PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298



June 15, 2012

Advice Letter 4049-E

Brian K. Cherry Vice President, Regulation and Rates Pacific Gas and Electric Company 77 Beale Street, Mail Code B10C P.O. Box 770000 San Francisco, CA 94177

Subject: Bair Island Bike Trail – Request for Approval Under Section 851

Dear Mr. Cherry:

Advice Letter 4049-E is effective June 15, 2012.

Sincerely,

Edward F. Randolph, Director

Edward Rambofate

Energy Division



Brian K. Cherry
Vice President
Regulation and Rates

Mailing Address
Mail Code B10C
Pacific Gas and Electric Company
P.O. Box 770000
San Francisco, CA 94177

Fax: 415.973.6520

May 24, 2012

Advice 4049-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Bair Island Bike Trail– Request for Approval Under Section 851

<u>Purpose</u>

Pacific Gas and Electric Company ("PG&E") respectfully requests an order from the California Public Utilities Commission ("CPUC") authorizing PG&E under Public Utilities Code § 851 ("Section 851") to grant the city of Redwood City ("the City") a non-exclusive easement to construct and maintain for public use a bike and pedestrian trail on PG&E property which contains transmission towers and an existing partially improved trail for tower maintenance.

Background

PG&E requests Commission approval under Public Utilities Code § 851 to enter into a non-exclusive Easement Agreement ("Agreement") with the City to construct and maintain for public use, a bike and pedestrian trail ("Trail") within the city of Redwood City in San Mateo County. The parcel desired for use is located between the Whipple/US 101 overpass and Bair Island Road, in Redwood City, California. The property contains a 0.5 mile long trail, 0.4 miles of which is an unimproved dirt trail. The City proposes to improve the remaining 0.4 miles of the trail upon CPUC approval of the proposed transaction.

The City's plans to install, construct and maintain the proposed trail are fully funded by the City and a federal grant from the Congestion Mitigation and Air Quality Improvement Program. The proposed trail is part of a larger Bair Island Bike Trail Improvement project in which construction is planned to take place between spring and fall 2012, thus expedited CPUC approval is requested to adhere to the project schedule.

In accordance with Resolution ALJ-244, Appendix A, Section IV, PG&E provides the following information related to the proposed transaction:

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

Pacific Gas and Electric Company

Ann H. Kim

Law Department

P.O. Box 7442

San Francisco, CA 94120 Telephone: (415) 973-7467 Facsimile: (415) 973-5520 Email: AHK4@pge.com The City of Redwood City

Bill Ekern

Community Development

Department

1017 Middlefield Road Redwood City, CA 94063 Telephone: (650) 780-7380

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

PG&E owns certain real property within the city of Redwood City, County of San Mateo, State of California, Property (Assessor's Parcel Number (APN) 052-520-999), more particularly described in the Easement Agreement (Attachment 1-Exhibit A and Exhibit B), PG&E's property being a portion of the Parcel 1 of land conveyed by the Hearst Estate Inc., a California corporation, to PG&E dated February 4, 1930, and recorded in Vol. 459 of Official Records at p. 269, San Mateo County Records. The property is approximately 0.5 miles long and contains PG&E transmission towers and a maintenance trail, 0.4 miles of which is an unimproved dirt trail. About 10 years ago, a developer improved 0.1 mile of the trail to include a decomposed granite path which meets Bair Island Road on the eastern end of the parcel.

(3) Intended Use of the Property:

The City intends to improve the remaining 0.4 miles of the trail by placing an 8 foot wide asphalt concrete trail, designated as a class 1 bike and pedestrian trail, upon completion. The trail will be constructed with asphalt concrete over at least 8 inches of aggregate base. A collapsible bollard with high visible tape will be placed on both ends of the trail to prevent unauthorized vehicular access. Additionally, the City intends to construct an 80 foot long Americans with Disabilities Act ("ADA") compliant ramp, because the existing ramp is not ADA complaint. Near the western end of the PG&E parcel, the City intends to create "a lookout area" with benches to provide improved visibility of a nearby slough and wildlife. No landscaping is proposed.

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

PG&E will receive a one-time fee of One Thousand Dollars (\$1,000) for granting this easement to the City.

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

As consideration for granting the easements described in the Agreement, the City will pay PG&E a one-time fee. This compensation will be credited to Other Operating Revenue and used to reduce transmission revenue requirements in future transmission order cases, consistent with conventional cost-of-service ratemaking.

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

No PG&E property is being sold or disposed of because of this transaction. Therefore, no change in PG&E's rate base will result from approval of this Section 851 request. Entering into this easement agreement will neither interfere with the operations of PG&E's transmission towers on the parcel containing the proposed easement area, nor affect PG&E's ability to provide reliable service to its customers and the public at large.

(7) 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.

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

Not Applicable.

(9) For Fair Market Rental Value of the Easement or Right-of-Way and a Detailed Description of How the Fair Market Rental Value Was Determined:

The fair market value for the proposed easement was determined by an appraisal, details of which are provided in Attachment 3.

(10) 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 Transaction¹:

Not Applicable.

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During adoption of the Advice Letter pilot program in ALJ-186 (later followed by ALJ-202 and ALJ-244), this category of information was included to enable the CPUC to ensure that utilities were not seeking to circumvent the \$5 million Advice Letter threshold by dividing what is a single asset with a value of more than \$5 million into component parts each valued at less than \$5 million, which is clearly not the case here. (See CPUC Resolution ALJ-186, issued August 25, 2005, mimeo, p.5.)

(11) Sufficient Information and Documentation (Including Environmental Review Information) to Indicate that All Criteria Set Forth in Section II of Resolution ALJ-244 Are Satisfied:

PG&E has provided information in this Advice Letter to satisfy the eligibility criteria under Resolution ALJ-244 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 pubic 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.

(12) 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 filing.

(13) Environmental Information

Pursuant to ALJ-244, the Advice Letter program applies to proposed transactions that: (a) will not require environmental review by the CPUC as a lead agency or responsible agency under CEQA either because a statutory or categorical exemption applies, or (b) because the transaction is not a project under CEQA.

a. <u>Exemption</u>

- i. Has the proposed transaction been found exempt from CEQA by a government agency?
 - 1. If yes, please attach notice of exemption. Please provide name of agency, date of Notice of Exemption, and State Clearinghouse number.

Agency: The City of Redwood City

Date of Notice of Exemption: October 11, 2012

State Clearinghouse Number: N/A; Notice of Exemption was filed with the County Clerk Recorder of San Mateo County

As the Lead Agency, the City conducted CEQA environmental review and determined that the proposed construction of a bike/pedestrian trail project is categorically exempt from CEQA

pursuant to California Public Resource Code Section 14 CCR 15301(c) "Existing Facilities". A copy of the Notice of Exemption is attached hereto as Attachment 2.

2. If no, does the applicant contend that the project is exempt from CEQA? If yes, please identity the specific CEQA exemption or exemptions that apply to the transaction, citing to the applicable State CEQA Guideline(s) and/or Statute(s).

Not Applicable

b. Not a "Project" Under CEQA

i. If the transaction is not a "project" under CEQA, please explain why.

Not Applicable

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail by facsimile or electronically, any of which must be received no later than **June 13, 2012**, which is 20 days after the date of this filing. Protests should be mailed to:

CPUC Energy Division Attention: Tariff Unit, 4th Floor 505 Van Ness Avenue San Francisco, CA 94102

Facsimile: (415) 703-2200

E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

Pacific Gas and Electric Company Attention: Brian K. Cherry Vice President, Regulation and Rates 77 Beale Street, Mail Code B10C P.O. Box 770000 San Francisco, CA 94177

Facsimile: (415) 973-6520

E-mail: PGETariffs@pge.com

Effective Date

Pursuant to the review process outlined in Resolution ALJ-244, PG&E requests that this advice filing become effective as soon as possible. Pursuant to provision VII.A.5 of the Section 851 Pilot Program Regulations (Resolution ALJ-244, Appendix A), PG&E submits this filing as a Tier 2 (meaning that it may be approved by the Executive Director or Energy Division Director) if unprotested, or as Tier 3 (if protested).

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and Appendix A. Address change requests and electronic approvals should be directed to e-mail PGETariffs@pge.com. Advice letter filings can also be accessed electronically at http://www.pge.com/tariffs.

Vice President - Regulation and Rates

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Attachments

Attachment 1 – Easement Agreement Attachment 2 – Notice of Exemption

Attachment 3 - Appraisal

******* SERVICE LIST Advice 4049-E ********** APPENDIX A

Karen Clopton Administrative Law Judge Division 505 Van Ness Avenue San Francisco, CA 94102 (415) 703-2008 kvc@cpuc.ca.gov

Myra J. Prestidge Administrative Law Judge Division 505 Van Ness Avenue San Francisco, CA 94102 (415) 703-2629 tom@cpuc.ca.gov

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

Edward Randolph Energy Division 505 Van Ness Avenue San Francisco, CA 94102 (415) 703-2083 efr@cpuc.ca.gov

Brewster Fong Division of Ratepayer Advocates 505 Van Ness Avenue San Francisco, CA 94102 (415) 703- 2187 bfs@cpuc.ca.gov

Andrew Barnsdale Energy Division 505 Van Ness Avenue San Francisco, CA 94102 (415) 703-3221 bca@cpuc.ca.gov ******* 3rd Party ********

Bill Ekern
The City of Redwood City
Community Development Department
1017 Middlefield Road
Redwood City, CA 94063
Telephone: (650) 780-7380

****** Agency *******

Mark Riemer San Mateo County Recorder's Office 555 County Center, 1st Floor Redwood City, CA 94063-1665 Telephone: (650) 363-4500 Facsimile: (650) 363-1903 Email:

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING 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:			Contact Person: Greg Backens		
			Phone #: 415-973-4390		
□ PLC	□ HEAT	□ WATER	E-mail: GAB4@pge.com		
					(Date Filed/ Received Stamp by CPUC)
FIC - Floor			1112		(Date Filed) Received Stainp by Ci oc)
PLC = Pipeli	C = Electric GAS = Gas C = Pipeline HEAT = Heat WATER = Water				
Advice Lette	r (AL) #: 4 0)49-E			Tier: 2 if unprotested; 3 if protested
Subject of A	L: Bair Is l	land Bike Trail–			al Under Section 851
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0 01					ne 🗆 Other
			ssion order, indica fy the prior AL: <u>No</u>		elevant Decision/Resolution #: Does AL replace a
Summarize	differences	between the AL	and the prior with	hdra	wn or rejected AL: <u>N/A</u>
Is AL reques	sting confid	lential treatment	? <u>No</u> .		
If so, what is	nformation	is the utility see	king confidential	trea	tment for: <u>N/A</u>
Confidential	informatio	on will be made a	vailable to those	who	have executed a nondisclosure agreement: N/A
Name(s) and the confider			person(s) who wi	ill pro	ovide the nondisclosure agreement and access to
Resolution I	Required? [□ Yes ☑ No (If th	ne advice letter is	not :	protested)
Requested effective date: ASAP upon Commission approval 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 proposed: <u>N/A</u>					
Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:					
CPUC, Energy Division Pacific Gas and Electric Company			c Gas and Electric Company		
Tariff Files, R	oom 4005				Brian K. Cherry, Vice President, Regulation and Rates ale Street, Mail Code B10C
505 Van Ness Ave., San Francisco, CA 94102			F S	P.O. E San F	sox 770000 rancisco, CA 94177 l: PGETariffs@pge.com

Advice 4049-E May 24, 2012

Attachment 1 Easement Agreement

LD				
Trai	il Easeme	ent to R	edwood	City

RECORDING REQUESTED BY, AND WHEN RECORDED RETURN TO:

CITY OF REDWOOD CITY 1017 Middlefield Road Redwood City, CA 94063 Attention: City Clerk

Location: City of Redwood City

Recording Fee \$0.00 (Government Code Section 27383)

Document Transfer Tax \$0.00 (Revenue and Taxation Code Section 11922)

Signature of declarant or agent determining tax

(A portion of APN 052-520-999)

EASEMENT AGREEMENT(Public Access Trail Easement to City of Redwood City)

This Easement Agreement ("Agreement") is made and entered into this <u>3.6</u> day of 20 (the "Effective Date") by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called "PG&E", and the CITY OF REDWOOD CITY, a Municipal Corporation of the State of California, hereinafter called "Grantee."

RECITALS

- A. PG&E owns certain real property within the County of San Mateo, State of California, more particularly described in **EXHIBIT "A"** and shown on **EXHIBIT "B"**, both of which are attached hereto and made a part hereof, being a portion of the Parcel 1 of land conveyed by Hearst Estate Inc., a California corporation to PG&E dated February 4, 1930 and recorded in Volume 459 of Official Records at page 269, San Mateo County Records.
- B. Grantee proposes to construct a trail for public use within said parcel of land described in EXHIBIT "A" and shown on EXHIBIT "B", and in connection therewith, Grantee has requested that PG&E grant an easement for the excavation, installation, construction, reconstruction, repair, maintenance and use of such trail.
- C. PG&E is willing to grant such easement on the terms and subject to the conditions set forth herein.

Now, therefore, in consideration of Grantee's agreement to pay the sum of One Thousand Dollars (\$1000), and for other good and valuable consideration, PG&E and Grantee agree as follows:

- 1. <u>Grant of Easement(s)</u>: PG&E hereby grants to Grantee, upon the terms and conditions set forth in this Agreement, the following easements:
- (a) Public Access Trail Easement. A non-exclusive easement for public access and to install, construct, reconstruct, resurface, repair, replace, and maintain a paved recreational trail for public use by pedestrians, bicycles and other non-motorized vehicles on the earth berm structure within the property described in said EXHIBIT "A" and shown on said EXHIBIT "B" (the "Easement Area").

2. <u>Limitations on Use</u>.

- (a) The Easement Area and any facilities permitted to be constructed thereon are to be used by Grantee only for those uses permitted in Section 1 above, and for no other purpose.
- (b) PG&E reserves the right to restrict access to the Easement Area or any portion or portions thereof in the event of fire, earthquake, storm, riot, civil disturbance, or other casualty or emergency, or in connection with PG&E's response thereto, or if emergency repairs or maintenance are required to PG&E facilities within or in the vicinity of the Easement Area, or otherwise when PG&E deems it advisable to do so, including in connection with events and emergencies occurring or affecting PG&E's business operations located elsewhere than in the immediate vicinity of the Easement Area.
- (c) Grantee shall have no obligation to improve or maintain the earth berm structure. In the event the condition of the earth berm structure presents a risk to public safety, PG&E may in its sole discretion close portions of the earth berm structure from public access (with the exception of access to Grantee's employees and its authorized contractors should the Grantee, in its sole an absolute discretion, choose to repair and maintain the earth berm structure, in accordance with the provisions set forth in Section 8 below). However, notwithstanding the foregoing, PG&E is under no duty or obligation to investigate or actively monitor the condition of the earth berm structure or to close portions of the earth berm structure.
- (d) Grantee shall not erect or construct any building or other structure other than the road improvements specifically authorized by this Agreement, nor shall Grantee drill or operate any well, within the easement area
- 3. Waiver and Release. Grantee acknowledges that the Easement Area is on an earthen berm structure. Grantee acknowledges that PG&E is granting this easement on an "AS IS, WITH ALL FAULTS" basis and that PG&E shall have no duty or obligation to maintain, repair or reconstruct the earth berm structure. Grantee acknowledges the earth berm structure is subject to erosion over time by the forces of wind and wave action, and may be subject to breaching or subsidence. Grantee further acknowledges that portions of the earth berm structure may subside or fail in different locations, and the breach may be dynamic, causing the breach to expand as a result of tidal water coming through the breached area. In the event of any such breach or

breaches of the earth berm structure, PG&E is under no duty or obligation to repair, reconstruct or restore the earth berm structure to its former condition. PG&E shall not be liable to Grantee for, and Grantee hereby waives and releases PG&E and its affiliates and officers from, any and all Claims (as defined below in Section 6 (a)), whether in contract, tort or on any other basis, for any loss of use of or damage to or destruction of the earth berm structure or Improvements (as defined below in Section 5) or other real property in or about the Easement Area, and for damage or other financial loss to Grantee, resulting from or attributable to an occurrence on the Easement Area, the condition of the Easement Area, or the use or occupancy of the Easement Area, including, without limitation, any breach of the earth berm structure, erosion, subsidence, earth movement, earthquake, flood or rise in sea level. The provisions of this Section shall survive the expiration or earlier termination of this Easement.

- 4. <u>Condition of Easement Area.</u> Grantee accepts the Easement Area in its existing physical condition, without warranty by PG&E or any duty or obligation on the part of PG&E to maintain the Easement Area or the earth berm structure within the Easement Area. **GRANTEE ACCEPTS ITS INTEREST IN THE PROPERTY IN AN "AS-IS WITH ALL FAULTS" BASIS WITH ANY AND ALL PATENT AND LATENT DEFECTS, IS NOT RELYING ON AND HEREBY WAIVES ANY WARRANTY OF MERCHANTABILITY, HABITATBILITY, FITNESS FOR A PARTICULAR PURPOSE AND ANY OTHER REPRESENTATION OR WARRANTIES, EXPRESS OR IMPLIED, OR ANY KIND WHATSOEVER FROM PG&E WITH RESPECT TO THE MATTERS CONCERNING THE EASEMENT AREA OR THE PROPERTY.** Grantee acknowledges that one or more of the following (collectively, "Potential Environmental Hazards") may be located in, on or underlying the Easement Area and/or the larger parcel of property containing the Easement Area:
- (a) electric fields, magnetic fields, electromagnetic fields, electromagnetic radiation, power frequency fields, and extremely low frequency fields, however designated, and whether emitted by electric transmission lines, other distribution equipment or otherwise ("EMFs");
- (b) Hazardous Substances (as hereinafter defined). For purposes hereof, the term "Hazardous Substances" means any hazardous or toxic material or waste which is or becomes regulated by Legal Requirements (as hereinafter defined) relating to the protection of human health or safety, or regulating or relating to industrial hygiene or environmental conditions, or the protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, including, but not limited to, laws, requirements and regulations pertaining to reporting, licensing, permitting, investigating and remediating emissions, discharges, releases or threatened releases of such substances into the air, surface water, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of such substances. Without limiting the generality of the foregoing, the term Hazardous Substances includes any material or substances:
- (1) now or hereafter defined as a "hazardous substance," "hazardous waste," "hazardous material," "extremely hazardous waste," "restricted hazardous waste" or "toxic substance" or words of similar import under any applicable local, state or federal law or under the regulations adopted or promulgated pursuant thereto, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §89601 et seq. ("CERCLA"); the Resource Conservation and Recovery Act of 1976, 42 U.S.C.

§§6901 <u>et seq.</u>; the Clean Air Act, 42 U.S.C. §§7401 <u>et seq.</u>; the Clean Water Act, 33 U.S.C. §§1251 <u>et seq.</u>; the Toxic Substance Control Act, 15 U.S.C. §§2601 <u>et seq.</u>; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §§136 <u>et seq.</u>; the Atomic Energy Act of 1954, 42 U.S.C. §§2014 <u>et seq.</u>; the Nuclear Waste Policy Act of 1982, 42 U.S.C. §§10101 <u>et seq.</u>; the California Hazardous Waste Control Law, Cal. Health and Safety Code §§25100 <u>et seq.</u>; the Porter-Cologne Water Quality Control Act, Cal. Water Code §§13000 <u>et seq.</u>; the Carpenter-Presley-Tanner Hazardous Substance Account Act (Health and Safety Code §§25300 <u>et seq.</u>); and the Medical Waste Management Act (Health and Safety Code §§25015 <u>et seq.</u>); or

- (2) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous, and is now or hereafter regulated as a Hazardous Substance by the United States, the State of California, any local governmental authority or any political subdivision thereof, or which cause, or are listed by the State of California as being known to the State of California to cause, cancer or reproductive toxicity; or
- (3) the presence of which on the Easement Area poses or threatens to pose a hazard to the health or safety of persons on or about the Easement Area or to the environment; or
- (4) which contains gasoline, diesel fuel or other petroleum hydrocarbons; or
- (5) which contains lead-based paint or other lead contamination, polychlorinated biphenyls ("PCBs") or asbestos or asbestos-containing materials or urea formaldehyde foam insulation; or
 - (6) which contains radon gas;
- (c) fuel or chemical storage tanks, energized electrical conductors or equipment, or natural gas transmission or distribution pipelines; and
 - (d) other potentially hazardous substances, materials, products or conditions.

Grantee shall be solely responsible for the health and safety of, and shall take all necessary precautions to protect, its employees, contractors, consultants, agents and invitees, including, without limitation, the general public ("Grantee's Representatives") from risks of harm from Potential Environmental Hazards. Grantee acknowledges that it has previously evaluated the condition of the Easement Area and all matters affecting the suitability of the Easement Area for the uses permitted by this Agreement, including, but not limited to, the Potential Environmental Hazards listed herein.

