parcel "A", "B" and "C" on Exhibit A. The parcel is for the operation of an electrical substation, related facilities and an access road in conjunction with operation of Valero's Benicia Refinery. Valero has agreed to the terms and conditions. PG&E's Law and Insurance Departments have approved the terms and conditions.

The Area 7

Santa Rosa Land Service Office

Operating Department: Electric Distribution

MDB&M, T03N, R03W, Sec 25, NW 1/4

FERC License Number(s): N/A

PG&E Drawing Number(s): N/A

PLAT NO.: N/A

LD of any affected documents (if applicable): 2403-03-1751 & 2403-03-1751

LD of any Cross-referenced documents (if applicable)

TYPE OF INTEREST: 111, 43

SBE Parcel Number: 135-48-39-1

(For Quitclaims, % being quitclaimed): N/A

Order #: 42150155

JCN: N/A

County: Solano

Utility Notice Numbers (if applicable): N/A

851 Approval Application No. N/A Decision N/A

Prepared By: NXAO

Checked By: PDD1

Revision Number (if applicable): N/A

This Admin Block is for a new Lease Agreement with Valero Refining Company.
The old Lease expired in 2011 and Valero has been in holdover since.

Advice 6738-E
October 14, 2022

Attachment 5

Grant Deed

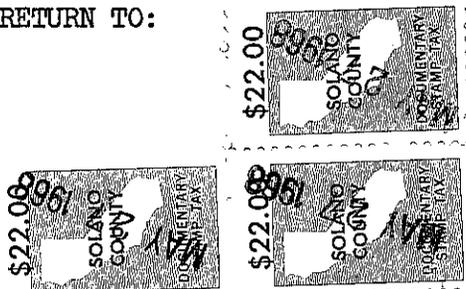
Attachment 5 - Grant Deed

Cons. \$ 59,875

2403-03-0877

AFTER RECORDING, RETURN TO:

FOR RECORDER'S USE ONLY



RECORDED AT REQUEST OF
TITLE INSURANCE AND TRUST COMPANY.

37 min. past 12
MAY 27 1968

OFFICIAL RECORDS
SOLANO COUNTY, CALIF.
Raymond E. Duvall
Recorder

RECORDED AND ENTERED
F. HILL, Asst. Compt.
Date of Contract 4-22-68
Number 49221

9787

COPY SENT
TO DIVISION

SURPLUS PROPERTY AUTHORITY OF THE CITY OF BENICIA, a public corporation,
and BENICIA INDUSTRIES, INC., a corporation, hereby grant to PACIFIC GAS AND
ELECTRIC COMPANY, a California corporation, that certain real property, situate
in the City of Benicia, County of Solano, State of California, described as
follows:

Beginning at a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=150,630.22 and E=1,960,650.01) from which the 2 inch iron pipe in concrete (marked IS 2742 and the California Coordinate System, Zone II coordinates of which are N=150,274.66 and E=1,960,652.18) marking the northeasterly terminus of a course in the boundary line of the 330.966 acre parcel of land described and designated PARCEL ONE in the deed from Surplus Property Authority of the City of Benicia and Benicia Industries, Inc., to Humble Oil & Refining Company dated October 7, 1966 and recorded in the office of the County Recorder of said County of Solano in Book 1422 of Official Records at page 233, which course, according to the description contained in said deed dated October 7, 1966, has a bearing of North 65° 58' 09" East and a length of 292.98 feet, bears south 0° 20' 53" east 355.57 feet distant and running thence north 25° 33' 45" west 378.85 feet to a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=150,971.98 and E=1,960,486.54); thence north 11° 18' 57" west 80.35 feet to a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=151,050.77 and E=1,960,470.78); thence north 64° 37' 57" east 215.18 feet to a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=151,142.95 and E=1,960,665.20); thence north 72° 48' 27" east 124.39 feet to a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=151,179.72 and E=1,960,784.03); thence north 78° 20' 27" east 115.33 feet to a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=151,203.02 and E=1,960,896.99); thence south 25° 34' 18" east 410.07 feet to a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=150,833.12 and E=1,961,073.99); thence south 64° 25' 30" west 470.03 feet, more or less, to the point of beginning; containing 4.796 acres, more or less.