- 5. Grantee's Covenants. Grantee hereby covenants and agrees:
- (a) <u>Construction of Improvements</u>. Grantee agrees to construct and install, at no cost to PG&E, such facilities and improvements ("**Improvements**") as may be necessary and appropriate for Grantee's permitted use, as specified in Section 1. All such construction shall be performed in accordance with the detailed plans and specifications for the Improvements prepared by Verde Design, dated March 2, 2012 ("**Plans**") previously submitted to PG&E by Grantee and

approved concurrently herewith by PG&E, incorporated herein by reference, and shall comply with all Legal Requirements, as defined below in Section 5(b). Any material modification of the approved Plans shall be subject to PG&E approval, which approval shall not be unreasonably withheld, delayed or conditioned. Before commencing construction of any Improvements, Grantee shall obtain all permits, authorizations or other approvals, at Grantee's sole cost and expense as may be necessary for such construction. Without limiting the generality of the foregoing, Grantee shall be responsible for complying with any and all applicable requirements of the National Environmental Policy Act ("NEPA") and the California Environmental Quality Act ("CEQA") and satisfying, at Grantee's sole expense, any and all mitigation measures under CEQA that may apply to Grantee's proposed occupancy and use of the Easement Area, and to the construction, maintenance and use of Grantee's proposed Improvements and facilities. Grantee shall promptly notify PG&E of any and all proposed mitigation measures that may affect PG&E or the Easement Area. If PG&E determines in good faith that any such mitigation measures may adversely affect PG&E or the Easement Area, or impose limitations on PG&E's ability to use the Easement Area as specified in Section 9, then PG&E shall have the right, without liability to Grantee, to give notice of termination of this Agreement to Grantee, whereupon this Agreement and the rights granted to Grantee shall terminate and revest in PG&E, unless within thirty (30) days following delivery of such notice, Grantee gives notice to PG&E by which Grantee agrees to modify its proposed Project (as that term is defined under CEQA) so as to eliminate the necessity for such mitigation measures. In the event of such termination, PG&E and Grantee shall each be released from all obligations under this Agreement, except those which expressly survive termination. Grantee acknowledges and agrees that PG&E's review of Grantee's Plans is solely for the purpose of protecting PG&E's interests, and shall not be deemed to create any liability of any kind on the part of PG&E, or to constitute a representation on the part of PG&E or any person consulted by PG&E in connection with such review that the Plans or the Improvements contemplated by such Plans are adequate or appropriate for any purpose, or comply with applicable Legal Requirements. Grantee shall not commence construction or installation of any Improvements without the prior written consent of PG&E, which consent shall not be unreasonably withheld, conditioned or delayed, and the prior consent, to the extent required by applicable law or regulation, of the California Public Utilities Commission (hereinafter, "CPUC");

Compliance with Laws. Grantee shall, at its sole cost and expense, (b) promptly comply with (a) 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, those relating to the generation, use, storage, handling, treatment, transportation or disposal of Hazardous Substances, as defined herein, or to health, safety, noise, environmental protection, air quality or water quality; (b) the conditions of any permit, occupancy certificate, license or other approval issued by public officers relating to Grantee's use or occupancy of the Easement Area; and (c) with any liens, encumbrances, easements, covenants, conditions, restrictions and servitudes (if any) of record, or of which Grantee has notice, which may be applicable to the Easement Area (collectively, "Legal Requirements"), regardless of when they become effective, insofar as they relate to the use or occupancy of the Easement Area by Grantee. Grantee shall furnish satisfactory evidence of such compliance upon request by PG&E. judgment of any court of competent jurisdiction, or the admission of Grantee in any action or proceeding against Grantee, whether or not PG&E is a party in such action or proceeding, that Grantee has violated any Legal Requirement relating to the use or occupancy of the Easement Area, shall be conclusive of that fact as between PG&E and Grantee;

- (c) <u>Notice of Enforcement Proceedings</u>. Grantee agrees to notify PG&E in writing within seven (7) business days of any investigation, order or enforcement proceeding which in any way relates to the Easement Area, or to any contamination or suspected contamination on, within or underlying the Easement Area. Such notice shall include a complete copy of any order, complaint, agreement, or other document which may have been issued, executed or proposed, whether draft or final;
- Non-Interference. Grantee agrees not to interfere in any way or permit any interference with the use of the Easement Area by PG&E and other entitled persons. Interference shall include, but not be limited to, any activity by Grantee that places any of PG&E's gas or electric facilities in violation of any of the provisions of General Order Nos. 95 (Overhead Electric), 112E (Gas), and 128 (Underground Electric) of the CPUC or to any other Legal Requirements under which the operations of utility facilities are controlled or regulated. Grantee shall not erect, handle, or operate any tools, machinery, apparatus, equipment, or materials closer to any of PG&E'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. Grantee shall not drill, bore, or excavate within thirty (30) feet of any of PG&E's underground facilities, including, but not limited to, gas pipelines, valves, regulators, electric conduits, tower footings or foundations. provide notice to Underground Service Alert at 1-800-227-2600 at least two (2) business days prior to commencing any drilling, boring or excavating permitted hereunder to assist Grantee with locating any and all underground facilities, including, but not limited to, gas pipelines, valves, regulators or electric conduits;
 - Avoiding Dangerous Activities. Grantee agrees to conduct its activities and operations within and on the Easement Area in such a manner so as not to endanger the Easement Area or larger parcel of property containing the Easement Area, PG&E's utility facilities, the environment and human health and safety. Grantee shall not cause or permit any Hazardous Substances, as defined herein, to be brought upon, produced, stored, used, discharged or disposed of on, or in the vicinity of the Easement Area, except in compliance with all applicable Legal Requirements. Grantee shall be responsible for the cost of remediating any discharge or release of Hazardous Substances resulting from or arising in connection with Grantee's use of the Easement Area, and shall immediately notify PG&E and the appropriate regulatory authorities where required by law, of any such release. If PG&E determines that Grantee's activities in any way endanger the Easement Area or the larger parcel of property containing the Easement Area, PG&E's utility facilities, the environment, or human health and safety, PG&E may, in PG&E's sole and absolute discretion, require that Grantee halt such activities until appropriate protective measures are taken to PG&E's satisfaction. Grantee shall hold PG&E harmless from any claims resulting from any delay under this paragraph. PG&E's right to halt activities under this paragraph shall not in any way affect or alter Grantee's insurance or indemnity obligations under this Agreement, nor shall it relieve Grantee from any of its obligations hereunder that pertain to health, safety, or the protection of the environment;
 - (f) <u>Maintenance</u>. Grantee agrees to maintain its facilities and Improvements in good condition and repair, and be responsible for the security of, the facilities installed hereunder;

- (g) <u>Repairing Damage</u>. Grantee agrees to repair any damage it may cause to PG&E's facilities and improvements in or around said Easement Area;
- (h) <u>Coordination</u>. Grantee agrees to coordinate all activities regarding the easements granted herein to reasonably minimize any interference and inconvenience with the use by PG&E of the Easement Area and PG&E's adjoining lands, and;
- (i) <u>PG&E Right to Cure</u>. Grantee agrees that if Grantee fails to perform any act or other obligation on its part to be performed hereunder, and such failure is not remedied within forty-five (45) days following notice from PG&E (or in the case of an emergency, following such notice, if any, as may be reasonably practicable under the existing circumstances), PG&E may (but without obligation to do so, and without waiving or releasing Grantee from any of its obligations) perform any such act or satisfy such obligation, or otherwise remedy such emergency or such failure on the part of Grantee. All costs incurred by PG&E in responding to or remedying such failure by Grantee shall be payable by Grantee to PG&E on demand.

6. Indemnification; Release.

Grantee shall, to the maximum extent permitted by law, indemnify, protect, (a) defend and hold harmless PG&E, its parent corporation, subsidiaries and affiliates, and their respective officers, managers, directors, representatives, agents, employees, transferees, successors and assigns (each, an "Indemnitee" and collectively, "Indemnitees") from and against all claims, losses (including, but not limited to, diminution in value), actions, demands, damages, costs, expenses (including, but not limited to, experts fees and reasonable attorneys' fees and costs) and liabilities of whatever kind or nature (collectively, "Claims"), which arise from or are in any way connected with the occupancy or use of the Easement Area by Grantee or Grantee's Representatives, or the exercise by Grantee of its rights hereunder, or the performance of, or failure to perform. Grantee's duties under this Agreement, including, but not limited to, Claims arising out of: (1) injury to or death of persons, including but not limited to employees of PG&E or Grantee (and including, but not limited to, injury due to exposure to EMFs and other Potential Environmental Hazards in, on or about the Easement Area or the larger parcel of property containing the Easement Area); (2) injury to property or other interest of PG&E, Grantee or any third party; (3) violation of any applicable federal, state, or local laws, statutes, regulations, or ordinances, including all Legal Requirements relating to human health or the environment, and including any liability which may be imposed by law or regulation without regard to fault; excepting only with respect to any Indemnitee, to the extent of any Claim arising from the sole negligence or willful misconduct of such Indemnitee. Without limiting the generality of the foregoing. Grantee shall, to the maximum extent permitted by law, indemnify, protect, defend and hold Indemnitees harmless from and against Claims arising out of or in connection with any work of improvement constructed or installed at or on, labor performed on, or materials delivered to, or incorporated in any improvements constructed on, the Easement Area by, or at the request or for the benefit of, Grantee. In the event any action or proceeding is brought against any Indemnitee for any Claim against which Grantee is obligated to indemnify or provide a defense hereunder, Grantee upon written notice from PG&E shall defend such action or proceeding at Grantee's sole expense by counsel approved by PG&E, which approval shall not be unreasonably withheld, conditioned or delayed.

- (b) Grantee acknowledges that all Claims arising out of or in any way connected with releases or discharges of any Hazardous Substance, or the exacerbation of a Potential Environmental Hazard, occurring as a result of or in connection with Grantee's use or occupancy of the Easement Area, or any of the activities of Grantee and Grantee's Representatives, and all costs, expenses and liabilities for environmental investigations, monitoring, containment, abatement, removal, repair, cleanup, restoration, remediation and other response costs, including reasonable attorneys' fees and disbursements and any fines and penalties imposed for the violation of Legal Requirements relating to the environment or human health, are expressly within the scope of the indemnity set forth above.
- (c) Grantee's use of the Easement Area shall be at its sole risk and expense. Grantee accepts all risk relating to its occupancy and use of the Easement Area. PG&E shall not be liable to Grantee for, and Grantee hereby waives and releases PG&E and the other Indemnitees from, 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 Easement Area, the condition of Easement Area, or the use or occupancy of the Easement Area.
- (d) Grantee shall, to the maximum extent permitted by law, indemnify, protect, defend and hold Indemnitees harmless against claims, losses, costs (including, but not limited to, attorneys' fees and costs), liabilities and damages resulting from the failure of Grantee, or any of its contractors or subcontractors, to comply with the insurance requirements set forth in **Exhibit C**, attached hereto and made a part hereof. If Grantee fails to so indemnify, protect, defend or hold harmless any Indemnitee, then at PG&E's option, this Agreement shall terminate, and the estate and interest herein granted to Grantee shall revert to and revest in PG&E, if such failure continues for thirty (30) days following the giving of written notice of termination to Grantee, unless within such time such failure is cured to the reasonable satisfaction of PG&E.
- (e) The provisions of this Section 6 shall survive the termination of this Agreement.
- 7. Additional Facilities. Grantee shall not install any additional facilities or improvements in, on, under or over the Easement Area without the prior written consent of PG&E, which consent may be granted or withheld in PG&E's sole and absolute discretion, and the prior consent, to the extent required by applicable law or regulation, of the CPUC. Grantee shall submit plans for installation of any proposed additional facilities or improvements within the Easement Area to PG&E for its written approval at the address specified in Section 13.
- 8. <u>Abandonment; Termination</u>. Grantee reserves the rights to abandon the Improvements and other facilities installed hereunder at its own discretion. In the event Grantee abandons such facilities installed hereunder, this Agreement shall terminate and all of the easements and other rights of Grantee hereunder shall revert to PG&E. The non-use of such facilities for a continuous period of two (2) years, unless such nonuse is due to factors outside Grantee's reasonable control, in which case such period is extended to four (4) years, shall be conclusive evidence of such abandonment. Upon any termination of this Agreement, Grantee shall remove, at no cost to PG&E, such of Grantee's facilities and equipment installed pursuant to this Agreement as PG&E may specify. Upon any termination of this Agreement, Grantee shall execute, acknowledge and deliver to PG&E a quitclaim deed or such other documents or

instruments, in a form reasonably acceptable to PG&E, as may be reasonably necessary to eliminate this Agreement as an encumbrance on the title to the Easement Area or any larger parcel of property containing the Easement Area.

- 9. <u>Reserved Rights.</u> PG&E reserves the right to use the Easement Area for any and all purposes which will not unreasonably interfere with Grantee's facilities. Without limiting the generality of the foregoing:
- (a) PG&E reserves the right to make use the Easement Area for such purposes as it may deem necessary or appropriate if, and whenever, in the interest of its service to its patrons or consumers or the public, it shall appear necessary or desirable to do so.
- (b) Grantee acknowledges that PG&E may have previously granted, and may in the future grant, certain rights in and across the Easement Area to others, and the use of the word "grant" in this Agreement shall not be construed as a warranty or covenant by PG&E that there are no such other rights.
- (c) Grantee shall not make use of the Easement Area in any way which will endanger human health or the environment, create a nuisance or otherwise be incompatible with the use of the Easement Area or the larger parcel of property containing the Easement Area, by PG&E or others entitled to use such property.
- (d) This grant is made subject to all applicable provisions of General Order No. 95 (Overhead Electric), General Order 112E (Gas) and General Order No. 128 (Underground Electric) of the CPUC, in like manner as though said provisions were set forth herein.
- 10. Governmental Approvals. This Agreement shall not become effective, notwithstanding that it may have been executed and delivered by the parties, and Grantee shall not commence construction or other activities hereunder, unless and until the CPUC approves this Agreement and the easements granted and other transactions contemplated hereby (including the adequacy of the compensation to be paid by Grantee), by an order which is final, unconditional and unappealable (including exhaustion of all administrative appeals or remedies before the CPUC). Grantee further acknowledges and agrees that PG&E makes no representation or warranty regarding the prospects for CPUC approval, and Grantee hereby waives all Claims against PG&E which may arise out of the need for such CPUC approval or the failure of the CPUC to grant such approval. This Agreement is made subject to all the provisions of such approval, as more particularly set forth in CPUC Decision D-____ (Application No. _____), in like manner as though said provisions were set forth in full herein.
- 11. <u>Compliance</u>: <u>Insurance</u>. PG&E shall have a right to access and inspect the Easement Area at any time to confirm Grantee's compliance with Legal Requirements and the provisions of this Agreement. Prior to the Effective Date of this Agreement, Grantee shall procure, and thereafter Grantee shall carry and maintain in effect at all times during the term of the Agreement, with respect to the Easement Area and the use, occupancy and activities of Grantee and Grantee's Representatives on or about the Easement Area, the insurance specified in **Exhibit C**, attached hereto and made a part hereof by this reference, provided that PG&E reserves the right to review and modify from time to time the coverages and limits of coverage required

hereunder, as well as the deductibles and/or self-insurance retentions in effect from time to time (but PG&E agrees that it will not increase required coverage limits more often than once in any five-year period). All insurance required under this Agreement shall be effected under valid, enforceable policies issued by insurers of recognized responsibility, as reasonably determined by PG&E, and shall be written on forms and with insurance carriers acceptable to PG&E. For so long as Grantee is an agency or instrumentality of the United States of America, the State of California or any political subdivision thereof, then Grantee may elect to self-insure for any or all of the required coverage. If Grantee is permitted to self-insure hereunder and elects to do so, Grantee shall be liable to PG&E for the full equivalent of insurance coverage which would have been available to PG&E if all required insurance policies had been obtained by Grantee from a third party insurer, in the form required by this Agreement, and shall pay on behalf of or indemnify PG&E for all amounts which would have been payable by the third party insurer. In addition, Grantee shall act with the same promptness and subject to the same standards of good faith as would apply to a third party insurance company. Grantee is also responsible for causing its agents, contractors and subcontractors to comply with the insurance requirements of this Agreement at all relevant times (provided, however, that Grantee, in the exercise of its reasonable judgment, may permit contractors and subcontractors to maintain coverages and limits lower than those required of Grantee, provided the coverages and limits required by Grantee are commercially reasonable in light of applicable circumstances). Any policy of liability insurance required to be maintained hereunder by Grantee may be maintained under a so-called "blanket policy" insuring other locations and/or other persons, so long as PG&E is specifically named as an additional insured under such policy and the coverages and amounts of insurance required to be provided hereunder are not thereby impaired or diminished. In addition, liability insurance coverages may be provided under single policies for the full limits, or by a combination of underlying policies with the balance provided by excess or umbrella liability insurance policies.

- 12. <u>Mechanics' Liens</u>. Grantee shall keep the larger parcel of property containing the Easement Area free and clear of all mechanics', material suppliers' or similar liens, or claims thereof, arising or alleged to arise in connection with any work performed, labor or materials supplied or delivered, or similar activities performed by Grantee or at its request or for its benefit. If any mechanics' liens are placed on the larger parcel of property containing the Easement Area in connection with the activities or facilities set forth in this Agreement, Grantee shall promptly cause such liens to be released and removed from title, either by payment or by recording a lien release bond in the manner specified in California Civil Code Section 3143 or any successor statute.
- 13. <u>Notice</u>. Any notices or communications hereunder shall be in writing and shall be personally delivered, or sent by first class mail, certified or registered, postage prepaid, or by national overnight courier, with charges prepaid for next business day delivery, addressed to the addressee party at the address or addresses listed below, or to such other address or addresses as such party may from time to time designate in writing. Notices shall be deemed received upon actual receipt or refusal of the notice by the party being sent the notice.

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

Manager, Land Management PG&E Land & Environmental 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: Director & Counsel, Contracts Section (Real Estate)
Telephone: (415) 973-4377
Facsimile: (415) 973-5520

If to PG&E by personal delivery or overnight courier:

Manager, Land Management PG&E Land & Environmental 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: Director & Counsel, Contracts Section (Real Estate)

Telephone: (415) 973-4377 Facsimile: (415) 973-5520

If to Grantee:

City of Redwood City
Community Development Department
Engineering & Transportation
P.O. Box 391
Redwood City, CA 94064
Telephone: 650-780-7380

With a copy to:

City Attorney City of Redwood City 1017 Middlefield Road Redwood City, CA 94063 Telephone: 650-780-7200

- 14. <u>Governing Law</u>. This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of the State of California.
- 15. <u>Entire Agreement</u>. This Agreement supersedes all previous oral and written agreements between and representations by or on behalf of the parties and constitutes the entire agreement of the parties with respect to the subject matter hereof. This Agreement may not be amended except by a written agreement executed by both parties.
- 16. <u>Binding Effect</u>. This Agreement and the covenants and agreements contained herein shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, successors and assigns (subject to the provisions of Section 17). No assignment or delegation by Grantee, whether by operation of law or otherwise, shall relieve Grantee of any of its duties, obligations or liabilities hereunder, in whole or in part. The covenants of PG&E hereunder shall run with the land.
- Assignment. Grantee shall not assign, convey, encumber (other than as may be specifically permitted by the terms of this Agreement), or otherwise transfer the easements and other rights herein conveyed, or any portion thereof or interest herein, without the prior written consent of PG&E. Such consent may be given or withheld by PG&E for any reason or for no reason, provided, however, that notwithstanding the foregoing, PG&E agrees that its consent will not be unreasonably withheld, delayed or conditioned in the case of a proposed transfer or dedication to a governmental agency. Grantee acknowledges and agrees that in any instance where PG&E is required not to unreasonably withhold its consent, it shall be reasonable for PG&E to withhold its consent if any regulatory agency having or asserting jurisdiction over PG&E or the Easement Area, or having or claiming a right to review and/or approve the proposed transfer, fails to grant approval thereof (or imposes conditions on such approval which are not acceptable to PG&E, in its reasonable discretion). Grantee further acknowledges and agrees that in any instance where PG&E is required not to unreasonably delay giving or withholding its consent, it shall be reasonable for PG&E to make application for approval to any regulatory agency having or asserting jurisdiction, and to defer the giving or withholding of consent, without liability hereunder for delay, during the pendency and for a reasonable time following the conclusion of any such regulatory proceedings.
- 18. Attorneys' Fees. Should either party bring an action against the other party, by reason of or alleging the failure of the other party with respect to any or all of its obligations hereunder, whether for declaratory or other relief, then the party which prevails in such action shall be entitled to its reasonable attorneys' fees (of both in-house and outside counsel) and expenses related to such action, in addition to all other recovery or relief. A party shall be deemed to have prevailed in any such action (without limiting the generality of the foregoing) if such action is

dismissed upon the payment by the other party of the sums allegedly due or the performance of obligations allegedly not complied with, or if such party obtains substantially the relief sought by it in the action, irrespective of whether such action is prosecuted to judgment. Attorneys' fees shall include, without limitation, fees incurred in discovery, contempt proceedings and bankruptcy litigation, and in any appellate proceeding. The non-prevailing party shall also pay the attorney's fees and costs incurred by the prevailing party in any post-judgment proceedings to collect and enforce the judgment. The covenant in the preceding sentence is separate and several and shall survive the merger of this provision into any judgment on this Agreement. For purposes hereof, the reasonable fees of PG&E's in-house attorneys who perform services in connection with any such action shall be 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 area of the law, in law firms in the City of San Francisco with approximately the same number of attorneys as are employed by PG&E's Law Department. For purposes hereof, the reasonable fees of Grantee's in-house attorneys who perform services in connection with any such action shall be 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 area of the law, in law firms in the San Francisco Bay Area.