Read by Tax Dept
APR 28-1968

-1-

MAIL TAX STATEMENTS TO:

Pacific Gas and Electric Company
245 Market Street
San Francisco, California 94106

BOOK 1510 PAGE 1

The bearings used in the above description are based on the California Coordinate System, Zone II. To obtain geodetic bearings at the point of beginning of the description of said 4.796 acre parcel of land adjust all bearings 0° 05' 10" to the left. The distances used in the above description are ground distances.

Together with perpetual easements for use of existing and future roads within grantors adjacent lands necessary to provide access to said 4.796 acre parcel of land; provided, however, that grantors, their successors, and assigns, shall have the right to relocate such roads so long as equivalent road access is provided.

Dated April 22, 19 68.

SURPLUS PROPERTY AUTHORITY OF THE
CITY OF BENICIA

By C. Carsten Johansen
Its President

And By Betty W. Pellier
Its Clerk

BENICIA INDUSTRIES, INC.

By J. J. Cooney
Its President

And By W. S. Gilbert
Its Asst. Secretary

SEAL

North Bay
GM 167715
Dwg. 215927
T. 3N., R. 3W.,
M.D.B. & M.
Section 25
E $\frac{1}{2}$ of NE $\frac{1}{4}$
67-115
cl

Prepared MMA

Checked Am

APR. 17 1968

BOOK 1510 PAGE 2

SEAL

STATE OF CALIFORNIA,
City & County of San Francisco } ss.
On this 22nd day of April in the year one thousand nine
hundred and sixty-eight before me, ALMA STEELE
a Notary Public, State of California, duly commissioned and sworn, personally appeared
J. J. Coney and H. S. Gilbert
known to me to be the President and Asst. Secretary
of the corporation described in and that executed the within instrument, and also known to me to be
the persons who executed the within instrument on behalf of the corporation therein named, and
acknowledged to me that such corporation executed the same.

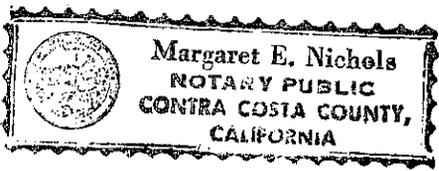
IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the
City & County of San Francisco the day and year in this certificate
first above written.

Alma Steele (ALMA STEELE)
Notary Public, State of California.

Cowdery's Form No. 28—(Acknowledgment—Corporation).
(C. C. Secs. 1190-1190.1) (Printed 1-30-66) 61-0417

My Commission Expires January 23, 1972

STATE OF CALIFORNIA,
County of Contra Costa } ss.
On this 10th day of May in the year one thousand nine hundred and Sixty-eight
before me, Margaret E. Nichols, a Notary Public,
State of California, duly commissioned and sworn, personally appeared C. Carsten
Johansen and Betty M. Pellinen
known to me to be the President and Clerk
public of the corporation described in and that executed the within instrument, and also known to me to be
the person who executed the within instrument on behalf of the public corporation therein named, and
acknowledged to me that such public corporation executed the same.



IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the
County of Contra Costa the day and year in this certificate
first above written.

Margaret E. Nichols BOOK 1510 PAGE 3
Notary Public, State of California.

Cowdery's Form No. 28—(Acknowledgment—Corporation).
(C. C. Secs. 1190-1190.1) (PRINTED 2-3-64) 42-0429

My Commission Expires March 15, 1970

RESOLUTION NO. 59

RESOLUTION AUTHORIZING SALE OF PROPERTY TO PACIFIC GAS
AND ELECTRIC COMPANY

WHEREAS; The Pacific Gas & Electric Company has heretofor requested the Surplus Property Authority of the City of Benicia and Benicia Industries, Inc., to grant to said Pacific Gas and Electric Company certain real property located within the Benicia Industrial Park. And,

WHEREAS; The said sale and transfer to Pacific Gas & Electric Company has heretofor been approved by the Surplus Property Authority of the City of Benicia in Resolution No. 51, which said Resolution in the form of an option specified the terms and conditions of such a sale and transfer to said Pacific Gas & Electric Company.

NOW, THEREFORE, BE IT RESOLVED BY THE SURPLUS PROPERTY AUTHORITY OF THE CITY OF BENICIA THAT certain document dated April 22, 1968 granting to Pacific Gas & Electric Company title to certain real property therein described and located within the Benicia Industrial Park be and the same is hereby approved and C. Carsten Johansen, President and Betty M. Pellinen, Clerk, be and they are hereby authorized to execute said grant for and on behalf of the Surplus Property Authority of the City of Benicia. And,

BE IT FURTHER RESOLVED THAT the real property referred to in said document and grant is the same real property as that generally described in Resolution No. 51 of this Authority.

RECORDED AND ENTERED
J. F. HILL, Asst. Compt.
Date of Contract 4-22-68
Number 49221

On motion of Commissioner Lemos, seconded by Commissioner Kurtz, the above resolution was introduced and passed by the Commission of the Surplus Property Authority of the City of Benicia at a special meeting of said Commission held on the 7th day of May, 1968 and adopted by the following vote:

Ayes: Commissioners Humbert, Kurtz, Lemos and Johansen

Noes: None

Abstained from voting: Commissioner Cody

Absent: None

Attest: /s/ C. Carsten Johansen
C. Carsten Johansen, President

/s/ Betty M. Pellinen
Betty M. Pellinen, Clerk

I, Betty M. Pellinen, Clerk of the Surplus Property Authority of the City of Benicia, County of Solano, State of California, hereby certify that the foregoing resolution was introduced and passed by the Commission of the Surplus Property Authority of the City of Benicia at a special meeting of said Commission held on the 7th day of May, 1968 and adopted by the following vote:

Ayes: Commissioners Humbert, Kurtz, Lemos and Johansen

Noes: None

Abstained from voting: Commissioner Cody

Absent: None

WITNESS my hand and the seal of said Commission this 9th day of May, 1968.

Betty M. Pellinen
Betty M. Pellinen, Clerk

SEAL

2403-03-0877

RECORDING REQUESTED BY

RECORDED AT REQUEST OF
TITLE INSURANCE AND TRUST COMPANY

WHEN RECORDED MAIL TO

9792

MAY 27 1968

OFFICIAL RECORDS F.
SOLANO COUNTY, CALIF.
Raymond E. Alwell
FD. Recorder

RECORDED AND ENTERED

SPACE ABOVE THIS LINE FOR RECORDER'S USE

F. HILL, Asst. Compl.

ms
11-642 (6-67 Revised) - 2000

Date of Contract 4-22-68 PARTIAL RELEASE

Loan No. C-319627

WHEREAS, The Northwestern Mutual Life Insurance Company, 720 East Wisconsin Avenue, Milwaukee, Wisconsin, a Wisconsin Corporation, hereinafter called "Northwestern", is the owner of a certain Note (which term shall be construed to include a bond or other instrument evidencing debt) secured by a lien against certain Property described in a Lien Instrument identified as follows:

LIEN INSTRUMENT TITLE	DATED	FACE AMOUNT SECURED
Deed of Trust	May 12, 1966	\$6,500,000.00
Supplemental Deed of Trust (Benicia Industries, Inc.)	May 15, 1967	

COUNTY AND STATE WHERE RECORDED	DATE	BOOK OR REEL	PAGE OR IMAGE	DOC. NO.
Solano County, California	May 20, 1966	1399	628	14398
Solano County, California	June 8, 1967	1456	439	9413

AND WHEREAS, Northwestern has been asked to release the Portion hereinafter described from the operation of the Lien Instrument;

NOW, THEREFORE, in consideration of one dollar to it in hand paid, the receipt of which is acknowledged, Northwestern releases from the lien of said Lien Instrument the following Portion only of said Property: in the County of Solano, State of California:

Beginning at a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=150,630.22 and E=1,960,650.01) from which the 2 inch iron pipe in concrete (Marked IS 2742 and the California Coordinate System, Zone II coordinates of which are N=150,274.66 and E=1,960,652.18) marking the northeasterly terminus of a course in the boundary line of the 330.966 acre parcel of land described and designated Parcel One in the deed from Surplus Property Authority of the City of Benicia and Benicia Industries, Inc., to Humble Oil and Refining Company dated October 7, 1966 and recorded in the office of the County Recorder of said County of Solano in Book 1422 of Official Records at page 233, which course, according to the description contained in said deed dated October 7, 1966, has bearing of North 65° 58' 09" East and a length of 292.98 feet, bears south 0° 20' 53" east 355.57 feet distant and running thence north 25° 33' 45" west 378.85 feet to a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=150,971.98 and E=1,960,486.54); thence north 11° 18' 57" west 80.35 feet to a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=151,050.77 and E=1,960,470.78); thence north 64° 37' 57" east 215.18 feet to a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=151,142.95 and E=1,960,665.20); thence north 72° 48' 27" east 124.39 feet to a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=151,179.72 and E=1,960,784.03); thence north 78° 20' 27" east 115.33 feet to a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=151,203.02 and E=1,960,896.99); thence south 25° 34' 18" east 410.07 feet to a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=150,833.12 and E=1,961,073.99); thence south 64° 25' 30" west 470.03 feet, more or less, to the point of beginning; containing 4.796 acres more or less. The bearings used in the above description are based on the California Coordinate System, Zone II. To obtain geodetic bearings at the point of beginning of the description of said 4.796 acre parcel of land adjust all bearing 0° 05' 10" to the left. The distances used in the above description are ground distances.

(If Portion Released is described in a recorded instrument of transfer, list recording data:)

COUNTY AND STATE WHERE RECORDED	DATE	BOOK OR REEL	PAGE OR IMAGE	DOC. NO.
---------------------------------	------	--------------	---------------	----------

Northwestern retains its lien upon the remainder of said Property to secure the principal sum and interest unpaid, according to the terms and conditions of said Lien Instrument and Note. Nothing herein contained shall affect the priority of the Lien Instrument over other liens, charges, incumbrances or conveyances nor shall it release or change the liability of any party who may now or hereafter be liable, primarily or secondarily, under or on account of the Note, the right of recourse against each such party being expressly reserved.

Executed this 15th day of May, 1968

SEAL

In presence of:

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY
720 E. Wisconsin Avenue, Milwaukee, Wisconsin 53202

Marion Schaefer

By W. B. Mayberry, Ass't. Manager Commercial Mortgages

Joanne Ewald

Attest: C. A. Westring, Ass't. Secretary

This instrument was prepared by

BOOK 1510 PAGE 31

SEAL

(Complete only in Wisconsin and elsewhere if required)

State of Wisconsin }
County of Milwaukee } ss.

ACKNOWLEDGEMENT BY CORPORATION

Before me a Notary Public in and for said county and state personally appeared the following on the following date:

NAME	TITLE	ADDRESS (N.Y. and elsewhere if required)	DATE
W. B. Mayberry, C. A. Westring,	Ass't. Manager Ass't. Secretary	Commercial Mortgages	May 15, 1968

of THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY (each) known to me to hold the title stated above and to have executed the foregoing instrument, and being by me first duly sworn on oath did acknowledge, depose and say that the name and title stated above is correct, that the signing, sealing, and delivery of said instrument was done freely and voluntarily for the uses and purposes mentioned therein as the free act and deed of said Company, that the seal affixed thereto is the common and corporate seal of said Company and that all the foregoing was done by authority of the governing board of said Company. Witness my hand and official seal on the date last above written as a Notary Public in said county and state.

Marion Schaefer
Type or Print Name of Notary
Marion Schaefer
Signature of Notary
January 3, 1971
Commission Expires

PARTIAL RECONVEYANCE BY TRUSTEE
(For use where required)

At the request of Northwestern, the undersigned trustee hereby releases and discharges the lien of the above described deed of trust as to the Portion of the Property released herein and does hereby quitclaim and convey said premises without warranty to the person or persons legally entitled thereto.