- 19. <u>No Waiver</u>. No waiver with respect to any provision of this Agreement shall be effective unless in writing and signed by the party against whom it is asserted. No waiver of any provision of this Agreement by a party shall be construed as a waiver of any subsequent breach or failure of the same term or condition, or as a waiver of any other provision of this Agreement.
- 20. No Offsets. Grantee acknowledges that PG&E is executing this Agreement in its capacity as the PG&E of the larger parcel of property containing the Easement Area, 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 PG&E and Grantee under this Agreement. Further, Grantee covenants not to raise as a defense to its obligations under this Agreement, or assert as a counterclaim or cross-claim in any litigation or arbitration between PG&E and Grantee relating to this Agreement, any claim, loss, damage, cause of action, liability, cost or expense (including, but not limited to, attorneys' fees) arising from or in connection with Pacific Gas and Electric Company's provision of (or failure to provide) electricity and natural gas.
- 21. <u>No Third Party Beneficiary.</u> This Agreement is solely for the benefit of the parties hereto and their respective successors and permitted assigns, and, except as expressly provided herein, does not confer any rights to remedies on any other person or entity.
- 22. <u>Captions</u>. The captions in this Agreement are for reference only and shall in no way define or interpret any provision hereof.
- 23. <u>Time</u>. Except as otherwise expressly provided herein, the parties agree that as to any obligation or action to be performed hereunder, time is of the essence.
- 24. <u>Severability</u>. If any provision of this Agreement shall be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each provision of this

Agreement shall be valid and enforced to the full extent permitted by law, provided the material provisions of this Agreement can be determined and effectuated.

- 25. <u>Counterparts</u>. This Agreement may be executed in identical counterpart copies, each of which shall be an original, but all of which taken together shall constitute one and the same agreement.
- 26. Other Documents. Each party agrees to sign any additional documents or permit applications which may be reasonably required to effectuate the purpose of this Agreement. Provided, however, that PG&E will not be required to take any action or execute any document that would result in any cost, expense or liability to PG&E.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

PACIFIC GAS AND ELECTRIC COMPANY, a California corporation

CITY OF REDWOOD CITY, a charter city and municipal corporation of the State of California

By:

By:

Its: Manager, Land & Environmenta / Its:

City warrages

lvia Vonderlinden Æity

Exhibits A, B and C attached

State of California County of Sawla Gara)
On 4/25/2012, before me, NGUYEN CHAW, a Notary Public, Here insert name and title of the officer
personally appeared <u>Marvin Penner</u>
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(fes), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.
WITNESS my hand and official seal. NGUYEN DOAN CHAU COMMISSION # 1894147 O Notary Public - California SANTA CLARA COUNTY My Comm. Expires June 28, 2014
Names a (Seal)
Signature of Notary Public
CAPACITY CLAIMED BY SIGNER
[] Individual(s) signing for oneself/themselves
[] Corporate Officer(s) of the above named corporation(s)
[] Trustee(s) of the above named Trust(s)
[] Partner(s) of the above named Partnership(s)
[] Attorney(s)-in-Fact of the above named Principal(s)
[4] Other <u>PG&E</u> , <u>Manager</u> Land & Environment Management
Land & Environment Management

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California	
County of San Mates	
On <u>April 24, 2012</u> before me,	Kristen Mees Notary Public, Here Insert Name and Title of the Officer
personally appeared Robert Brey	Name(s) of Signer(s)
KRISTEN MEES Commission # 1823388 Notary Public - California San Mateo County My Comm. Expires Nov 18, 2012	who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal.
	Signature Moles Signature of Notary Public
	Signature of Notary Public
Though the information below is not required by law, it	may prove valuable to persons relying on the document attachment of this form to another document.
Description of Attached Document	
Title or Type of Document:	Agreement
1 ,	Number of Pages: 24 (Twenty For)
Signer(s) Other Than Named Above:	A Marvin Penne-
Capacity(ies) Claimed by Signer(s)	
Signer's Name: Robert Breyhan Bell Individual Corporate Officer — Title(s): Partner — Limited General Attorney in Fact Trustee Guardian or Conservator Other: Signer Is Representing:	☐ Individual ☐ Corporate Officer — Title(s): ☐ Partner ☐ Limited ☐ Corporal

The Area, Region or Location (operating area)
Land Service Office
Operating Department
USGS location (MERIDIAN and T, R, S, & QQ)
FERC License Number(s):
PG&E Drawing Number(s):
PLAT NO.
LD of any affected documents:
LD of any Cross-referenced documents:
TYPE OF INTEREST:
SBE Parcel Number:
(For Quitclaims, % being quitclaimed)
Order # or PM #:
JCN:
County:
Utility Notice Numbers:
851 Approval Application NoDecision
Prepared By:
Checked By:
Revision Number:

" EXHIBIT A " MIDDLE EASEMENT

02-07-2012

BAIR ISLAND BAY TRAIL

SITUATED IN THE CITY OF REDWOOD CITY, COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ALSO:

BEING A PORTION OF THE "LANDS OF PACIFIC GAS AND ELECTRICAL COMPANY" ALONG THE BAY TRAIL PROJECT SM-27, BETWEEN WHIPPLE AVENUE AND BAIR ISLAND ROAD.

THIS IS A 12 FOOT WIDE EASEMENT OVER A PORTION OF THE EXISTING BAY TRAIL BETWEEN WHIPPLE AVENUE AND BAIR ISLAND ROAD, THE CENTERLINE IS DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF PARCEL "A" OF THE CONDOMINNIUM PLAN AND SUBDIVISION KNOWN AS "CALIFORNIA MARINA", RECORDED IN VOL.128 PG.95, DATED AUGUST, 1998; THENCE NORTH 6°45'07" EAST, 6.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 84°15'37" WEST, 62.41 FEET; THENCE NORTH 87°16'01" WEST, 48.16 FEET; THENCE ALONG A CURVE TO THE LEFT WITH A RADIAL BEARING OF SOUTH 10°07'39" WEST, A RADIUS OF 827.33 FEET, A DELTA ANGLE OF 10°11'01", AND AN ARC LENGTH OF 147.50 FEET; THENCE

NORTH 89°30'52" WEST, 37.37 FEET; THENCE

NORTH 87°57'16" WEST,75,85 FEET: THENCE

NORTH 88°20'37" WEST, 106.00 FEET; THENCE

NORTH 87°53'06" WEST, 68.92 FEET; THENCE

SOUTH 89°15'27" WEST, 39.96 FEET; THENCE

NORTH 88°47'18" WEST, 235.20 FEET; THENCE

NORTH 89°09'50" WEST, 99.93 FEET; THENCE

NORTH 87°04'46" WEST, 50.00 FEET; THENCE

NORTH 87°49'01" WEST, 39.82 FEET; THENCE

SOUTH 89°52'40" WEST, 125.58 FEET; THENCE ALONG A CURVE TO THE LEFT WITH A RADIUS OF 191.23 FEET, A DELTA ANGLE OF 5°56'23", AND AN ARC LENGTH OF 19.82 FEET; THENCE ALONG A REVERSE CURVE TO THE RIGHT WITH A RADIUS OF 400.07 FEET, A DELTA ANGLE OF 14°00'24" AND AN ARC LENGTH OF 97.80 FEET; THENCE ALONG A REVERSE CURVE TO THE LEFT WITH A RADIUS OF 752.26 FEET, A DELTA ANGLE OF 6°45'19" AND AN ARC LENGTH OF 88.69 FEET; THENCE

" EXHIBIT A " MIDDLE EASEMENT

NORTH 88°57'31" WEST, 103.77 FEET; THENCE SOUTH 89°12'29" WEST, 55.75 FEET; THENCE NORTH 87°49'56" WEST, 36.72 FEET; THENCE

SOUTH 89°37'23" WEST, 144.26 FEET; THENCE ALONG A CURVE TO THE RIGHT WITH A RADIUS OF 225.00 FEET, A DELTA ANGLE OF 12°18'38" AND AN ARC LENGTH OF 48.34 FEET; THENCE

NORTH 78°03'58" WEST, 7.85 FEET TO POINT "A"; THENCE

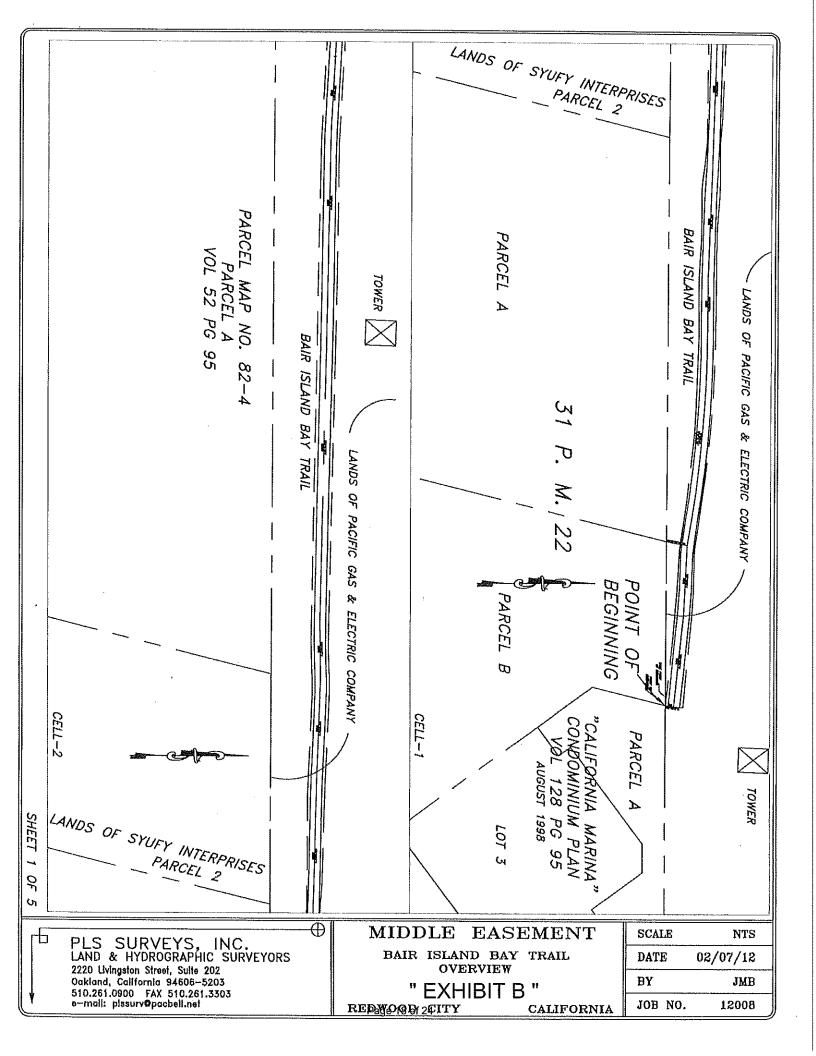
SOUTH 81°34'15" WEST, 7.82 FEET; THENCE ALONG A CURVE TO THE RIGHT WITH A RADIUS OF 204.94 FEET, A DELTA ANGLE OF 10°39'12" AND AN ARC LENGTH OF 38.11 FEET; THENCE

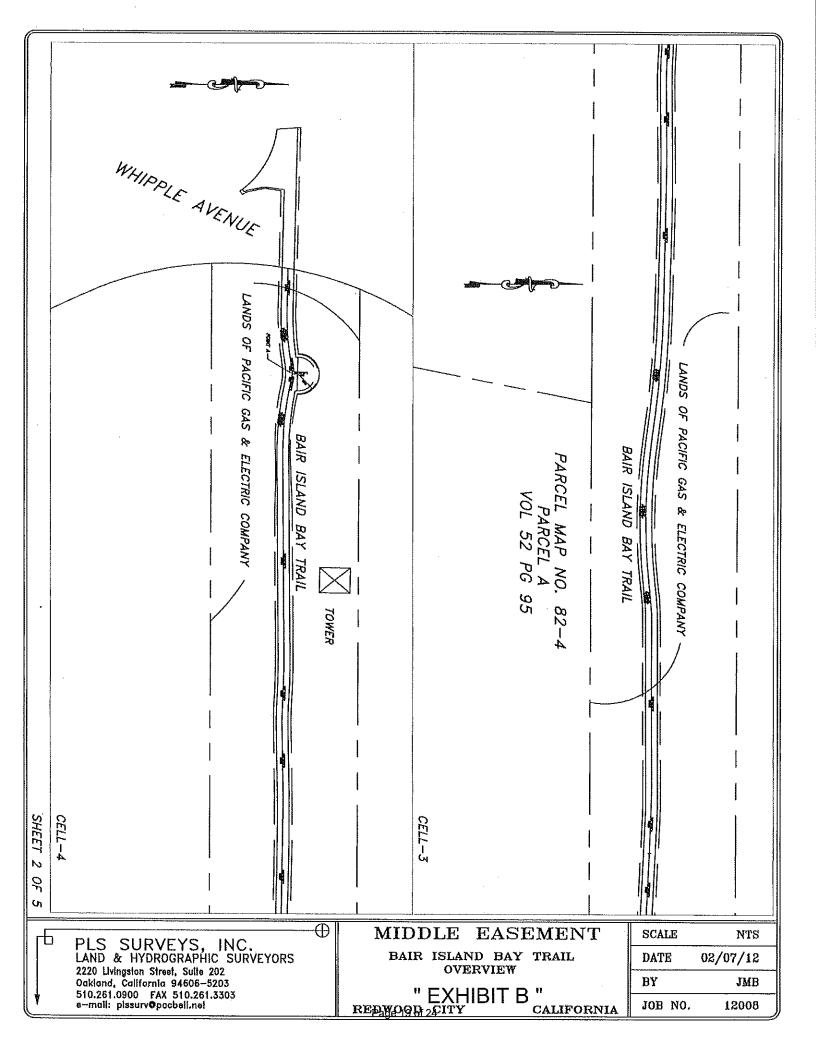
NORTH 88°39'56" WEST, 26.62 FEET TO THE EASTERN LINE OF THE CAL TRANS RIGHT-OF-WAY FOR WHIPPLE AVENUE AS SHOWN ON THE CALTRANS "RIGHT -OF-WAY RECORD MAP, R-98.15".

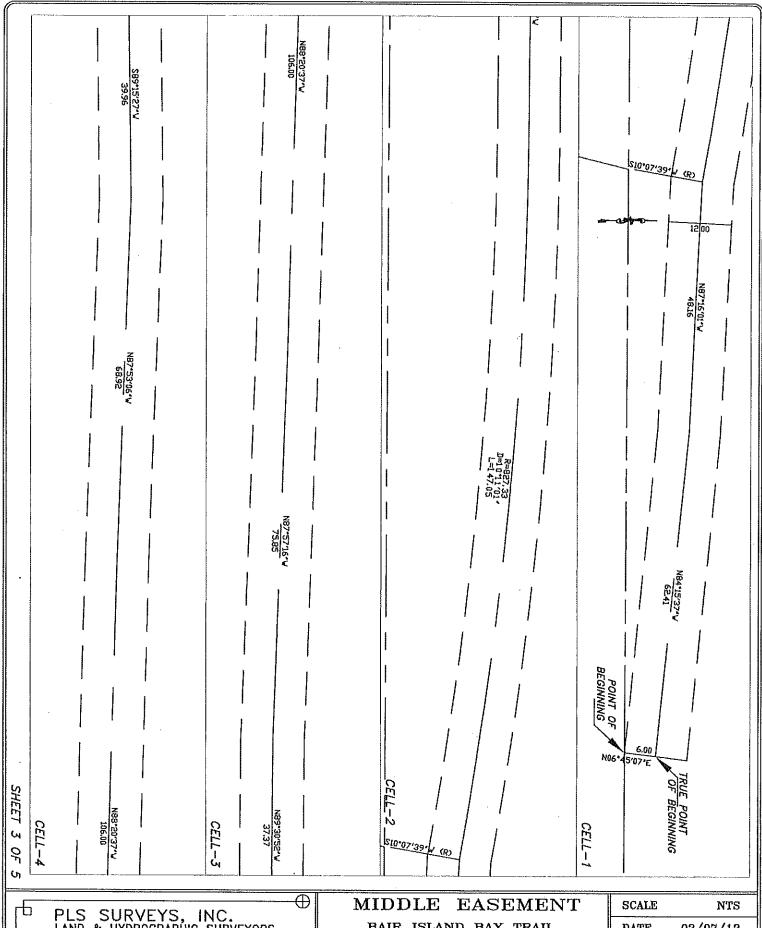
THE EASEMENT LINES SHALL EXTEND OR SHORTEN TO MEET THE CALTRANS RIGHT-OF-WAY LINE.

IN ADDITION TO THE ABOVE DESCRIBED EASEMENT, A 14 FOOT BULB-OUT IS DESCRIBED AS FOLLOWS:

BEGINNING AT POINT "A" AS DESCRIBED ABOVE; THENCE NORTH 01°39'30" WEST, 4.00 FEET TO A 14.00 FOOT RADIUS, THE LINE OF THIS 14.00 FOOT RADIUS SHALL INTERSECT AND END AT THE NORTHERN LINE OF THE 12 FOOT WIDE EASEMENT DESCRIBED ABOVE.







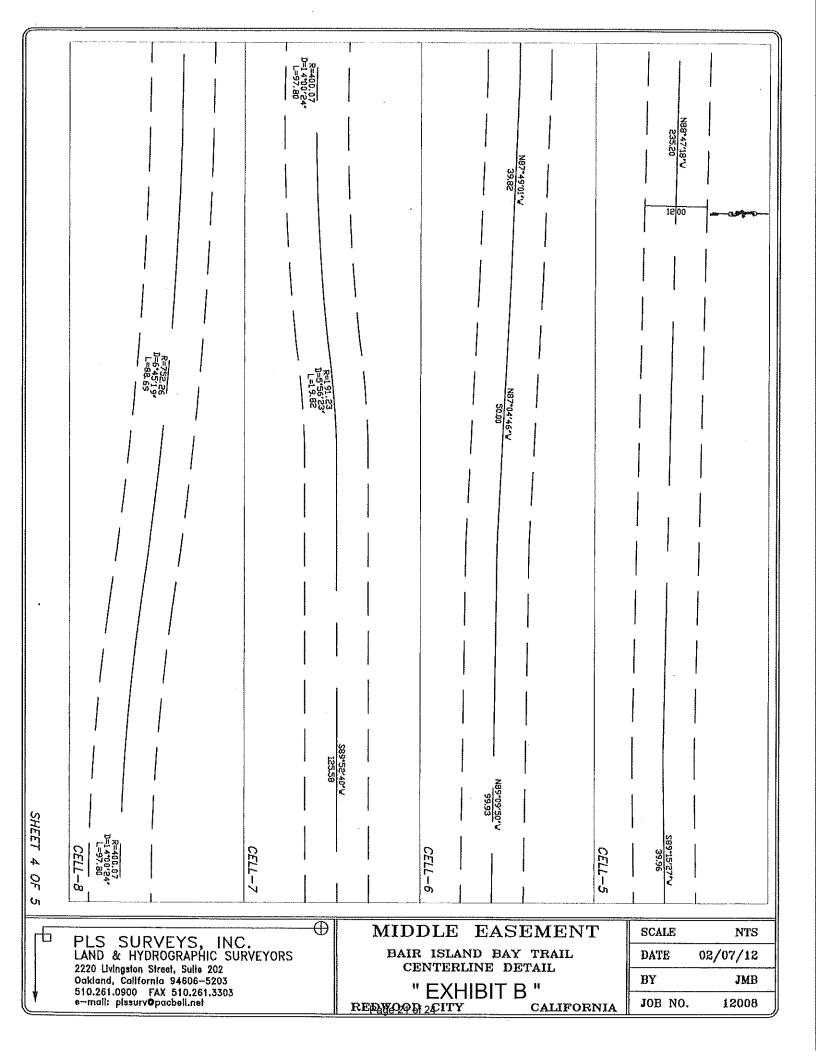
PLS SURVEYS, INC.
LAND & HYDROGRAPHIC SURVEYORS
2220 Livingston Street, Sulte 202
Oakland, California 94606-5203
510.261.0900 FAX 510.261.3303
e-mail: plssurv@pacbell.net

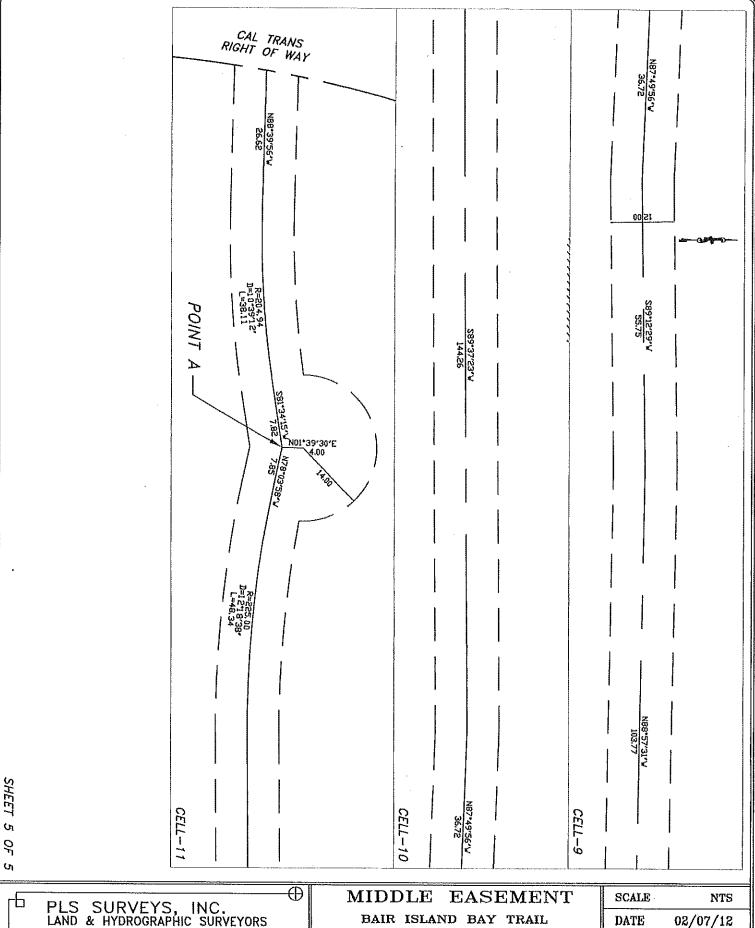
BAIR ISLAND BAY TRAIL CENTERLINE DETAIL

" EXHIBIT B "

REPRYOZO & 2CITY CALIFORNIA

SCALE	nts
DATE	02/07/12
BY	JMB
JOB NO.	12008





PLS SURVEYS, INC. LAND & HYDROGRAPHIC SURVEYORS 2220 Uvingston Street, Sulte 202 Oakland, California 94606-5203 510.261.0900 FAX 510.261,3303 e-mail: plssurv@pacbell.net

BAIR ISLAND BAY TRAIL CENTERLINE DETAIL

"EXHIBIT B"

EPMOQD _{I 2} CITY	CALIFORNIA

SCALE	NTS
DATE	02/07/12
BY	JMB
JOB NO.	12008

EXHIBIT C

INSURANCE REQUIREMENTS

Grantee shall procure, carry and maintain in effect throughout the term of this Agreement the following insurance coverage. Grantee is also responsible for its subcontractors maintaining sufficient limits of the appropriate insurance coverages.