Executed by the trustee this 17th day of May, 1968.

Harold D. Edelen
Type or Print Name of Trustee
Harold D. Edelen
Signature of Trustee

State of _____ }
County of _____ } ss.

ACKNOWLEDGEMENT BY CORPORATION

Before me a Notary Public in and for said county and state personally appeared the following on the following date:

NAME	TITLE	ADDRESS (N.Y. and elsewhere if required)	DATE
------	-------	--	------

of _____ (each) known to me to hold the title stated above and to have executed the foregoing instrument, and being by me first duly sworn on oath did acknowledge, depose and say that the name and title stated above is correct, that the signing, sealing, and delivery of said instrument was done freely and voluntarily for the uses and purposes mentioned therein as the free act and deed of said Company, that the seal affixed thereto is the common and corporate seal of said Company and that all the foregoing was done by authority of the governing Board of said Company. Witness my hand and official seal on the date last above written as a Notary Public in said county and state.

Type or Print Name of Notary

Signature of Notary

Commission Expires

State of California }
County of San Francisco } ss.

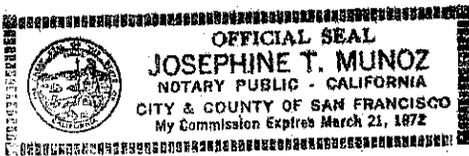
ACKNOWLEDGEMENT BY INDIVIDUAL

Before me a Notary Public in and for said county and state personally appeared the following on the following date:

NAME	ADDRESS (N.Y. and elsewhere if required)	DATE
Harold D. Edelen		May 17, 1968

(each) known to me to have executed the foregoing instrument and did acknowledge that said instrument was executed freely and voluntarily for the uses and purposes mentioned therein. Witness my hand and official seal on the date last above written as a Notary Public in said county and state.

Josephine T. Munoz
Type or Print Name of Notary
Josephine T. Munoz
Signature of Notary
March 22, 1972
Commission Expires



2403-03-0877



TO 1012-1 F C
California Land Title Association
Standard Coverage Policy Form
Copyright 1963

FOUNDED IN 1893

POLICY OF TITLE INSURANCE

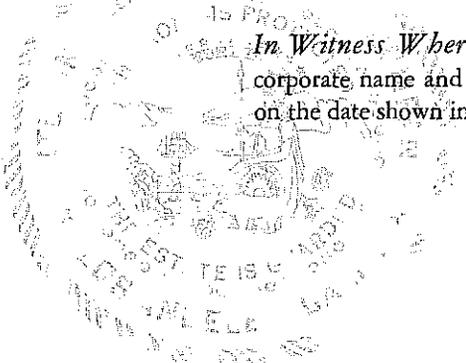
ISSUED BY

Title Insurance and Trust Company

Title Insurance and Trust Company, a California corporation, herein called the Company, for a valuable consideration paid for this policy, the number, the effective date, and amount of which are shown in Schedule A, hereby insures the parties named as Insured in Schedule A, the heirs, devisees, personal representatives of such Insured, or if a corporation, its successors by dissolution, merger or consolidation, against loss or damage not exceeding the amount stated in Schedule A, together with costs, attorneys' fees and expenses which the Company may become obligated to pay as provided in the Conditions and Stipulations hereof, which the Insured shall sustain by reason of:

1. Any defect in or lien or encumbrance on the title to the estate or interest covered hereby in the land described or referred to in Schedule C, existing at the date hereof, not shown or referred to in Schedule B or excluded from coverage in Schedule B or in the Conditions and Stipulations; or
2. Unmarketability of such title; or
3. Any defect in the execution of any mortgage shown in Schedule B securing an indebtedness, the owner of which is named as an Insured in Schedule A, but only insofar as such defect affects the lien or charge of said mortgage upon the estate or interest referred to in this policy; or
4. Priority over said mortgage, at the date hereof, of any lien or encumbrance not shown or referred to in Schedule B, or excluded from coverage in the Conditions and Stipulations, said mortgage being shown in Schedule B in the order of its priority;

all subject, however, to the provisions of Schedules A, B and C and to the Conditions and Stipulations hereto annexed.



In Witness Whereof, Title Insurance and Trust Company has caused its corporate name and seal to be hereunto affixed by its duly authorized officers on the date shown in Schedule A.

Title Insurance and Trust Company

by *Richard H. Wells, Jr.*
PRESIDENT

Attest *Richard W. Bowlett*
SECRETARY

RECORDING REQUESTED BY

2403-03-0877

RECORDED AT REQUEST OF
TITLE INSURANCE AND TRUST COMPANY

WHEN RECORDED MAIL TO

9792

MAY 27 1968

OFFICIAL RECORDS
SOLANO COUNTY, CALIF.
Raymond E. DeWitt
Recorder

RECORDED AND ENTERED

SPACE ABOVE THIS LINE FOR RECORDER'S USE

F. HILL, Asst. Compl.

MS 11-642 (6-67 Revised) - 2000

Date of Contract

4-22-68

PARTIAL RELEASE

Loan No. C-319627

WHEREAS, The Northwestern Mutual Life Insurance Company, 720 East Wisconsin Avenue, Milwaukee, Wisconsin, a Wisconsin corporation, hereinafter called "Northwestern", is the owner of a certain Note (which term shall be construed to include a bond or other instrument evidencing debt) secured by a lien against certain Property described in a Lien Instrument identified as follows:

LIEN INSTRUMENT TITLE	DATED	FACE AMOUNT SECURED
Deed of Trust	May 12, 1966	\$6,500,000.00
Supplemental Deed of Trust (Benicia Industries, Inc.)	May 15, 1967	

COUNTY AND STATE WHERE RECORDED	DATE	BOOK OR REEL	PAGE OR IMAGE	DOC. NO.
Solano County, California	May 20, 1966	1399	628	14398
Solano County, California	June 8, 1967	1456	439	9413

AND WHEREAS, Northwestern has been asked to release the Portion hereinafter described from the operation of the Lien Instrument;

NOW, THEREFORE, in consideration of one dollar to it in hand paid, the receipt of which is acknowledged, Northwestern releases from the lien of said Lien Instrument the following Portion only of said Property: in the County of Solano, State of California:

Beginning at a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=150,630.22 and E=1,960,650.01) from which the 2 inch iron pipe in concrete (Marked LS 2742 and the California Coordinate System, Zone II coordinates of which are N=150,274.66 and E=1,960,652.18) marking the northeasterly terminus of a course in the boundary line of the 330.966 acre parcel of land described and designated Parcel One in the deed from Surplus Property Authority of the City of Benicia and Benicia Industries, Inc., to Humble Oil and Refining Company dated October 7, 1966 and recorded in the office of the County Recorder of said County of Solano in Book 1422 of Official Records at page 233, which course, according to the description contained in said deed dated October 7, 1966, has bearing of North 65° 58' 09" East and a length of 292.98 feet, bears south 0° 20' 53" east 355.57 feet distant and running thence north 25° 33' 45" west 378.85 feet to a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=150,971.98 and E=1,960,486.54); thence north 11° 18' 57" west 80.35 feet to a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=151,050.77 and E=1,960,470.78); thence north 64° 37' 57" east 215.18 feet to a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=151,142.95 and E=1,960,665.20); thence north 72° 48' 27" east 124.39 feet to a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=151,179.72 and E=1,960,784.03); thence north 78° 20' 27" east 115.33 feet to a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=151,203.02 and E=1,960,896.99); thence south 25° 34' 18" east 410.07 feet to a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=150,833.12 and E=1,961,073.99); thence south 64° 25' 30" west 470.03 feet, more or less, to the point of beginning; containing 4.796 acres more or less. The bearings used in the above description are based on the California Coordinate System, Zone II. To obtain geodetic bearings at the point of beginning of the description of said 4.796 acre parcel of land adjust all bearing 0° 05' 10" to the left. The distances used in the above description are ground distances.