A. Workers' Compensation and Employers' Liability

- 1. Workers' Compensation insurance indicating compliance with any and all applicable labor codes, acts, laws or statutes, state or federal.
- 2. Employer's Liability insurance shall not be less than One Million Dollars (\$1,000,000) for injury or death, each accident.

B. Commercial General Liability

- 1. Coverage shall be at least as broad as the Insurance Services Office (ISO) Commercial General Liability insurance "occurrence" form with no additional coverage alterations.
- 2. The limits shall not be less than Five Million Dollars (\$5,000,000) per occurrence for bodily injury, property damage and products and completed operations. Defense costs are to be provided outside the policy limits.
- 3. Coverage shall include: a) an "Additional Insured" endorsement (ISO Additional Insured form CG 2010 or equivalent coverage) adding as additional insureds PG&E, its affiliates, subsidiaries, and parent company, and PG&E's directors, officers, agents and employees with respect to liability arising out of work performed by or for Grantee. If the policy includes "blanket endorsement by contract," the following language added to the certificate of insurance will satisfy PG&E's requirement: "by blanket endorsement, PG&E, its affiliates, subsidiaries, and parent company, and PG&E's directors, officers, agents and employees with respect to liability arising out of the work performed by or for the Grantee are included as additional insured"; and b) an endorsement or policy provision specifying that the Grantee's insurance is primary and that any insurance or self-insurance maintained by PG&E shall be excess and non-contributing.

C. Business Auto

- 1. Coverage shall be at least as broad as the Insurance Services Office (ISO) Business Auto Coverage form covering Automobile Liability, code 1 "any auto."
- 2. The limit shall not be less than One Million Dollars (\$1,000,000) each accident for bodily injury and property damage.

D. Additional Insurance Provisions

- 1. Upon the Effective Date of the Easement Agreement Grantee shall furnish PG&E with two (2) sets of certificates of insurance including required endorsements.
- 2. Documentation shall state that coverage shall not be canceled except after thirty (30) days prior written notice has been given to PG&E.
- 3. The documents must be signed by a person authorized by that insurer to bind coverage on its behalf and submitted to:

Pacific Gas and Electric Company Insurance Department - B24H Post Office Box 770000 San Francisco, California 94177 Pacific Gas and Electric Company 111 Almaden Boulevard, Room 814 San Jose, CA 95113 Attention: Land Agent

- 4. Upon request, Grantee shall furnish PG&E evidence of insurance for its agents or contractors.
- 5. PG&E may inspect the original policies or require complete certified copies at any time.
- 6. Grantee shall have the right under this Agreement to self-insure for any required insurance, provided that Grantee shall be liable to PG&E for the full equivalent of insurance coverage which would have been available to PG&E if the applicable insurance policies had been obtained by Grantee from a third party insurer, in full compliance with the provisions of this Exhibit C, and shall pay on behalf of or indemnify PG&E for all amounts which would have been payable by the third party insurer. In addition, Grantee shall act with the same promptness and subject to the same standards of good faith as would apply to a third party insurance company. In the event that Grantee elects to self-insure with respect to any of the insurance requirements required under this Agreement, on or before the Effective Date and upon written request by PG&E, within thirty (30) days of the commencement of each year thereafter, Grantee shall submit to PG&E a certificate of self-insurance signed by a duly authorized representative of Grantee, such certificate evidencing that Grantee's self-insurance program is in full force and effect and in compliance with and subject to all the terms, agreements, covenants, conditions and provisions of this Agreement.

Advice 4049-E May 24, 2012

Attachment 2 Notice of Exemption

COMMUNITY DEVELOPMENT DEPARTMENT ENGINEERING & TRANSPORTATION



1017 Middlefield Road P.O. Box 391 Redwood City, CA 94064 Telephone: 650.780.7380 Facsimile: 650.780.7309 www.redwoodcity.org

May 2, 2012

Ralph L. Medina, Supervisor Land Rights Services Pacific Gas and Electric Company 111 Almaden Blvd., Rm 814 San Jose, CA 95115

Re: Bair Island Bay Trail Improvement Project - CEQA

Dear Mr. Medina:

The City of Redwood City (the "City"), through its Engineering & Transportation Division, has proposed to pave an existing trail on lands owned by the Pacific Gas and Electric Company ("PG&E") under a project titled the Bair Island Bay Trail Improvement Project ("Project"). The City proposes to pave an existing trail (within land owned by PG&E) with 4 inches of asphalt concrete over aggregate base to create a one-to-two foot high, eight foot wide bicycle/pedestrian pathway (with two foot wide shoulders).

As the lead agency, the City has conducted California Environmental Quality Act (CEQA) environmental review and determined that the Project is a categorical exemption under 14 CCR 15301(c) "Existing Facilities". A formal Notice of Exemption was filed with the County Clerk Recorder of San Mateo County on October 12, 2011.

Sincerely,

M. Saber Sarwary, PE Senior Civil Engineer

City of Redwood City

c: Nguyen Chau, PG&E

nsull Saury

Notice of Exemption	Form D			
To: Office of Planning and Research P.O. Box 3044, Room 212 Sacramento, CA 95812-3044	From: (Public Agency) City of Redwood City 1017 Middlefield Rd Redwood City, CA 94063			
·				
County Clerk County of San Mateo	(Addrass) ENDORSED			
555 County Center	IN THE OFFICE OF THE COUNTY CHECK RECORDER OF SANMAITED COUNTY CAULF			
Redwood City, CA 94063	OCT 12 2011			
Project Title: Bair Island Bay Trail Improvement	ent Project By MARK CHERCHICANIA CHERCHICANI			
Project Location - Specific:	DEPUTY CLERK			
-	th along an existing unimproved levee, between Whipple Avenue Project Location — County: San Maleo			
Description of Nature, Purpose and Beneficiaries of Project	nfr			
safe walking surface for users. Upgrade trail entrance receptacles to accomodate users, and plant shrubs ar	cyclists. Pave the existing unimproved levee trail to provide a se for ADA compliance. Install new benches and trash and bushes. f Redwood City			
Name of Person or Agency Carrying Out Project:	City of Redwood City			
Exempt Status: (check one) Ministerial (Sec. 21080(b)(1); 15268); Declared Emergency (Sec. 21080(b)(3); 15269(a)); Emergency Project (Sec. 21080(b)(4); 15269(b)(o)) Categorical Exemption. State type and section num Statutory Exemptions. State code number:);			
Reasons why project is exempt:				
	levee trail that will be improved for the safety of bicyclists and one prior to paving of the trail.			
Lead Agency Contact Person: Saber Sarwary	Area Code/Telephone/Extension: (650) 780-7370			
If filed by applicant: 1. Attach certified document of exemption finding. 2. Has a Notice of Exemption been filed by the public				
Signature: Latt	Date: 10-4-11 Title: City Engineer.			
Signed by Lead Agency Date received	for filing at OPR:			
☐ Signed by Applicant	Revised 2005			

Revised 2005

Advice 4049-E May 24, 2012

Attachment 3 Appraisal

APPRAISAL REPORT

PROPOSED PUBLIC ACCESS EASEMENT

PG&E Lands, Bair Island Redwood City, California



VALUATION DATE: February 6, 2012

APPRAISED FOR: Mr. Kevin Fehr

APPRAISED BY: Hulberg & Associates, Inc.

OUR FILE NUMBER: 16317 S

Inc.

REAL ESTATE APPRAISERS

March 5, 2012

Norman C. Hulberg, MAI Walter D. Carney, MAI Stephen D. Kuhnhoff, MAI, ASA John A. Hillas, SRA Yvonne J. Broszus, MAI Janis A. Lassner, SRA Charles R. Marqueling, ASA, SRA Larry W. Hulberg, MAI Rebecca J. Barnes Guido M. Villanueva Josh Fronen, MAI Maria Aii. PhD Russell J. Sherwood Rvan A. Lorenzini Jeremy Bargy Georgia Kuhnhoff Richard Taylor

Silicon Valley Office

Nicholas P. Cadigan Albert Lam Nolan Tong

One North Market Street
San Jose, CA 95113-2214
(408) 279-1520
(408) 279-3428 (fax)
E-mail: appraisals@hulberg.com

East Bay Office

3160 Crow Canyon Place, Ste. 245 San Ramon, CA 94583-1338 (925) 327-1660 (925) 327-1696 (fax) E-mail: appraisals@hulberg.com

Monterey Bay Office

225 Crossroads Blvd., #326 Carmel, CA 93923 (408) 279-1520 (408) 279-3428 (fax) E-mail: appraisals@hulberg.com

Central Valley Office

2813 Coffee Road, Suite E-2 Modesto, CA 95355 (209) 569-0450 (209) 569-0451 (fax) E-mail: appraisals@hulberg.com Mr. Kevin Fehr City of Redwood City 107 Middlefield Rd. Redwood City, CA 94063

Re: Appraisal of a Proposed Public Access Easement on PG&E Lands, Bair

Island Bay Trail Improvement Project

Dear Mr. Fehr:

At your request, we have appraised the proposed public access easement on PG&E lands as part of the Bair Island Bay Trail Improvement Project. The Assessor's Parcel Number (APN) of the parcel to be impacted is 052-520-999, also known as SBE 135-41-5D. It is our understanding that this APN is a temporary number; indeed, the San Mateo Tax Collector did not recognize this number. The property is owned in fee by PG&E. The subject property is a proposed public access easement consisting of 21,999 square feet, as per the Redwood City Engineering Department.

The purpose of the appraisal is to develop an opinion of the market value of the proposed easement. The most common method of valuing easements is based on the "burden on the servient tenement," here the PG&E property. The value of the easement is assumed to be the value to a third party as of the date of value, February 6, 2012.

It is our understanding that this appraisal will be used in obtaining an easement through negotiation, not condemnation. The easement will be for construction and maintenance of a bicycle and pedestrian path on top of an existing levee. The easement has yet to be written. We understand, however, that the proposed easement will not unduly conflict with PG&E's right of access to and maintenance of its facilities and that PG&E will be allowed, as a safety issue, the continued right to close the trail or detour pedestrians at times when maintenance is needed.

Mr. Kevin Fehr March 5, 2012

The appraisal was developed and this report was prepared in compliance with the requirements of The Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include The Uniform Standards of Professional Appraisal Practice (USPAP). This is a summary appraisal report. The depth of discussion contained in this report is specific to the needs of the client and for the intended use. The appraiser is not responsible for unauthorized use of this report.

Assumptions pertinent to the appraisal process are summarized in the Assumptions and Limiting Conditions section of this report and in the body of the appraisal report. Should any of the information or opinions be amended, revisions to this appraisal may be warranted. We have not received a preliminary title report and have appraised the subject property based upon the Extraordinary Assumption that there are no matters of record that would impact value.

Based on our investigation and analysis, presented in the attached appraisal report and subject to the certifications and limiting conditions of this report, especially the Extraordinary Assumption that there are no matters of record that would impact value, the market value of the proposed easement, as of February 6, 2012, is

ONE THOUSAND DOLLARS (\$1,000)

Respectfully submitted,

Walter D. Carney, MAI

Certified-General Appraiser #AG003413

Charles R. Marqueling, ASA, SRA

Certified-General Appraiser #AG002635

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SUMMARY OF SALIENT FACTS

Property Type: Proposed Public Access Easement on PG&E lands as part of

the Bair Island Bay Trail Improvement Project

Address: Bair Island

Redwood City, CA

APN: 052-520-999 (Temporary)

State Board of Equalization: SBE 135-41-5D

Property Rights Appraised: Easement Interest

Zoning: TP, Tidal Plain, City of Redwood City

General Plan: Open Space Preservation, City of Redwood City

Easement Area: 21,999 square feet

Entire PG&E Parcel Size: A utility corridor of undeterminable size. The impacted parcel

is approximately 220,000 square feet.

Flood Zone: Entire PG&E Property: Zone A1, FEMA Map #060325001B,

dated May 17, 1982

Environmental Issues: None known or identified

Existing Improvements: Levee, three electrical transmission towers and power lines

Highest and Best Use:

As Vacant: Open Space, Wetlands

As Improved: Utility Corridor

Date of Inspection: February 6, 2012

Valuation Date: February 6, 2012

Date of Report Preparation: March 5, 2012

Appraised Value: \$1,000

Proposed Easement, Bair Island, Redwood City, CA 16317 S	Page 5
SECTION I – INTRODUCTION	

IDENTIFICATION OF CLIENT

The client in this assignment is the City of Redwood City.

INTENDED USE AND USER

The intended use of this appraisal is for decision-making purposes concerning the purchase of a public access easement to encumber a portion of the property located on Bair Island in Redwood City owned by PG&E, known as APN 052-520-999 (temporary APN) or SBE 135-41-5D. The intended user is the City of Redwood City. The appraisal and this report are not intended for any other use or any other user.

PROPERTY IDENTIFICATION

The subject consists of a proposed public access easement to be located on a property owned by PG&E on Bair Island, Redwood City. The proposed easement is 21,999 square feet and is fully described later in this report and in the addendum. The servient tenement is known as APN 052-520-999 (temporary APN) or SBE 135-41-5D. The size of this parcel is estimated (by the Redwood City Engineering Department) at 220,000 square feet and has frontage on Bair Island Road and East Bayshore Boulevard. We do not know the size of the larger PG&E utility corridor, but it extends for a great length to the east and west of the PG&E parcel described here.

No personal property is included in this appraisal valuation.

REAL PROPERTY INTEREST APPRAISED

The property rights appraised is the dominant tenement easement interest to be held by the City of Redwood City in the PG&E utility corridor. Easement rights represent an interest in real estate that conveys use, but not ownership, of a portion of a property. The property is appraised assuming it to be free and clear of liens and encumbrances, such as mortgages and assessments outstanding.

The purpose of the appraisal is to estimate the market value of the easement. Note that market value is based upon the economic principle of value-in-exchange. Social benefits, such as those of an electrical corridor, may not be measurable on this principle. Social benefit value is beyond the scope of our assignment and possibly our expertise. Typically, economists are called upon to opine social benefit value.

TYPE AND DEFINITION OF VALUE

The purpose of this appraisal is to develop an opinion of the market value of the subject property. "Market Value," as used in this appraisal, is defined as "the most probable price which a property should bring in a competitive and open market under all conditions requisite to a sale, the buyer and seller, each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus." Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated.
- Both parties are well-informed or well-advised, acting in what they consider their own best interest.

- A reasonable time is allowed for exposure in the open market.
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sale concessions granted by anyone associated with the sale. 1

The subject is appraised based on cash or cash equivalent financing arrangements.

DATE OF VALUATION AND DATE OF REPORT

The effective date of valuation for this assignment is February 6, 2012. The date we inspected the property was also February 6, 2012. The date the report was completed and signed was March 5, 2012.

SCOPE OF THE APPRAISAL

In the development of this appraisal, Charles R. Marqueling, ASA, SRA, inspected the subject property and surrounding neighborhood. We consulted with city officials regarding zoning and General Plan issues and spoke with Mr. Kevin Fehr of the Engineering Department about the proposed easement and the characteristics of the PG&E property. We also spoke with Ms. Andrea Bennet of San Francisco Bay Conservation and Development Commission, a commission that has jurisdiction in this area.

Data required in the appraisal process relates to the political and economic environment in the region and competing market area of the subject property. Data is also required relating to the physical, legal, and economic characteristics of the site and existing and proposed improvements, and the highest and best use of the property. With the problem defined and the data collected and analyzed, value indications are then developed via the applicable approach or approaches to value.

A Summary of the data and analysis used to value the property is presented and discussed in the body of this appraisal report. This appraisal was developed and this report was prepared in compliance with the requirements of The Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of our client as we understand them.

The dominant tenement easement right is appraised by standard appraisal methodology under case law: the "before" and "after" method is applied, reflecting the value to the PG&E position "with" the easement and again "without" that portion of the easement appraised. The difference measures the market value of the easement under appraisement. That is, the burden of the loss of the fee simple interest due to the easement on the PG&E utility corridor is appraised. The scope of work is to value the "dominant tenement", in other words, the worth of the proposed easement. The value of the easement is assumed to be the value to a third party.

-

Appraisal Institute, *The Dictionary of Real Estate*, 5th ed. (Chicago: Appraisal Institute, 2010)

USE OF REAL ESTATE AS OF THE EFFECTIVE DATE OF VALUE

The subject property is a proposed easement on that portion of an existing PG&E utility corridor located on Bair Island in Redwood City, CA.

USE OF REAL ESTATE AS OF THE DATE OF THIS REPORT

A PG&E utility corridor.

ASSUMPTIONS AND LIMITING CONDITIONS

General Assumptions and Limiting Conditions are assumed in virtually every appraisal and reflected in every appraisal report. Please refer to the Assumptions and Limiting Conditions in the addendum for a complete list of general, extraordinary, and hypothetical assumptions and limiting conditions. Extraordinary assumptions, hypothetical conditions, and notable observations specific to this assignment are identified below.

Extraordinary Assumptions

That there are no matters of record that would impact value.

Hypothetical Conditions

None

PROPERTY HISTORY AND OWNERSHIP

The subject of this appraisal is a portion of the utility corridor for high-tension electrical power lines held by PG&E proceeding east and west of the proposed public access easement. We have not received a preliminary title report and assume that there are no matters of record that would impact value. According to the San Mateo County Assessor's Office as well as the City of Redwood City, the fee title to the entire property is vested in:

PACIFIC GAS & ELECTRIC COMPANY

We are unaware of any sales, listings or offers for any portion of this subject property within three years of the valuation date.

COMPETENCY STATEMENT

The signers of this report are members of the Appraisal Institute and hold the highest level of Certification from the State of California. We have appraised numerous similar properties in the past, including acquisitions of dominant tenement easement rights. Due to our education, experience in the subject market area, and experience with the subject property type, we have the competence necessary to perform this appraisal.

ASSESSED VALUATION AND TAXES

The following Assessed Valuation and Taxes section relates to the entire PG&E property as a whole, not the area to be burdened with the proposed easement. The State of California has provided for a unified system to access real estate for property taxes. Assessment Districts are established on a county basis to assess real estate within the county. The appraised property falls under the taxing jurisdiction of San Mateo County and is subject to both general taxes and direct

assessments. San Mateo County, however, bills PG&E one bill for all of their property in San Mateo County. We obtained the following assessed values, assessments and taxes from the State Board of Equalization, Property Tax Division as well as the San Mateo Controller's Office. The 2010/2011 assessed valuation and taxes for the entire property by San Mateo County are presented in the following table.

APN: 052-520-999 / SBE 135-41-5D				
Assessed Values:				
Land:	\$366,450			
Improvements:	\$0			
Personal property	\$0			
Total Assessed Value:	\$366,450			
Direct Assessments:	\$410.76			
Annual Tax (AV * Tax Rate)	\$3,962.06			
TOTAL TAX DUE 2010/2011	\$4,372.82			
Tax Area Code: Tax Rate:	09-001 1.08120%			

General Taxes

The amount of General Taxes due is quantified by multiplying the assessed value by the tax rate. In the State of California, real estate is assessed at 100 percent of market value as determined by the County Assessor's Office. The tax rate consists of a base rate of 1 percent plus any bonds or fees approved by the voters. The County Tax Rate for the subject property is 1.0812 percent.

Direct Assessments

Direct assessments are tax levies that are not dependent upon the assessed value of the property. They are levied regardless of assessment. According to the San Mateo County Controller's Office, the subject is assessed for the following direct assessments: The FedCA&NPDES Storm Fee; San Mateo County Mosquito Abatement District; Sequoia Union High School District Maintenance; and the San Mateo County Community College District for 2010-2013.