(If Portion released is described in a recorded instrument of transfer, list recording data:)

COUNTY AND STATE WHERE RECORDED	DATE	BOOK OR REEL	PAGE OR IMAGE	DOC. NO.
---------------------------------	------	--------------	---------------	----------

Northwestern retains its lien upon the remainder of said Property to secure the principal sum and interest unpaid, according to the terms and conditions of said Lien Instrument and Note. Nothing herein contained shall affect the priority of the Lien Instrument over other liens, charges, incumbrances or conveyances nor shall it release or change the liability of any party who may now or hereafter be liable, primarily or secondarily, under or on account of the Note, the right of recourse against each such party being expressly reserved.

Executed this 15th day of May, 1968.

SEAL

In presence of:

Marion Schaefer
 Joanne Ewald

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY
720 E. Wisconsin Avenue, Milwaukee, Wisconsin 53202

By W. B. Mayberry, Ass't. Manager Commercial Mortgages
 Attest: C. A. Westring, Ass't. Secretary

This instrument was prepared by

SEAL

(Complete only in Wisconsin and elsewhere if required)

BOOK 1510 PAGE 31

SCHEDULE A

Amount \$ 99,840.00

Effective 3:42 p.m.
Date May 24, 1968

Premium \$ 560.00

Policy No. 81078

I N S U R E D

PACIFIC GAS AND ELECTRIC COMPANY

1. Title to the estate or interest covered by this policy at the date hereof is vested in:

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

2. The estate or interest in the land described or referred to in Schedule C covered by this policy is a fee. as to Parcel No. One, and Parcel Nos. Two, Three, Four and Five are an easement.

SCHEDULE B

This policy does not insure against loss or damage by reason of the following:

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.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are 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. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.

SCHEDULE B — (Continued)

PART II

1. 1968-69 County and City Taxes, including possible Personal Property Taxes, a lien not yet payable.
2. Right of way for pole lines and appurtenances granted in the deed from D. Pomatta to Sunat Telephone and Telegraph Company, dated January 17, 1907, recorded February 23, 1907 in Book 147 of Deeds, at Page 429. (The specific location of said right of way is not disclosed of record.)
3. Easement for right of way for water pipe lines and appurtenances, granted in the deed from The Secretary of War to California Pacific Utilities Company, dated December 10, 1945, recorded May 25, 1946 in Book 347 of Official Records, Page 173, Instrument No. 7485.
4. X the The right to overflow and flood with water a portion of the herein described land, as excepted and reserved in the Final Judgement as to Tract 4 has on June 29, 1950 in the District Court of the United States in and for the Northern District of California, Northern Division, in the matter entitled: United States of America, plaintiff, vs. Certain Areas of land situate in the County of Solano, State of California, et al, defendants, Case No. 4918, a certified copy of which Final Judgement was recorded August 1, 1950 in Book 540, of Official Records, Page 481, Instrument No. 9821.
5. Rights of way for the operation, maintenance, removal and relocation of such electrical and gas lines now existing and comprising the gas and electrical distribution system within the Benicia Arsenal, as granted in the Deed from the Surplus Property Authority of the City of Benicia and Benicia Industries, Inc., to Pacific Gas and Electric Company, dated April 28, 1966, recorded May 3, 1966 in Book 1396 of Official Records, page 491, Instrument No. 12353.
6. Provisions, restrictions and reservations as contained in the Deeds from SURPLUS PROPERTY AUTHORITY OF THE CITY OF BENICIA, a public corporation, and BENICIA INDUSTRIES, INC., a corporation, to PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, dated April 22, 1968 and recorded May 24, 1968 as Recorder's Instrument Nos. 9787, 9788, 9789, and 9790.