Current and Future Taxes

Taxes are due in two equal installments during the tax year. If it is an issue, we suggest that our client check the current status of the property taxes with the San Mateo County Tax Collector's Office.

Proposition 13 was passed by voters in June 1978 and substantially changed the taxation of real estate in California. This constitutional amendment rolled back the base year for assessment purposes to the tax year 1975-1976. Annual increases in assessed value are limited to 2 percent per year, regardless of the rate of inflation. Real estate is subject to reappraisal to current market value upon a change in ownership or new construction. Within the definition of "market value," the assumption is made that the subject property will be sold on the open market, and thus the property is assumed to be reassessed for tax purposes for this appraisal. Unless the property transfers ownership, there are no known changes in the tax rate or direct assessments forthcoming.

Proposed Easement, Bair Island, Redwood City, CA 16317 S	Page 10
SECTION II – DESCRIPTIVE INFORMATION	

REGIONAL OVERVIEW

The subject property is located in the San Francisco Bay Region, an area which is comprised of the nine counties bordering the San Francisco Bay. The area has a combined population of approximately 7.0 million as of January 1, 2011. A figure for 2012 will be available sometime later this quarter. According to the State of California Department of Finances, the San Francisco Bay Area is characterized by a moderate climate, diversified economy and one of the highest standards of living in the United States.

San Mateo County

As of January 1, 2011, San Mateo County's population is estimated by the California Department of Finance to be 724,702, a 0.8 percent increase from January 2010's population estimate. A 2012 update to this figure will also be available sometime later this quarter.



Excellent transportation routes and linkages to all major cities within the region and throughout the state are primary reasons for the advancement of business activity in the Bay Area, including San Mateo County.



Air, rail, and water transportation access is also very good. San Francisco International Airport (SFO), which provides scheduled airfreight and passenger services, is located in north central San Mateo County between Millbrae and San Bruno next to the Bay. The county is also served by two general aviation airports, one in San Carlos and the other in Half Moon Bay.

The highway transportation system is well developed and improving. However, the growth of jobs in the Silicon Valley over the past few decade, coupled with residential growth in the south and east portions of the county, has caused an increasing problem of traffic congestion. Unquestionably, traffic is one of the main negative aspects of the county. While many routes are in gridlock during peak commute hours, routes are being extended or expanded and public transportation is being improved. Although the jobs/housing balance is becoming a geographic issue, commute tolerance is at an all-time high, as residents are required to accept longer commute times.

Unemployment rates had been rising due to the economic slowdown, but signs of recovery have started to emerge. As of December 2011, unemployment in San Mateo County was at 7.2 percent. This has been the lowest unemployment rate over the past three years and reflects the steadily improving market conditions. San Mateo County's rate is currently less than the rates of the state and nation. The former is currently at 10.9 percent while the latter is at 8.5 percent. Like San Mateo County, the state and the nation experienced increases starting at the end of 2008. Employment growth in the area rose from 1995-2000. However, the downturn in the Bay Area economy saw an increase in unemployment.

San Mateo County ranks third out of the nine Bay Area counties in terms of household income. According to the Census Bureau, the median household income in San Mateo County in 2009 (most recent data available) was \$84,678, and compares favorably to the household disposable income of California, which was \$58,925 for the same time period.

Economic and Political Forces

The economy turned the corner in June of 2009 with the end of the recession that began in December 2007. Even so, the recession, which was precipitated by the housing bubble and faltering financial institutions, was enormous in scope and, as a result, the recovery has been very slow. Additionally, since June 2009, there have been months with conditions that indicated a recession return; however, the Bureau of Economic Analysis, which determines the start and end time of recessions, has not made that determination. Going into 2011, the economic outlook was slow, yet cautiously optimistic. At the present time, the outlook among many economists has remained about the same; however, there has been encouraging news regarding employment, as the unemployment figure has been trending down since the mid-way point of 2011. Even so, there were some months in 2011 with declining consumer confidence and little job growth in the private sector.

On a national level, GDP and payroll employment are projected to increase looking beyond 2011 according to the UCLA Anderson Forecast, which is one of the most widely watched economic outlooks for California and the nation. The forecast calls for GDP growth of 3 percent for the duration of the forecast's 2013 horizon. In addition, the forecast calls for payroll employment increases of 1.9 million in 2011, 2.6 million in 2012, and 3 million in 2013.

According to the forecast, the national economy is being propelled by increases in corporate spending and software coupled with extremely low interest rates, a recovering stock market, and investment incentives from the government. The stock market has recovered from the tumble it took in late 2008/early 2009, evidenced by The Dow Jones Industrial Average, which, as of December 2011 was hovering around the 12,200 mark; however, there remains a high degree of skepticism and lack of confidence in the nation's financial stability. The Dow Jones hit a low of 6,440 in March of 2009. The peak of 14,280 occurred in October of 2007.

Much of the stock market's volatility is associated with consumer confidence. The recognized barometer on this subject is The Conference Board's Consumer Confidence Index. According to their monthly report, consumer confidence was 61.1 in January 2012, down from 64.8 in December, but better than many months during 2011. According to Lynn Franco, the Conference Director, "Consumer Confidence retreated in January, after large back-to-back gains

in the final two months of 2011. Consumers' assessment of current business and labor market conditions turned more downbeat and is back to November 2011 levels.

Regarding the short-term outlook, consumers are more upbeat about employment, but less optimistic about business conditions and their income prospects. Recent increases in gasoline prices may have consumers feeling a little less confident this month." Even so, this is vast improvement over the late summer and early fall when the index registered figures in the 40s.

To encourage banks to continue lending, the Federal Reserve Board (Fed) has held the Federal Funds Rate at historically low levels. The current rate is between 0 and 0.25 percent and has been held there since December of 2008. As economic recovery takes hold, we anticipate the Fed will slowly increase this rate, particularly if inflation is a concern.

The health of the commercial real estate industry is closely linked to the ability to procure financing. The default rate for commercial real estate mortgages held by the nation's depository institutions, including mortgages at least 90-days delinquent and mortgages in non-accrual status, fell to 3.75 percent in the third quarter of 2011, down from 3.94 percent in the second quarter. While this figure continues to decrease, as it has done since the fourth quarter of 2010, banks still face serious challenges in drawing down their default and real-estate-owned balances, and in working toward a normalization of credit in the markets where bank lending is most critical for the recovery.

Even though the national economy has seen a few positive signs since the end of the recession, uncertainty still looms. As of January 2012, national unemployment was 8.3 percent according to the U.S. Bureau of Labor Statistics. High unemployment and a weak housing market continue to pose risks to economic recovery. The UCLA forecast projects that unemployment in California will not dip below 10 percent until 2013.

Gas prices have also been on the high side. It has ranged from \$3.10 to \$4.00 since the turmoil in the Middle East began early this year, which is something that threatens supply. Libya produces approximately 1.7 million barrels of oil, which is the largest oil reserve in Africa. With this supply threatened, gas prices have been steadily going up. There was some decreasing of prices early on in the fourth quarter of 2011, but on the cusp of the turn of the year, they began to rise again. As of the present time, the national average for unleaded gas is approximately \$3.37 per gallon. A month ago, it was \$3.27.

In closing, the economic climate for commercial real estate is still uncertain. However, low interest rates and heightened investor sentiment may point to heightened investor acquisition plans in the near term. Since 2004, National Real Estate Investor and Marcus & Millichap Real Estate Investment Services have conducted research on investor attitudes and expectations as part of a commercial real estate industry forecast.

The survey was conducted in early 2011 and indicated that 69 percent of investors plan to add to their property portfolios over the next year or so. This increase in activity illustrates that investors have a sense that the commercial real estate market has reached bottom and the economy is recovering, albeit slowly.

REAL ESTATE OVERVIEW

As the year comes to a close, the general uncertainty that pervaded our economy and markets throughout 2011 is intensifying. The U.S. economy seemed to improve slightly during the third quarter of 2011, but the sovereign debt crisis in Europe is taking center stage, and we are reminded how closely intertwined our nation is with the global economy and how serious the debt situation in our own backyard is. It seems like we are faced with a sense of chaos at every turn, and even commercial real estate, which had offered a sense of stability to anxious investors and had held up relatively well as an asset class, is increasingly at risk in this world unhinged.

In the fourth quarter of 2011 RERC's average going-in capitalization rates compressed slightly for the warehouse, retail power center, and apartment sectors. The going-in cap rate for the retail neighborhood center, R&D & flex sectors remained stable while the same rate increased 10 to 30 basis points for the regional mall, office and hotel sectors.

The preferred investment properties, nationwide, for institutional investors in the fourth quarter of 2011 were apartments. Industrial warehouses placed second followed by central business district offices in third. Retail neighborhood properties and hotels placed fourth followed by regional malls and retail power centers in fifth. Industrial R&D properties were the sixth preferred real estate investments nationwide. Industrial flex properties ranked seventh. The least favorable real estate investments were suburban offices.

The property preference ratings are taken from the <u>Fourth Quarter 2011 (Flash Report) Real Estate Investment Survey</u>, published by Real Estate Research Corporation (RERC). Internal rate of return expectations ranged from a low of 6.5 percent to a high of 15.0 percent, with an average of 8.3 percent for central business district office, 9.3 percent for suburban office, 8.6 percent for industrial warehouse, 9.4 percent for R&D, 9.6 percent for industrial flex, 8.0 percent for regional malls, 8.7 percent for power retail centers, 8.7 percent for neighborhood retail centers, 7.7 percent for apartments, and 10.9 percent for hotels.

Overall "going-in" capitalization rates ranged from 4.8 to 10.0 percent with an average of 6.7 percent for central business district office, 7.6 percent for suburban office, 7.0 percent for industrial warehouse, 7.7 percent for R&D, 7.9 percent for industrial flex, 6.5 percent for regional malls, 7.2 percent for power retail centers, 7.1 percent for neighborhood retail centers, 5.8 percent for apartments, and 8.4 percent for hotels. Terminal capitalization rates ranged from 5.5 to 11.0 percent with averages ranging from 6.4 to 9.1 percent. Rental growth expectations ranged from -1.0 to 5.0 percent with averages ranging from 2.1 to 3.4 percent. Expense growth expectations ranged from 1.0 to 4.0 percent with averages ranging from 2.7 to 3.0 percent.

The Real Estate Investment Criteria by Investment is located on the following page.

REAL ESTATE INVESTMENT CRITERIA BY PROPERTY TYPE										
Fourth Quarter 2011										
	OFF	ICE		INDUSTRIAL			RETAIL		APARTMENT	HOTEL
	CBD	Suburban	Warehouse	R&D	Flex	Regional Mall	Power Center	Neighborhood /Community	Apartment	Hotel
Pre-Tax yield (IRR)(%) Range Average	6.5 - 10.0 8.3	7.5 - 12.0 9.3	7.0 - 10.0 8.6	7.5 - 12.0 9.4	7.5 - 12.0 9.6	6.5 - 10.0 8.0	7.5 - 10.0 8.7	7.5 - 12.0 8.7	6.5 - 9.0 7.7	8.0 - 15.0 10.9
Going-in Cap Rate (%) Range Average	5.0 - 8.0 6.7	6.0 - 9.0 7.6	6.0 - 8.0 7.0	7.0 - 9.0 7. 7	7.0 - 9.0 7.9	5.0 - 8.0 6.5	6.0 - 8.3 7.2	6.0 - 9.0 7.1	4.8 - 7.3 5.8	7.0 - 10.0 8.4
Terminal Cap Rate (%) Range Average	6.0 - 8.5 7.3	7.0 - 9.5 8.1	6.8 - 8.5	7.5 - 10.0 8.2	7.5 - 10.0 8.5	5.5 - 8.5 6.9	7.0 - 8.8 7.7	6.5 - 9.5 7.7	5.5 - 7.8 6.4	8.0 - 11.0 9.1
Rental Growth Range Average	0.0 - 5.0	0.0 - 4.5	0.0 - 5.0	0.0 - 3.0	0.0 - 3.0	-1.0 - 5.0 2.3	-1.0 - 4.0 2.1	-1.0 - 4.0 2.3	1.0 - 5.0	0.0 - 5.0
Expense Growth Range Average	1.0 - 3.0	2.0 - 3.0	2.0 - 3.0	2.0 - 3.0	2.0 - 3.0	2.0 - 3.0	2.0 - 3.0	2.0 - 3.0	2.0 - 3.5	2.0 - 4.0
Hulberg & Associates, Inc.										

AREA OVERVIEW

Redwood City is centrally located on the bay side of the San Mateo Peninsula, 25 miles south of San Francisco. To the north are Hillsborough, San Carlos, Belmont, San Mateo and Burlingame. To the south are Atherton, Menlo Park, and Palo Alto. Redwood City was incorporated in 1868 and is the San Mateo County Seat. An Immediate Environs Map is presented later in this section.

Redwood City's January 2011 population of 77,712 was up approximately 1.1 percent from January 2010. A figure for 2012 is expected sometime in this spring. The population in Redwood City represents approximately 10.7 percent of the county total.

Transportation to the city is considered good. Rail transportation is served by the Southern Pacific main line with freight station spur lines. CalTrain's passenger service is also available between San Jose and San Francisco. Air service is provided by San Francisco International Airport, which is 15 miles to the north. Bus transportation is provided by San Mateo County Transit intercity. Transportation by water is available from the Port of Redwood City. Freeway service is provided by U.S. Highways 101, 82, 84 and Interstate 280.

Highway 101 runs roughly in a north/south direction connecting Redwood City to the major cities of San Francisco and San Jose, and connects to Highway 92 to the north and Highway 84 to the south. Both Highways 92 and 84 run in an east-west direction giving access to the East Bay cities and the Western Coastal communities on the peninsula. Transportation access to the city is good.

Redwood City combines residential, industrial, and commercial elements in a largely urban environment. Its waterfront provides a yacht harbor and the only deep water port in the South Bay. A wide variety of housing types are available. Services and retail trade, San Mateo County's two largest industry divisions, are expected to provide close to two-thirds of anticipated growth in the next two years.

Redwood City is also home to the commercial and residential master-planned community of Redwood Shores. Located within the Redwood Shores area is a master-planned corporate center designed to accommodate 3.5 million square feet of high-quality office space. Nearly 200 businesses are located within the Shores Center. Also located in Redwood Shores are 1,100 acres of residential development, currently home to approximately 15,000 residents.

All utility services are available to the city. Natural gas and electrical power is supplied to Redwood City by PG&E. Telephone service is provided by SBC and water is purchased from the San Francisco Water Department. Sewer service is supplied by Redwood City under a Joint Power Authority with South Bayside System Authority. The capacity of the South Bayside System Authority plant is 24 million gallons per day and has a peak flow of 2.6 million gallons per day. Redwood City has adopted a Master Plan of storm drains and there are no charges assessed.

The Economic Development Department of the City of Redwood City provides a list of the top companies within the city by number of employees. The most recent list is from January 2011. The top ten companies are presented in the table below:

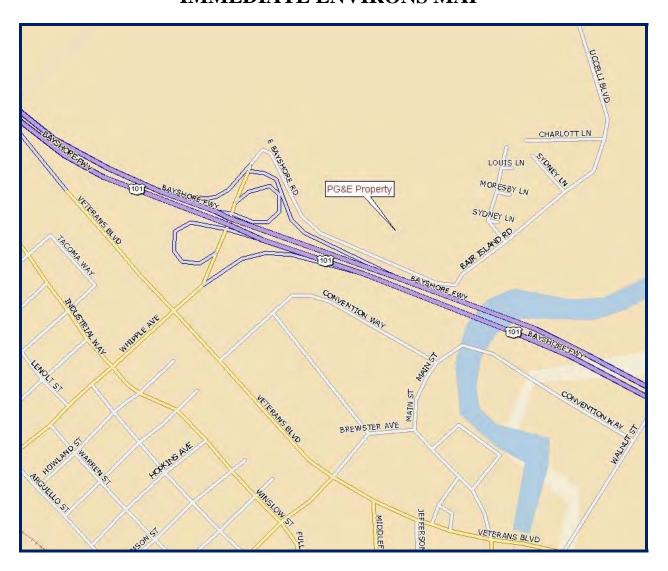
TOP COMPANIES WITHIN REDWOOD CITY							
Rank	Company	Description	Number of Employees				
1	Oracle America	Software	5,795				
2	County of San Mateo	Government	2,215				
3	Electronic Arts (EA)	Software	2,050				
4	Sequoia Hospital	Health Care	1,050				
5	The Permanente Medical Group	Health Care	842				
6	Redwood City School District	Education	830				
7	Silver Spring Networks	Information Technology	650				
8	PDI/Dreamworks	Motion Picture Animation	484				
9	Sequoia Union High School District	Education	477				
10	City of Redwood City	Government	472				

In addition to the water recreation found at the Port of Redwood City and the waterways of Redwood Shores, the city has seven parks, one live theater (Fox Theater), a movie theater complex, four libraries, two miniature golf courses, a bowling alley, skating rink, two municipal pools, three recreation centers, 20 public tennis courts and one nine-hole golf course.

IMMEDIATE ENVIRONS

The subject property is a proposed public access easement to be located on an existing PG&E parcel that is a portion of a larger electrical transmission utility corridor. The subject is located between Bair Island and Highway 101, parallel to and on the south side of Smith Slough and on a portion of what is known as Inner Bair Island. The subject is a part of the open space and wetlands area directly at the border between the open space area of Bair Island and the developed commercial lands that front East Bayshore Road and Bair Island Road. We provide the reader with the following Immediate Environs Map.

IMMEDIATE ENVIRONS MAP



Overall, the immediate environs consist of the subject's location on Bair Island, which extends to the north, commercial properties to the south, a marina to the east, and the continuation of Bair Island as well as the Whipple Avenue exit and Highway 101 to the west. There is also attached housing, some currently being constructed, off Bair Island Road. The attached housing currently

being constructed is known as One Marina and consists of new condominiums of two and three bedrooms. This project is located across Bair Island Road.

Adjacent to the PG&E parcel near the Bair Island Road frontage is the California Marina, condominiums that were constructed in approximately 1999. A number of these units front toward the Bay, but most do not. The trail that is the subject of this easement appraisal starts adjacent to these condominiums and Bair Island Road.

Lastly, The Villa at Bair Island Marina is an apartment complex located adjacent to a marina on the other side of Bair Island Road from the PG&E property. This is a newer multi-story apartment complex with twelve floorplans consisting of one to three bedrooms.

The commercial properties consist primarily of a former movie theater complex, auto dealerships, mini storage and auto repair. Lastly, and at the dividing line of the tidal plain of Bair Island and the San Francisco Bay and the commercial properties, is the PG&E parcel that includes towers and electrical power lines that parallel Smith Slough in this area.

The immediate environs are located just to the north of Highway 101 near the Whipple Avenue exit. The subject has good access from Whipple Avenue as well as from Bair Island Road. This area is located within a reasonable distance of all major conveniences as well as major commute corridors.

Location Conclusion

The immediate environs are located between the San Francisco Bay and Highway 101 adjacent to the Whipple Avenue exit and Bair Island Road. Most properties in this area are improved commercial and residential as well as a marina. However, the subject is located as part of the tidal plain of Bair Island and the surrounding San Francisco Bay. The subject property is part of the Bair Island open space and wetlands area and is adjacent to the dividing line between the tidal area and the commercial/residential area.

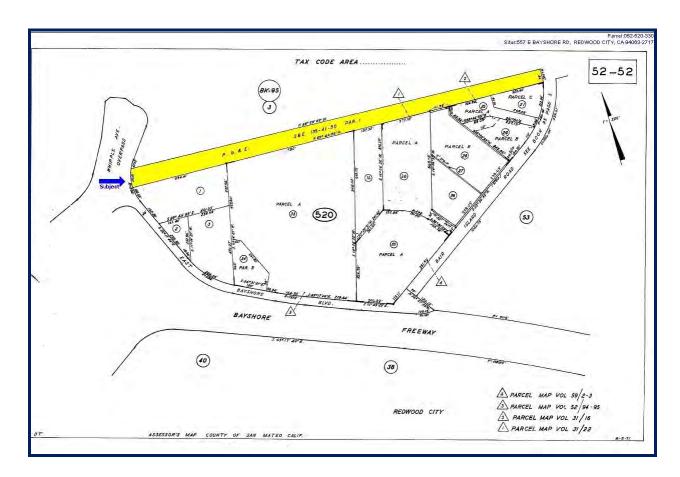
SITE AND IMPROVEMENT DESCRIPTION

The proposed public access easement on PG&E lands is part of the Bair Island Bay Trail Improvement Project is to be located on Assessor's Parcel Number (APN) 052-520-999; also known as SBE 135-41-5D. It is our understanding that this APN is a temporary number; indeed, the San Mateo Tax Collector did not recognize this number. The property is owned in fee by PG&E and consists of approximately 220,000 square feet, as estimated by the Redwood City Engineering Department. The subject property is a proposed public access easement to consist of 21,999 square feet, as per Mr. Kevin Fehr of the Redwood City Engineering Department.

We have provided the reader with the following plat map of the PG&E property. We have also provided the reader with the description of the PG&E property after the plat map and a description of the easement in the next section.

During our inspection, we noted pedestrians are already using the primarily dirt trail on the levee and that the trail has been used by pedestrians and bicyclists for some time now. This is apparently not adverse to PG&E; there are no fences, gates or signs blocking access.

PLAT MAP



The entire PG&E parcel (but not the entire utility corridor of which the parcel is part) is described here and the proposed easement is described later in this report. The proposed easement is to be located on a PG&E utility corridor property, specifically on a dirt built-up levee that is located on central to southerly portion of the property. The electrical power lines and towers are located on the northerly portion of the property, north of the levee. The entire PG&E property is primarily marsh land typical of the tidal plain in the area. The levee is a dirt built-up levee above the primarily marsh land that comprises the subject property.

We spoke with the City of Redwood City concerning the levee itself. It is not a certified levee, and it is unknown if it was an engineered levee at the time it was built. The City does not know when it was built or why it was built. The City notes that there is water on both sides of the levee for a portion or the levee, but not for the entire levee. The levee, however, does separate the Smith Slough from the commercially improved properties to the south. Mr. Fehr stated that while the purpose of the levee is not known to the Engineering Department, the department would recommend against the removal of the levee. He also noted that PG&E would probably be against the removal of the levee as they gain access to the electrical towers from the levee.

We spoke with Andrea Bennet of the San Francisco Bay Conservation and Development Commission (BCDC) concerning the property. She is aware of the property, levee and proposed public access easement. Ms. Bennet notes that BCDC does have jurisdiction over the entire

PG&E property, as well as the levee. She also states that she understands the levee to be a non-engineered levee.

Ms. Bennet further stated that BCDC would be against a major improvement of the levee or major changes in the levee, such as removal. She noted that she is aware of the proposed project and that BCDC would be against extensive grading or removal of the natural vegetation or habitat. BCDC, she says, would approve the proposed public access on the levee, but would only approve the smallest amount of change to the existing levee and property. She further said that she will be encouraging the City to reduce the amount of proposed improvements, in other words, less clearing of vegetation as well as a smaller and not paved or graveled trail. In conclusion, Ms. Bennet states that BCDC would like to leave the levee and entire PG&E property in more or less the same condition as it is now.

The only other improvements on the entire PG&E property are the towers and power lines. These are surrounded by fences to stop trespass to the towers. The electrical lines are attached to the towers and run in a generally east to west direction. There are no other improvements. The following is a summary of the property.

Shape: The PG&E parcel is generally rectangular.

Site Area: The entire site (APN) 052-520-999, also known as SBE 135-41-5D,

is estimated at 220,000 square feet. The easement area to be purchased consists of 21,999 square feet. Both measurements have been estimated by the Engineering Department of the City of

Redwood City.

Frontage: The entire PG&E property has a frontage on Bair Island Road and East

Bayshore Boulevard.

Topography: The easement area is to be located on a levee and is generally level on

the levee, which is a dirt levee built-up somewhat above the slough. The rest of the PG&E property is primarilly marsh land typical of the tidal plain and consists of portions of a slough and creek. The topography is

irregular.

Utilities: All typical utilities for this area are available in the street frontages

located near, but not at, the PG&E property.

Soil Conditions: We were not provided any soils, geotechnical, or environmental

reports. Appraisers are not experts with regard to soils, geotechnical, or environmental issues. For purposes of this appraisal, we assume that a current report would reveal no soils, geotechnical, or environmental conditions that would adversely impact the value and marketability of the property. We make no warranties or

representations as to soil toxicity matters.

Flood Zone: According to Community Panel Number 060325001B, dated

May 17, 1982, the entire PG&E Property is located in Zone A1.

Earthquake Hazard Zone: The subject site is not located within the Alquist-Priolo Special

Study Earthquake Hazard Zone. Nevertheless, earthquakes are common in the area, and there are a number of faults located

within 100 miles of the subject property.

Land Use Restrictions: We have not reviewed a Preliminary Title Report for the subject.

We assume that there are no other easements and/or restrictions

affecting the subject site.

The subject property is restricted in use by the zoning and General Plan of the City of Redwood City, the U.S. Army Corp of Engineers and the San Francisco Bay Conservation and

Development Commission.

Improvements: The entire PG&E property consists of open space tidal plain

marsh land. The land is improved with a dirt built-up levee as well as three electrical towers and electrical power lines. The levee is stated to not be a certified levee and it is unknown if it is an engineered levee. The exact purpose and construction date of the levee is unknown. In addition, it is not known when the

electrical towers were constructed.

Conclusion

In summary, the entire PG&E parcel where the proposed easement is to be located consists of approximately 220,000 square feet, is generally rectangular in shape, consists of marsh land that is improved with a dirt built-up levee and is utilized as an electrical transmission corridor. It is improved with three electrical towers and electrical power lines as well as the levee. This parcel is located between East Bayshore Blvd. and Bair Island Road.

The property is located in an area that is open space wetlands but directly adjacent to properties with commercial uses, zoning and General Plan. The property has street frontage from Bair Island Road. We have provided the following photographs. The photographs are taken in the location of the proposed easement purchase.

SUBJECT PHOTOGRAPHS



View of the entrance to the PG&E property from Bair Island Road



Beginning of the subject proposed easement on PG&E property viewed from the eastern end in a westerly direction

SUBJECT PHOTOGRAPHS



Subject proposed easement area located in the approximate middle of the easement, facing west



Subject proposed easement area facing east, generally in the middle of the proposed easement

PROPOSED EASEMENT AREA DESCRIPTION

We have provided the reader with the following Bair Island Bay Trail Improvement Project exhibit of that area of the PG&E property that is the subject of the proposed public access easement: Exhibit A.

EXHIBIT A



We have also provided the reader with a description of the Middle Easement, Bair Island Bay Trail, Exhibit "B" in the addendum of this report. The document is dated February 7, 2012 and is a large exhibit that describes the proposed easement, as is shaded in green in the above "Exhibit A".

The easement is to be located on the dirt built-up levee generally in the approximate center and southern portion of the entire PG&E property. It will consist of 21,999 square feet and is 12 feet wide and approximately 1,812 feet in length plus a small irregular section of 252 square feet located near the East Bayshore Boulevard frontage. The shape is irregular, as can be seen in the exhibit itself.

The subject easement is described as the "Middle Easement" and begins approximately 80 feet from the frontage on Bair Island Road and ends at East Bayshore Blvd. at the Whipple Avenue overpass. This can be seen in the above exhibit above as the green-shaded area as well as in the addendum.

We have also been provided with the "Bair Island Bay Trail Improvement Project," a large discussion of the proposed project also located in the addendum of this report. This document is dated February 3, 2012 and describes the subject property and proposed work. According to this report, "The work of this project consists generally of clearing and grubbing of existing dirt/natural planting area, selective demolition, earthwork, trail improvements on top of the existing levee, assessable compliance at the levee trail entrance, drainage, utility improvements, asphalt pathway, concrete edge band, benches and trash can."

According to Mr. Fehr of the Engineering Department, after the trail is finished, the City of Redwood City will maintain the trail itself. However, the maintenance of the levee itself will remain the responsibility of PG&E. We conclude that the responsibility for the care and maintenance of the levee does not change in the before and after condition.

The trail is located toward the center of the parcel on the dirt built-up levee, away from the towers, which are located further to the north. Because the trail is at ground level and away from the existing electrical transmission towers and electrical power lines, we conclude that there is no impact on the transmission of electricity. In addition, according to Mr. Fehr, the trail can be used for access by PG&E for routine maintenance. According to Mr. Fehr, a helicopter would most likely be used for heavy maintenance or repairs, items such as the replacement of the power lines. In addition, proper maintenance would not require that PG&E access the levee area often; only but on a routine basis. Under normal conditions, we would expect that PG&E would be able to work with pedestrians on the trail and would be still able to carry out their normal maintenance as they have been.

The actual easement has not been written as of the date of appraisal. The easement will be for construction, maintenance and use as a bicycle and pedestrian path on top of an existing levee. We understand that the use of the proposed easement may have a conflict with PG&E's rights to access and maintenance of its facilities. After speaking with Mr. Fehr, we understand that the easement will be written so that the proposed use will not unduly conflict with PG&E's right of access to and maintenance of its facilities and that PG&E will be allowed, as a safety issue, the continued right to close the trail or detour pedestrians at times when maintenance is needed. We conclude, then, that the impact of the proposed easement on PG&E's property will be minor one.

In summary, the proposed easement is to be located on one parcel in Redwood City of PG&E's electric transmission corridor that is much larger than the parcel impacted by the proposed public access easement. The proposed easement is estimated at 21,999 square feet and is 12 feet wide and approximately 1,812 feet in length with an irregular section near the East Bayshore Boulevard frontage. It is irregular in shape, slightly winding from one end to the other. It will be improved as a bayside trail as part of the Bair Island Bay Trail.

ZONING AND GENERAL PLAN

The entire property where the subject property is located is under the jurisdiction of Redwood City and is zoned TP, Tidal Plain District. The General Plan is Preservation Open Space. We have provided the reader with the TP zoning district regulations and land use discussion in the addendum of this report for reference.

The subject property is located within the jurisdiction of the San Francisco Bay Conservation and Development Commission (BCDC), which restricts the use of wetlands within its jurisdiction. The current electrical transmission corridor use, according to the City of Redwood City, is a legal use that was "grandfathered-in" from an agreement that probably dating back to the 1930s.

According to the TP zoning district, the purpose of the TP district is "To create a district for the marsh lands adjacent to San Francisco Bay and to permit certain types of development therein of a relatively temporary nature which can ultimately be replaced by permanent development under another more appropriate zoning district."

Permitted uses include agriculture, the extraction of chemicals from sea water by natural evaporation and extraction of oyster shells of other deposits from the San Francisco Bay and public parks and public recreation areas or facilities.

There are additional permitted uses and conditional uses. These uses are delineated in the addendum and include commercial recreation, airports, driving ranges, sewage plants, radio, radar or television transmission or receiving facilities and public or quasi-public uses.

The minimum lot size is five acres, the lot coverage is no more than 50 percent, no structure is to exceed 2.50 stories or 30 feet in height, whichever is greater. Front setback is 50 feet; side is 30 feet and rear is also 30 feet. Other requirements concern a minimum pervious area and storm water requirements, delineated in the addendum.

We have also provided the General Plan Land Uses Policies for Preservation, Open Space in the addendum. According to the General Plan, "The Preservation category applies to natural and other areas set aside to allow for:

- 1. The protection and preservation of unique resources in Redwood City, including wildlife habitat, creeks, tidal marsh lands, protected hillsides, and geological formations.
- 2. Opportunities for resource enhancement, including restoration of tidal and other wetlands and creeks.
- 3. The preservation and management of locally available natural resources, including but not limited to timber, marine, wind, solar, and other types of resources."

"Allowed uses must be complementary to resource preservation, enhancement, and management, including low-intensity recreational facilities, such as hiking and biking and related improvements."

We spoke with the Redwood City Planning Department concerning the zoning and General Plan of the PG&E property. Most specifically, we spoke with the department concerning the current

utility corridor use. Again, the electrical transmission corridor use is a legal use that is "grandfathered-in."

HIGHEST AND BEST USE ANALYSIS

Highest and best use, as used in this appraisal, is defined as follows:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

Generally, a property's highest and best use corresponds to the legal uses allowed by zoning for vacant land and to the existing use for improved properties, unless the improvements represent uneconomic uses of the land. Evidence of the latter is generally indicated by similarly improved properties selling for essentially land value.

For improved properties, the highest and best use is evaluated both as if vacant and as improved. If a use other than the existing improved use is determined to be the highest and best use of the site, the feasibility of demolishing the improvements and converting the site to an alternative use must be recognized in the analysis.

The highest and best use of both the land as though vacant and the property as improved must meet four key tests. The highest and best use must be:

- Physically Possible
- Legally Permissible
- Financially Feasible
- Maximally Productive

These criteria are usually considered sequentially: a use may be financially feasible, but this is irrelevant if it is physically impossible or legally prohibited. Only when there is a reasonable possibility that one of the prior, unacceptable conditions can be changed is it appropriate to proceed with the next step in the analysis. The area upon which the proposed easement purchase is located is a levee with a dirt trail; the remaining portion is improved with electrical towers and electrical power lines. Therefore the highest and best use analysis is as if vacant and as improved.

Physically Possible: The uses for which land or improved property can be put are related to its physical and locational characteristics, including size, shape, topography, available public utilities, street access, exposure to traffic patterns and overall functional utility.

The PG&E property is primarily marsh land that has been improved with a dirt built-up levee and electrical towers with power lines. The area that is to be burdened with the proposed easement consists of the dirt built-up levee. Due to the nature of the marsh land, limited development can take place. We note, however, that the electrical transmission towers have been placed on concrete piers that have been sunk into the marsh land.

Due to the existing marsh land, the development of the property is limited, and this would have an impact on what is physically possible. As if vacant, the subject would have very limited development. As improved, it is already an electrical transmission corridor.

Legally Permissible: Private restrictions, building codes, zoning and other legal requirements potentially place restrictions on the highest and best use of the property.

As noted in the zoning section of this report, the subject easement is located on a site that is zoned and General Planned for use as a tidal plain property or open space property. In addition, the subject property is an electrical power transmission corridor as well as being a portion of a much larger electrical power transmission corridor.

The City of Redwood City, U.S. Army Corp of Engineers and the San Francisco Bay Conservation and Development Commission (BCDC) all have jurisdiction over the subject property. We spoke with the City and BCDC concerning the possible use of the entire property. As if vacant, there would be limited development potential; almost none. As improved, the electrical transmission corridor use is a legal use. Any change to the PG&E property, or a portion of the property, like the levee, would require approval.

The City is currently applying to BCDC for the approval to improve the existing dirt trail; approval will be decided at some time in the future. As was noted in the discussion of the site, BCDC will encourage the least amount of change to the entire property and levee itself.

We conclude that as if vacant, the subject property and levee would have extremely limited development potential, almost none. As improved, the current improvements are legal but any change would be restricted by BCDC. In essence, BCDC would like almost no change to the existing levee and property.

Financially Feasible: The feasibility of improving or developing a site is directly tied to current market conditions and to construction and land costs. The critical component to feasibility is demand for the property.

As if vacant, the subject property could be utilized as wetlands mitigation land. The high watermark for wetlands sales that have taken place over the past ten years is in the \$20,000-to-\$32,000-per-acre range.

As improved, the PG&E property would be burdened by the current utility and levee use and the value would be less than that indicated by the sales price per acre range for wetlands sales. As improved, the subject property is a portion of a much larger electrical power transmission corridor used by PG&E.

More importantly to the proposed easement being appraised is that the subject PG&E parcel is improved with three towers, electrical lines and built-up levee. BCDC is against the removal of the levee or even a major change to the levee, such as grading, removal of a large amount of natural vegetation and pavement of a hiking/bicycle trail. Since the levee cannot be removed, the subject land cannot be used for wetlands mitigation. The value of the land, as improved and burdened by the utility corridor use, then, is less than the value of wetlands used for mitigation, as if vacant.

Maximally Productive: The use for a property is maximally productive when it provides the highest net return to the land. This test involves evaluating the various uses that meet the previous three tests to determine that use that generates the maximum value to the underlying land and the highest developer's profit.

As if vacant, the subject land could have been used for wetlands mitigation and would have value as a wetlands property. As improved, the subject property is burdened by the current utility corridor use and levee and cannot be used for wetlands mitigation. The current improvements cannot and would not be removed. The maximally productive use is therefore the current use.

Highest and Best Use: Based on the analysis of the legal, physical and economic factors affecting development, the highest and best use is the current as improved use, an electrical transmission corridor.

Proposed	Easement,	Bair Island,	Redwood	City, CA	16317 S
	,	,		<i>J</i> ,	

Page 30

SECTION III – VALUATION

APPROACH TO VALUATION

The highest and best use of the entire PG&E property is as improved, an electrical transmission corridor as part of a larger electrical transmission corridor. The common method of easement valuation is to measure the burden placed upon the property interest as if the easement does not exist, utilizing the "before" and "after" method. In this case, we have taken into consideration the burden upon the fee as well as the burden upon the larger utility corridor held by PG&E.

The approach to valuation, then, includes determining the highest and best use of the subject property as an operating utility corridor. Then we ask the question of whether the loss of the real property interest, the existing easement, unduly interferes with the operation of the electrical transmission corridor. If not, then the value is nominal; if yes, what are the reasonably probable uses that are impacted, and what, then, is the value of the impacts.

The proposed public access trail does not unduly interfere with the electrical transmission function of the entire utility corridor or on the PG&E property itself. The use and function of the utility corridor does not change in the before or after condition. We have determined that the proposed public access easement does not unduly interfere with the operations of the electrical power transmission corridor. The impact is, therefore, nominal.

In addition, we also considered the impact on the fee value of the PG&E property. As was noted earlier, the fee value of the subject would be less than the value of the property as wetlands mitigation because it cannot be used for wetlands mitigation. This is because of the current use and levee. We have estimated, and maintained in our files, the value of the property burdened by the use. We then estimated the burden of the proposed easement. The conclusion was less than the nominal value. Therefore, we will be valuing the property based upon the nominal value.

VALUATION

Based on information provided verbally and exhibits provided by the Redwood City Engineering Department, if that portion of the current utility corridor were burdened by the public access easement, there would be no interference with the existing electricity transmission operation. The corridor will continue to support the transmission of electricity if the easement in question were purchased by the City. That is, the loss of this portion of the dominant tenement results in no burden to PG&E's electrical transmission corridor use on the subject property. In addition, the City of Redwood City would maintain the easement area; there is no additional expense to PG&E. The value of the easement area in question is nominal.

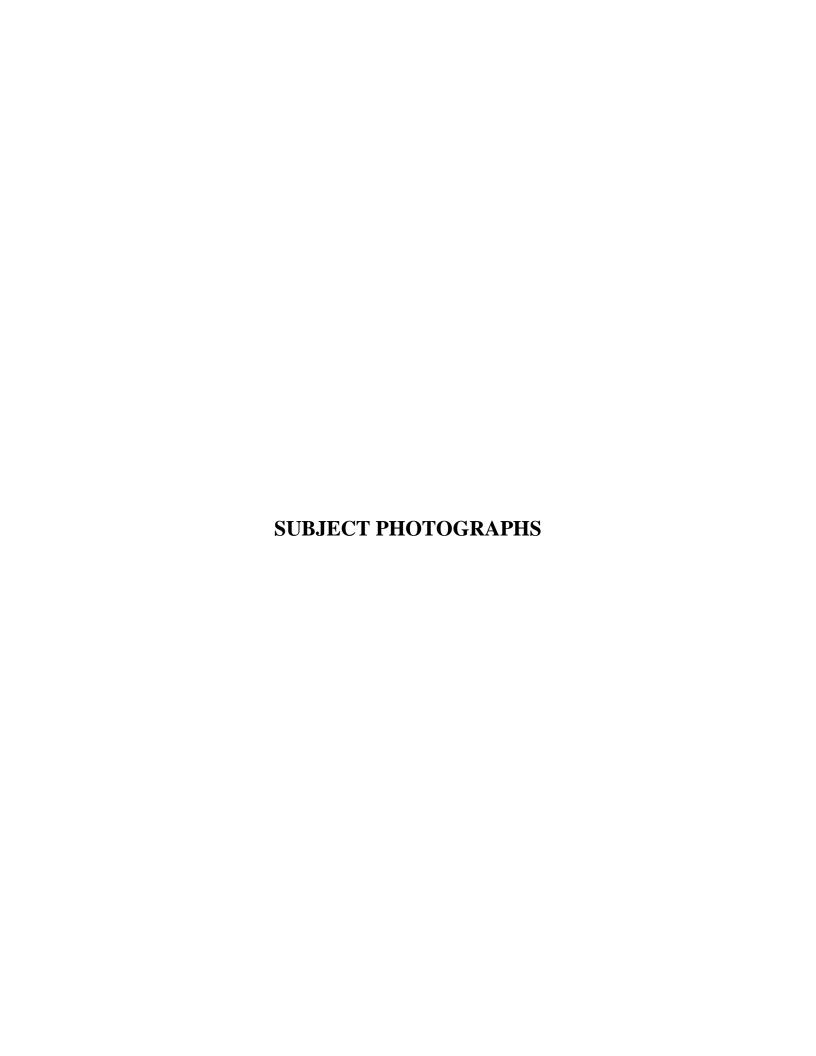
While there in no defined marketplace for "nominal" value, nominal can be considered to be on the order of \$250 to \$2,500 per occurrence. Considering the appraisal scope and the purpose and intended use of the appraisal, together with the estimated costs, legal, physical and location characteristics of the permanent easement to be acquired by the City of Redwood City in this corridor, the appropriate value of nominal in subject acquisition is estimated to be \$1,000.

STATEMENT OF VALUE

Based on our investigation and analysis, presented in the attached appraisal report and subject to the certifications and limiting conditions of this report, especially the Extraordinary Assumption that there are no matters of record that would impact value, the market value of the proposed easement, as of February 6, 2012, is

ONE THOUSAND DOLLARS (\$1,000)







Closer view of the entrance to the PG&E Property from Bair Island Road



Subject proposed easement area just past entrance area facing east

EXHIBIT B: MIDDLE EASEMENT BAIR ISLAND BAY TRAIL

EXHIBIT "B" MIDDLE EASEMENT BAIR ISLAND BAY TRAIL

SITUATED IN THE CITY OF REDWOOD CITY, COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ALSO:

BEING A PORTION OF THE "LANDS OF PACIFIC GAS AND ELECTRICAL COMPANY" ALONG THE BAY TRAIL PROJECT SM-27, BETWEEN WHIPPLE AVENUE AND BAIR ISLAND ROAD.