SCHEDULE C

The land referred to in this policy is described as follows:

All that real property in the County of Solano, State of California, described as follows:

PARCEL ONE:

Beginning at a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=150,630.22 and E=1,960,650.01) from which the 2 inch iron pipe in concrete (marked LS 2742 and the California Coordinate System, Zone II coordinates of which are N=150,274.66 and E=1,960,652.18) marking the northeasterly terminus of a course in the boundary line of the 330.966 acre parcel of land described and designated PARCEL ONE in the deed from Surplus Property Authority of the City of Benicia and Benicia Industries, Inc., to Humble Oil & Refining Company dated October 7, 1966 and recorded in the Office of the County Recorder of said County of Solano in Book 1422 of Official Records at page 233, which course, according to the description contained in said deed dated October 7, 1966, has a bearing of North 65° 58' 09" East and a length of 292.98 feet, bears South 0° 20' 53" East 355.57 feet distant and running thence North 25° 33' 45" West 378.85 feet to a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=150,971.98 and E=1,960,486.54); thence North 11° 18' 57" West 80.35 feet to a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=151,050.77 and E=1,960,470.78); thence North 64° 37' 57" East 215.18 feet to a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=151,142.95 and E=1,960,665.20); thence North 72° 48' 27" East 124.39 feet to a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=151,179.72 and E=1,960,784.03); thence North 78° 20' 27" East 115.33 feet to a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=151,203.02 and E=1,960,896.99); thence South 25° 34' 18" East 410.07 feet to a Pacific Gas and Electric Company bronze monument (the California Coordinate System, Zone II coordinates of which are N=150,833.12 and E=1,961,073.99); thence South 64° 25' 30" West 470.03 feet, more or less, to the point of beginning.

The bearings used in the above description are based on the California Coordinate System, Zone II. To obtain geodetic bearings at the point of beginning of the description of said 4.796 acre parcel of land adjust all bearings 0° 05' 10" to the left. The distances used in the above description are ground distances.

**PG&E Gas and Electric
Advice Submittal List
General Order 96-B, Section IV**

AT&T
Albion Power Company

Alta Power Group, LLC
Anderson & Poole

Atlas ReFuel
BART

Barkovich & Yap, Inc.
Braun Blasing Smith Wynne, P.C.
California Cotton Ginners & Growers Assn
California Energy Commission

California Hub for Energy Efficiency
Financing

California Alternative Energy and
Advanced Transportation Financing
Authority
California Public Utilities Commission
Calpine

Cameron-Daniel, P.C.
Casner, Steve
Center for Biological Diversity

Chevron Pipeline and Power
City of Palo Alto

City of San Jose
Clean Power Research
Coast Economic Consulting
Commercial Energy
Crossborder Energy
Crown Road Energy, LLC
Davis Wright Tremaine LLP
Day Carter Murphy

Dept of General Services
Don Pickett & Associates, Inc.
Douglass & Liddell

East Bay Community Energy Ellison
Schneider & Harris LLP
Engineers and Scientists of California

GenOn Energy, Inc.
Goodin, MacBride, Squeri, Schlotz &
Ritchie
Green Power Institute
Hanna & Morton
ICF
International Power Technology

Intertie

Intestate Gas Services, Inc.
Kelly Group
Ken Bohn Consulting
Keyes & Fox LLP
Leviton Manufacturing Co., Inc.

Los Angeles County Integrated
Waste Management Task Force
MRW & Associates
Manatt Phelps Phillips
Marin Energy Authority
McClintock IP
McKenzie & Associates

Modesto Irrigation District
NLine Energy, Inc.
NRG Solar

OnGrid Solar
Pacific Gas and Electric Company
Peninsula Clean Energy

Pioneer Community Energy

Public Advocates Office

Redwood Coast Energy Authority
Regulatory & Cogeneration Service, Inc.

Resource Innovations

SCD Energy Solutions
San Diego Gas & Electric Company

SPURR

San Francisco Water Power and Sewer
Sempra Utilities

Sierra Telephone Company, Inc.
Southern California Edison Company
Southern California Gas Company
Spark Energy
Sun Light & Power
Sunshine Design
Stoel Rives LLP

Tecogen, Inc.
TerraVerde Renewable Partners
Tiger Natural Gas, Inc.

TransCanada
Utility Cost Management
Utility Power Solutions
Water and Energy Consulting Wellhead
Electric Company
Western Manufactured Housing
Communities Association (WMA)
Yep Energy