THIS IS A 12 FOOT WIDE EASEMENT OVER A PORTION OF THE EXISTING BAY TRAIL BETWEEN WHIPPLE AVENUE AND BAIR ISLAND ROAD, THE CENTERLINE IS DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF PARCEL "A" OF THE CONDOMINNIUM PLAN AND SUBDIVISION KNOWN AS "CALIFORNIA MARINA", RECORDED IN VOL.128 PG.95, DATED AUGUST, 1998; THENCE NORTH 6°45'07" EAST, 6.00 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE NORTH 84°15'37" WEST, 62.41 FEET; THENCE NORTH 87°16'01" WEST, 48.16 FEET; THENCE ALONG A CURVE TO THE LEFT WITH A RADIAL BEARING OF SOUTH 10°07'39" WEST, A RADIUS OF 827.33 FEET, A DELTA ANGLE OF 10°11'01", AND AN ARC LENGTH OF 147.50 FEET; THENCE

NORTH 89°30'52" WEST, 37.37 FEET; THENCE

NORTH 87°57'16" WEST,75.85 FEET; THENCE

NORTH 88°20'37" WEST, 106.00 FEET; THENCE

NORTH 87°53'06" WEST, 68.92 FEET; THENCE

SOUTH 89°15'27" WEST, 39.96 FEET; THENCE

NORTH 88°47'18" WEST, 235.20 FEET: THENCE

NORTH 89°09'50" WEST, 99.93 FEET; THENCE

NORTH 87°04'46" WEST, 50.00 FEET; THENCE

NORTH 87°49'01" WEST, 39.82 FEET; THENCE

SOUTH 89°52'40" WEST, 125.58 FEET; THENCE ALONG A CURVE TO THE LEFT WITH A RADIUS OF 191.23 FEET, A DELTA ANGLE OF 5°56'23", AND AN ARC LENGTH OF 19.82 FEET; THENCE ALONG A REVERSE CURVE TO THE RIGHT WITH A RADIUS OF 400.07 FEET, A DELTA ANGLE OF 14°00'24" AND AN ARC LENGTH OF 97.80 FEET; THENCE ALONG A REVERSE CURVE TO THE LEFT WITH A RADIUS OF 752.26 FEET, A DELTA ANGLE OF 6°45'19" AND AN ARC LENGTH OF 88.69 FEET; THENCE

NORTH 88°57'31" WEST, 103.77 FEET; THENCE SOUTH 89°12'29" WEST, 55.75 FEET; THENCE NORTH 87°49'56" WEST, 36.72 FEET; THENCE

SOUTH 89°37'23" WEST, 144.26 FEET; THENCE ALONG A CURVE TO THE RIGHT WITH A RADIUS OF 225.00 FEET, A DELTA ANGLE OF 12°18'38" AND AN ARC LENGTH OF 48.34 FEET; THENCE

NORTH 78°03'58" WEST, 7.85 FEET TO POINT "A"; THENCE SOUTH 81°34'15" WEST, 7.82 FEET; THENCE ALONG A CURVE TO THE RIGHT WITH A RADIUS OF 204.94 FEET, A DELTA ANGLE OF 10°39'12" AND AN ARC LENGTH OF 38.11 FEET; THENCE

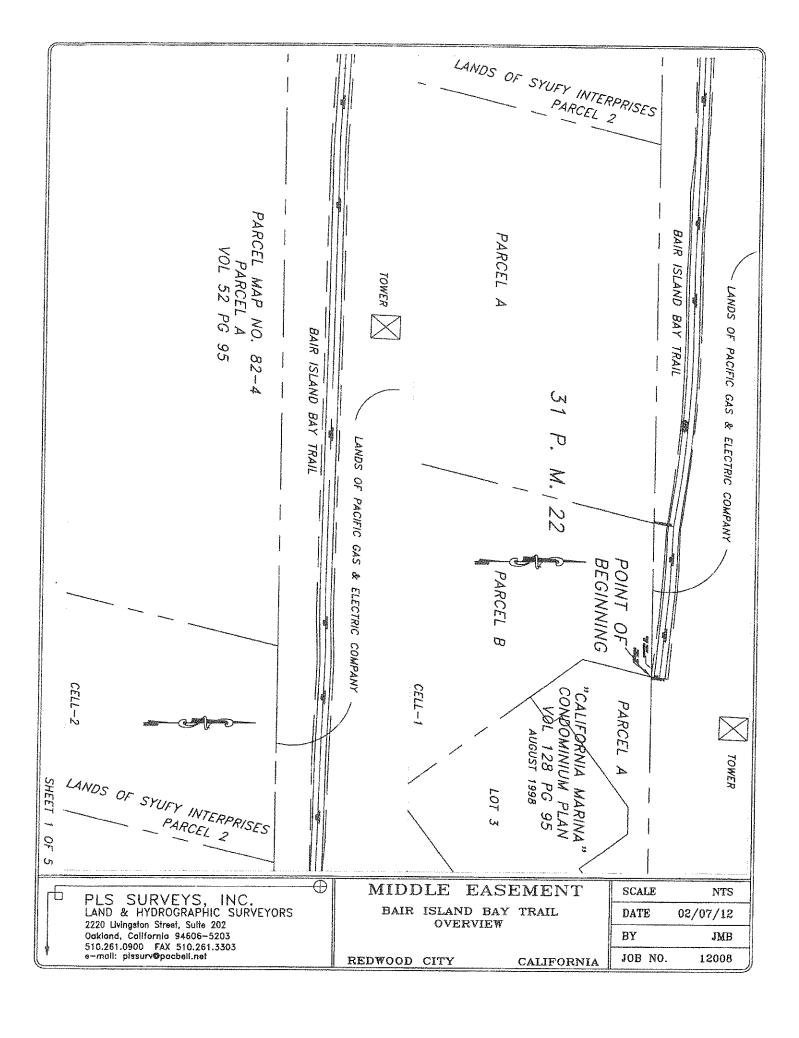
NORTH 88°39'56" WEST, 26.62 FEET TO THE EASTERN LINE OF THE CAL TRANS RIGHT-OF-WAY FOR WHIPPLE AVENUE AS SHOWN ON THE CALTRANS "RIGHT -OF-WAY RECORD MAP, R-98.15".

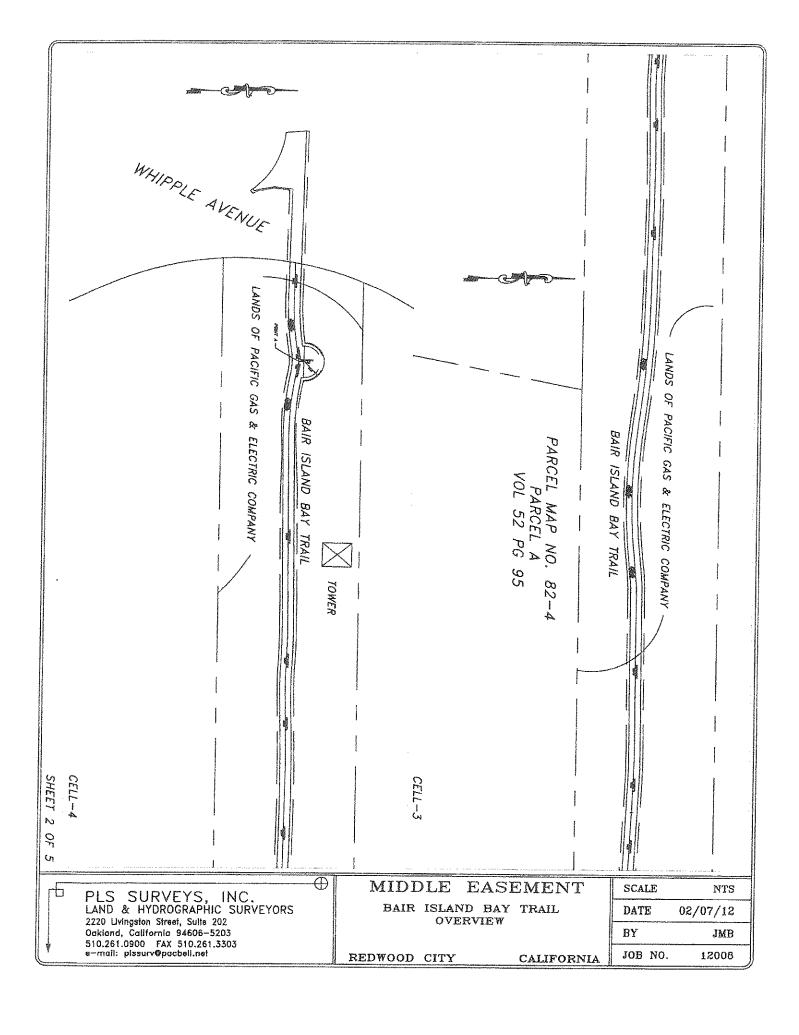
THE EASEMENT LINES SHALL EXTEND OR SHORTEN TO MEET THE CALTRANS RIGHT-OF-WAY LINE.

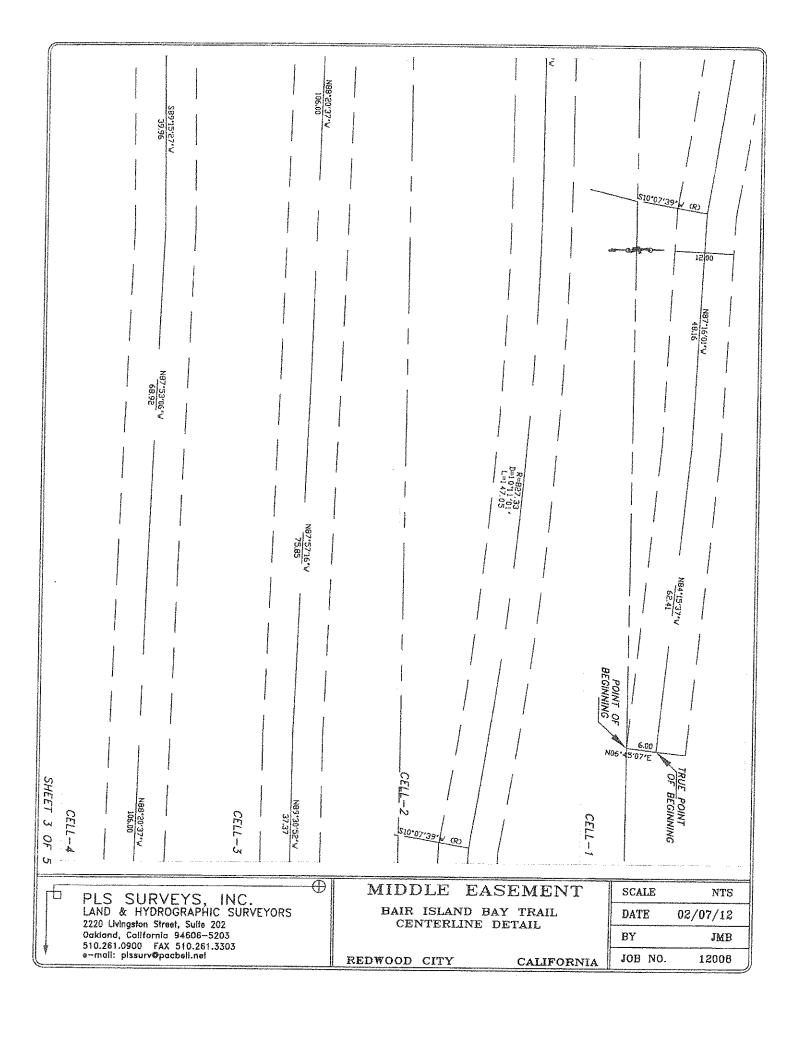
IN ADDITION TO THE ABOVE DESCRIBED EASEMENT, A 14 FOOT BULBOUT IS DESCRIBED AS FOLLOWS:

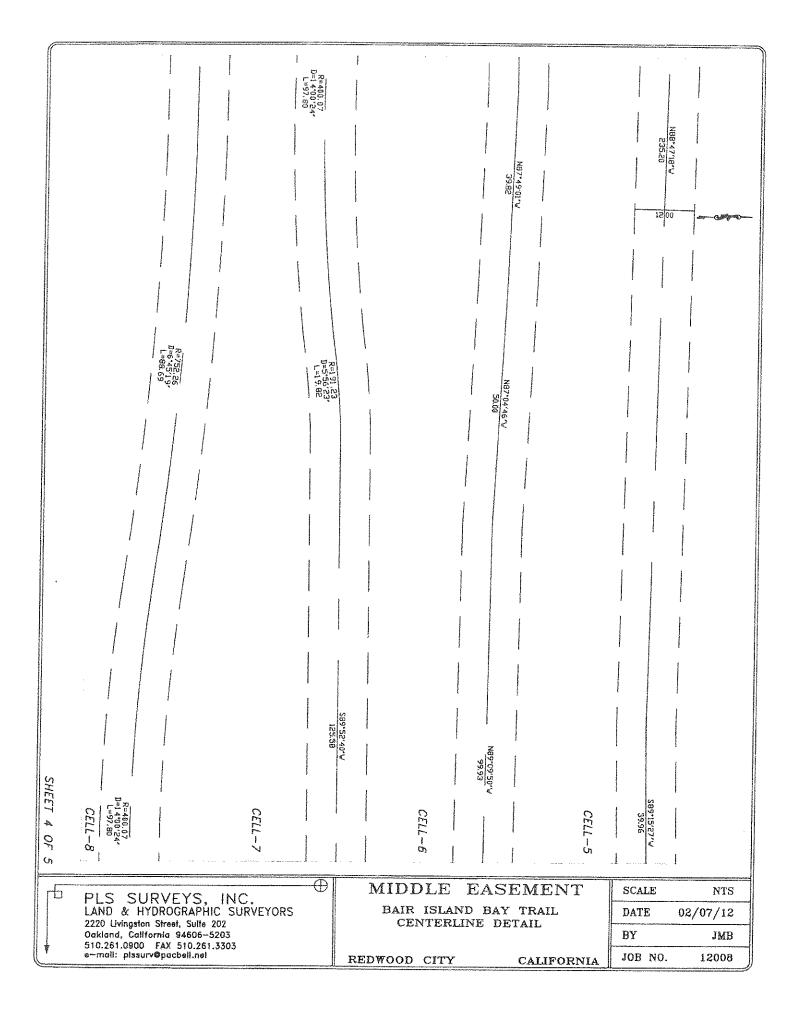
BEGINNING AT POINT "A" AS DESCRIBED ABOVE; THENCE NORTH 01°39'30" WEST, 4.00 FEET TO A 14.00 FOOT RADIUS, THE LINE OF THIS 14.00 FOOT RADIUS SHALL INTERSECT AND END AT THE NORTHERN LINE OF THE 12 FOOT WIDE EASEMENT DESCRIBED ABOVE.

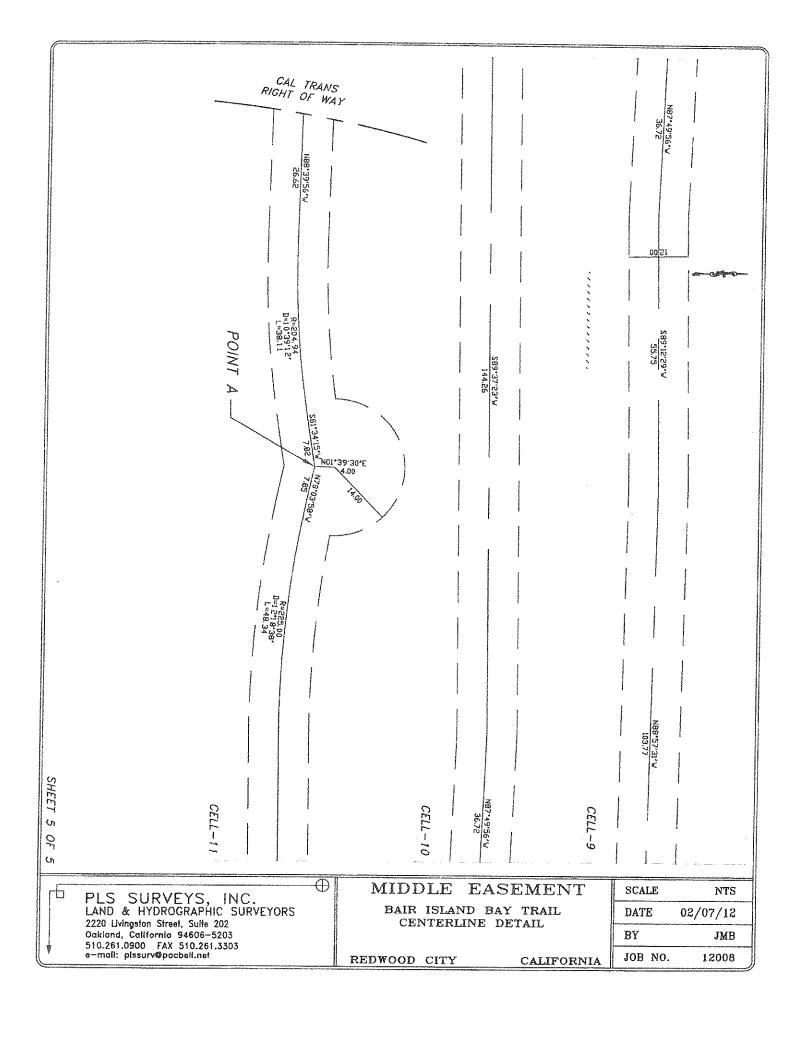






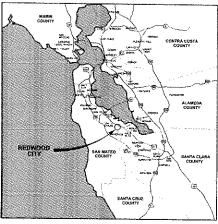




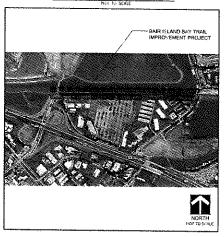




BAIR ISLAND BAY TRAIL IMPROVEMENT **PROJECT**



PROJECT VICINITY MAP



CITY COUNCIL

ALICIA C. AGUIRRE - Mayor JEFF GEE - Vice Mayor ROSANNE S. FOUST JEFF IRA BARBARA PIERCE JOHN D. SEYBERT



CITY OFFICERS

ROBERT B. BELL BILL EKERN

CITY MANAGER COMMUNITY DEVELOPMENT DIRECTOR

PAMELA THOMPSON

CITY ATTORNEY SILVIA VONDERLINDEN CITY CLERK

ENGINEERING AND TRANSPORTATION REDWOOD CITY, CALIFORNIA

GENERAL NOTES

- ELEVATION DATUM FOR THIS PROJECT IS MAYD 1988 DATUM.
- THE CONTRACTOR SHALL CALL U.S.A. \$11/(\$00) 227-2800 AT LEAST 48 HOURS PRIOR TO STAT OF WORK FOR UTILITY LOCATION MARKINGS; REMOVE TEMPORARY CONSTRUCTION AMARKINGS ON PAYERSHT AND SIDEY 4LK, IT SHALL BE THE CONTRACTOR'S RESPONSIBILITY TO DETERMINE THE EXISTENCE AND LOCATION OF THE UTILITIES INDICATED IN THE FIELD MY U.S.A. AN ADDITIONAL COSTS INCURRED, AS A RESULT OF CONTRACTOR'S PALLIRE TO VERFY LOCATIONS OF EXISTING UTILITIES PRIOR TO BEGINNING OF CONSTRUCTION OF HAVE A CONTRACTOR.
- EXISTING ICE PLANT AND YEGETATION ARE TO BE CLEARED AND GRUBBED AS REQUIRED FOR CONSTRUCTION
- ANY EXISTING IMPROVEMENTS, UTILITIES OR PAYEMENT/CURB MARKINGS DAMAGED DURING CONSTRUCTION SHALL BE REPLACED AND/OR REPAIRED TO FACILITY OWNER'S SATISFACTION AT THE CONTRACTOR'S EXPENSE.
- EXISTING SURVEY INFORMATION WAS OBTAINED USING GPS-RTK EQUIPMENT, SEE SPECIFICATION SECTION 01545 CONSTRUCTION SURVEYING.
- PROPOSED CONSTRUCTION IS TO BE CARRIED OUT USING OPS-RTK SYSTEMS. TOLERANCES, ACCURACIES AND LIMITATIONS OF GPS-RTK SYSTEMS ARE ADDRESSED IN SECTION 01645 OF THE SPECIFICATIONS.
- ALL INSTALLED ORANGE SAFETY FENCES AND EROSION CONTROL MEASURES ARE TO BE REMOVED AFTER COMPLETION OF CONSTRUCTION.
- CONTRACTOR SHALL OBTAIN ENGROACHMENT PERMIT FROM THE DEPARTMENT OF TRANSPORTATION PRIOR TO STARTING WORK, CITY WILL REIMBURSE CONTRACTOR FOR PERMIT PEES.

INDEX OF SHEETS

DESCRIPTION

SHEET NO.

1	TITLE SHEET
2	EXISTING CONDITIONS SURVEY PLANS
3	EXISTING CONDITIONS SURVEY PLANS
4	EXISTING CONDITIONS SURVEY PLANS
5	EROSION AND SEDIMENT CONTROL PLANS
6	EROSION AND SEDIMENT CONTROL PLANS
7	EROSION AND SEDIMENT CONTROL PLANS
8	DEMOLITION PLANS
9	DEMOLITION PLANS
10	DEMOLITION PLANS
11	GRADING PLANS
12	GRADING PLANS
13	GRADING PLANS
14	LAYOUT, MATERIAL AND DETAIL REFERENCE
	PLANS
15	LAYOUT, MATERIAL AND DETAIL REFERENCE
	PLANS
16	LAYOUT, MATERIAL AND DETAIL REFERENCE
	PLANS
17	CONSTRUCTION DETAILS
18	CONSTRUCTION DETAILS
19	CONSTRUCTION DETAILS (NOT INCLUDED)
20	CONSTRUCTION DETAILS (NOT INCLUDED)
21	CONSTRUCTION DETAILS

SCOPE OF WORK

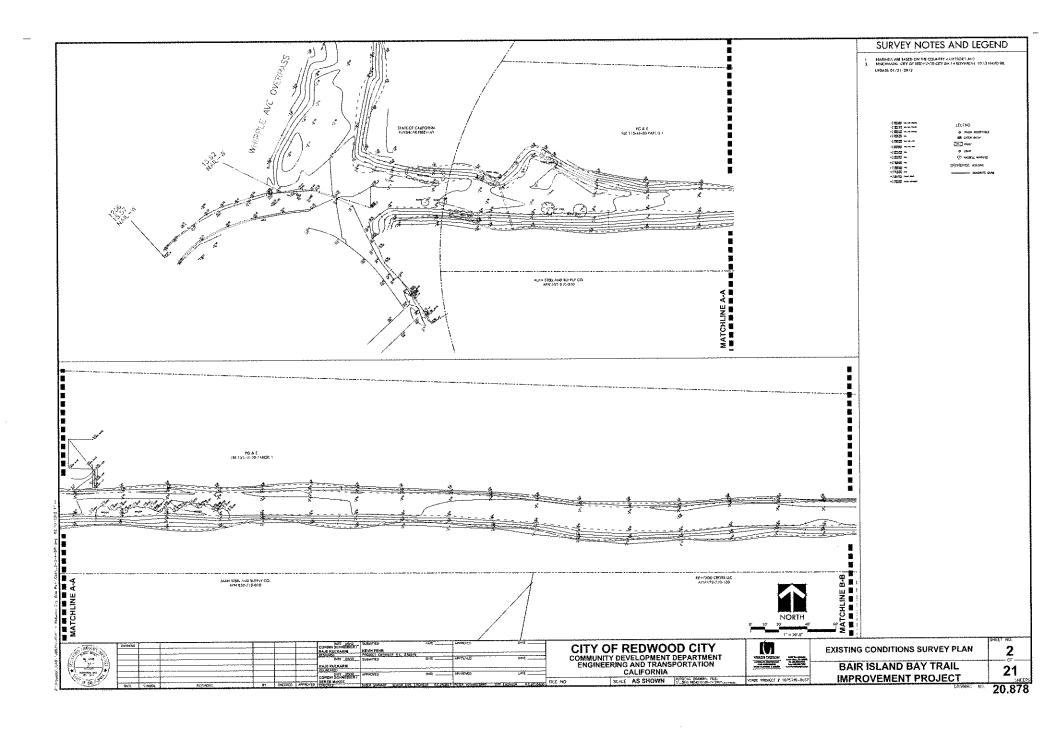
THE WORK OF THIS PROJECT CONSISTS GENERALLY OF CLEAFING AND GRUBBING OF EXISTING DIRT? NATURAL PLANTING AREA, SELECTIVE DEMOLITION. REATHWORK, TYARL IMPROVEMENTS ON TO OF THE EXISTING LEYES, ACCESSIBLE COMPLIANCE AT THE LEYES TRAIL ENTRANGE, DRAINAGE, UTILITY IMPROVEMENTS, APPRALT PATHWAY, COMPRETE EDDE BAND AND PAYING, BERNECHES AND TRAIL ASPIRALT PATHWAY, COMPRETE EDDE BAND AND PAYING, BENCHES AND TRAIL

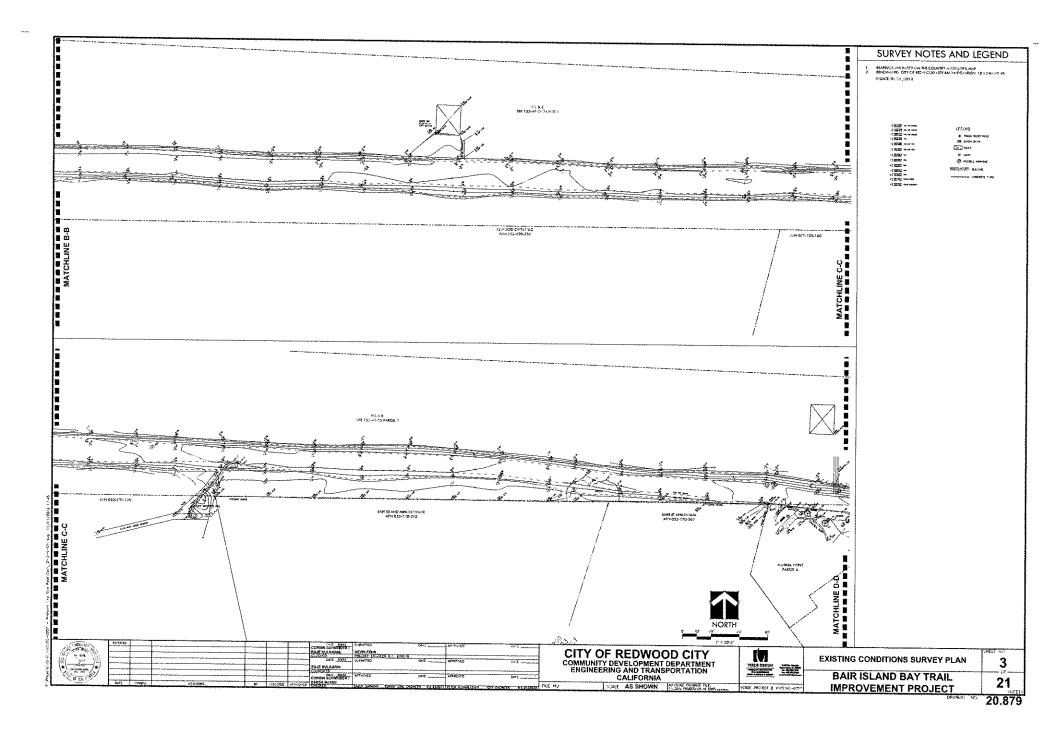
PROJECT SITE (1-9KGs)

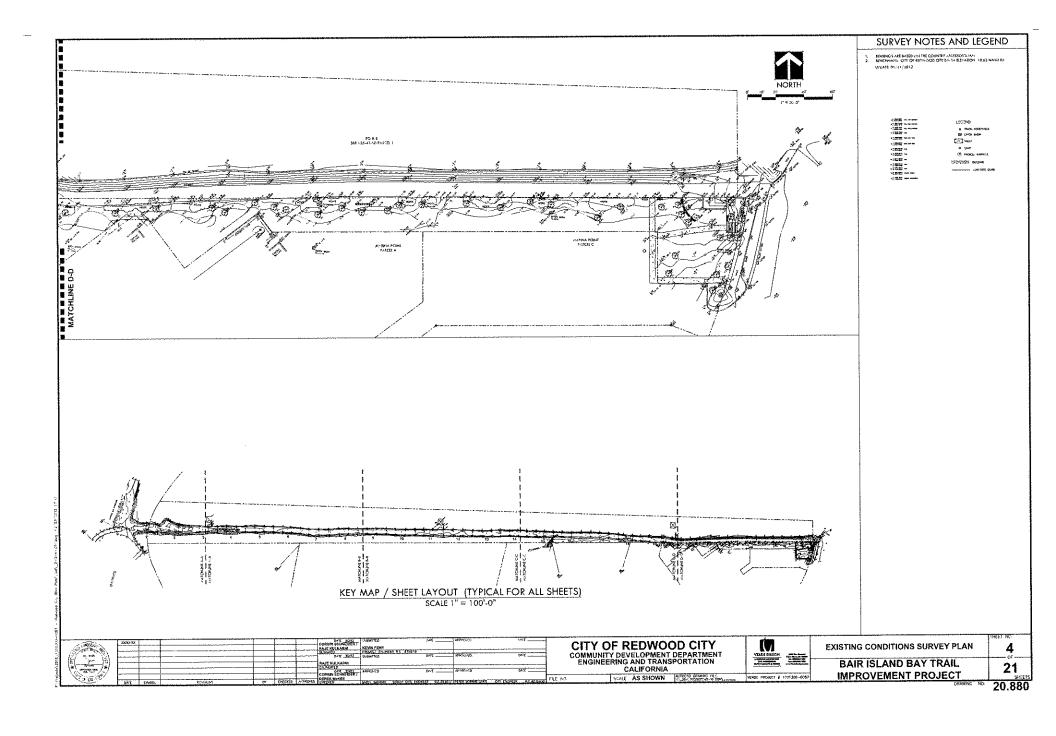
PROJECT LOCATION MAP

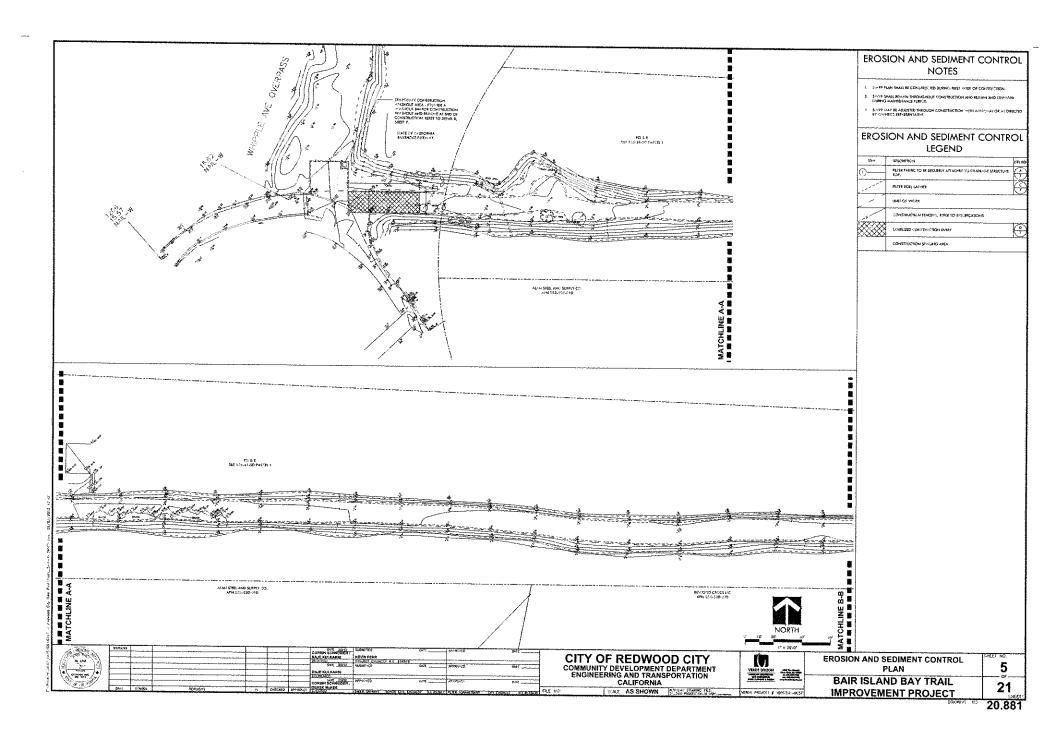
95% SUBMITTAL FEBRUARY 3, 2012

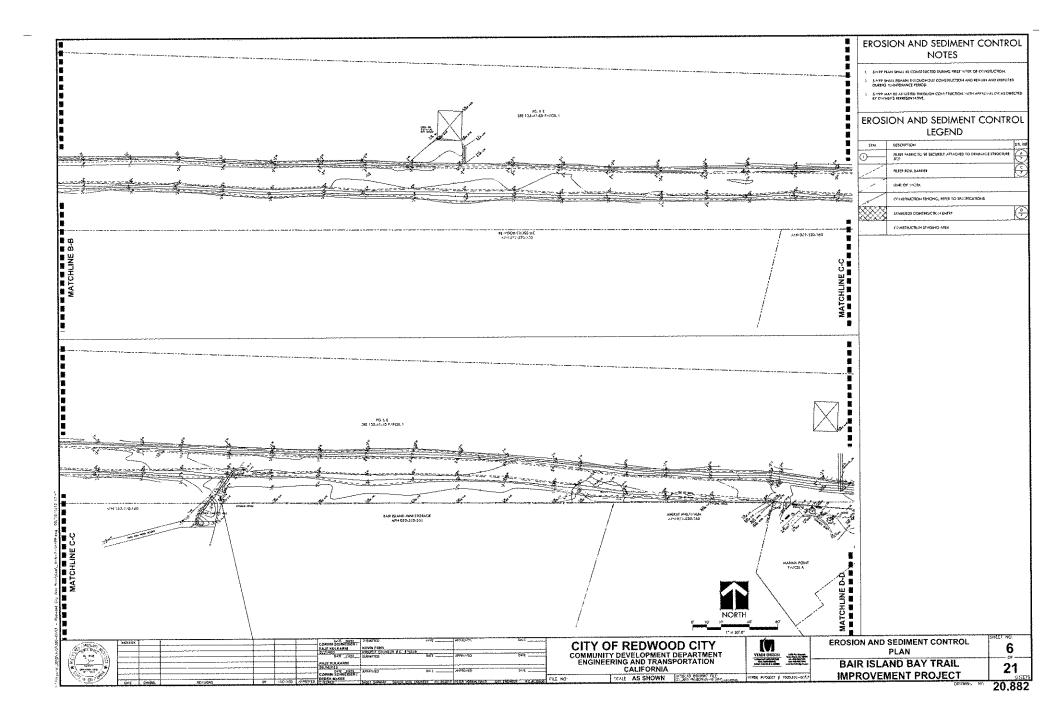


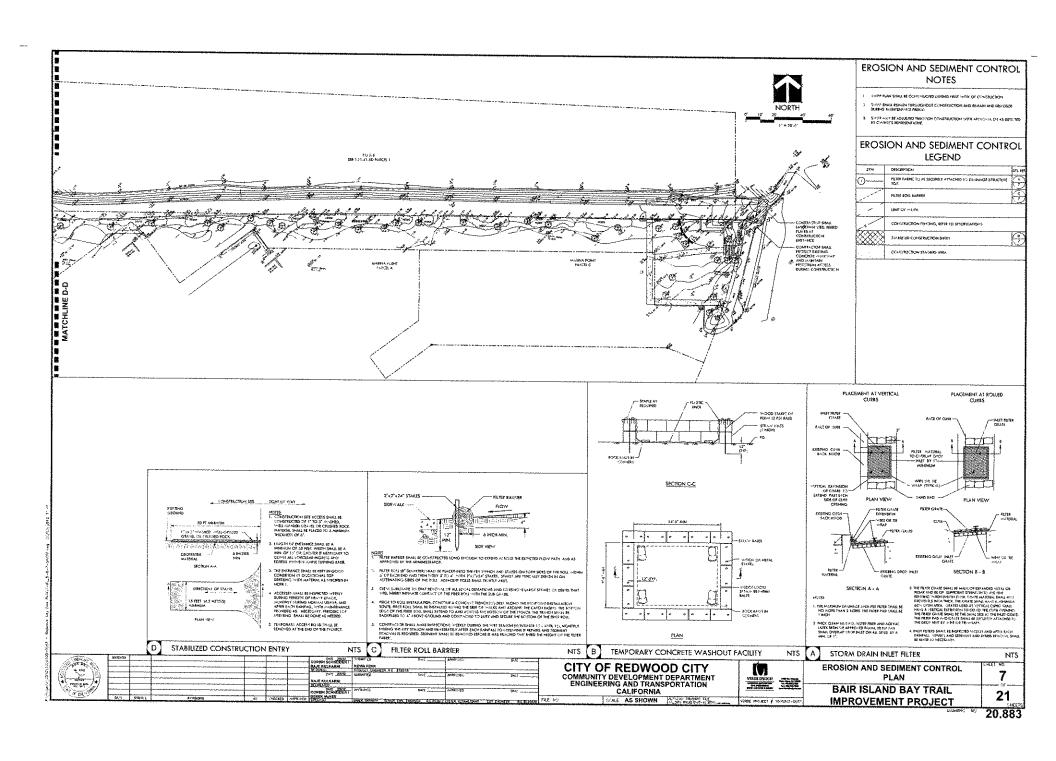


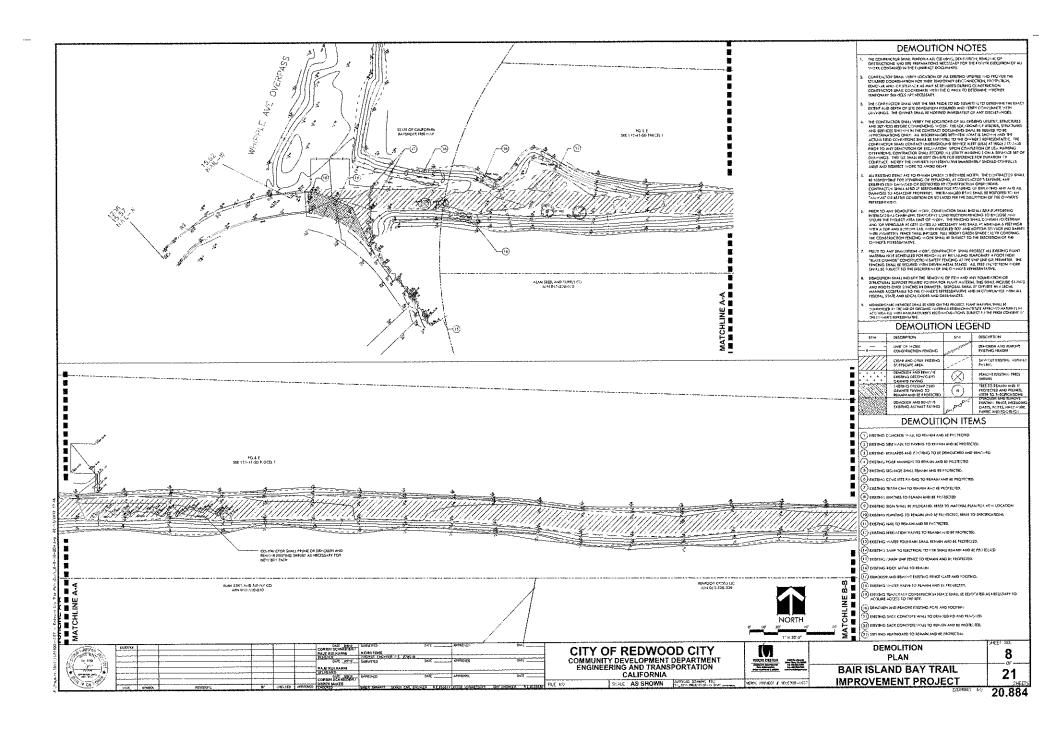


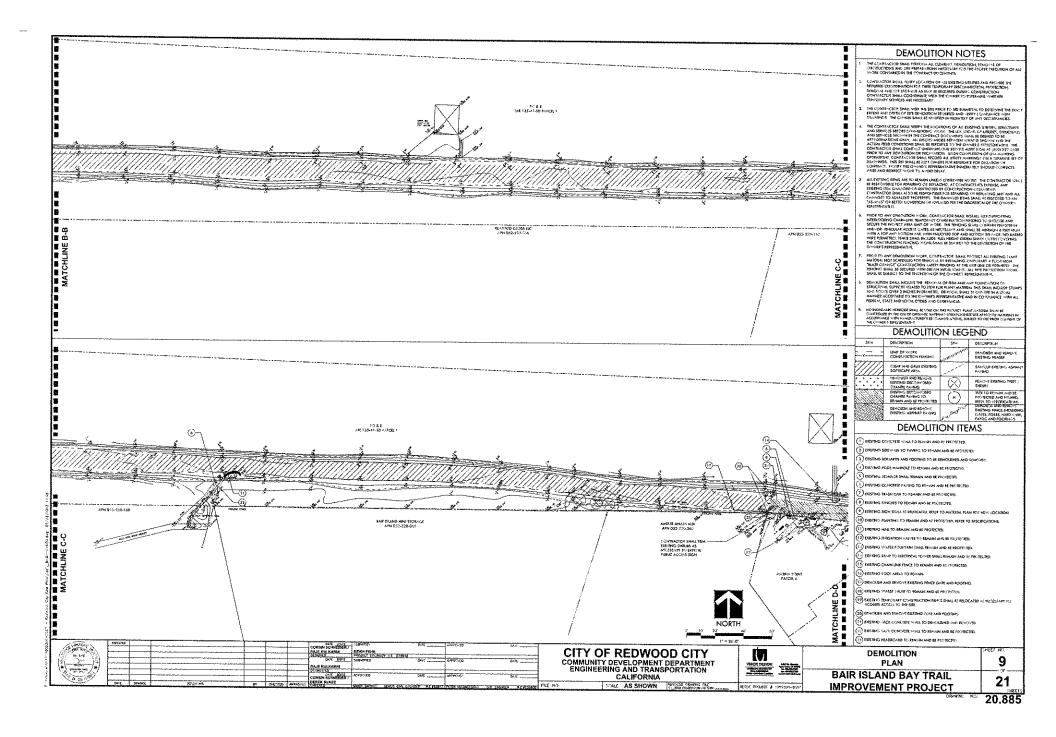


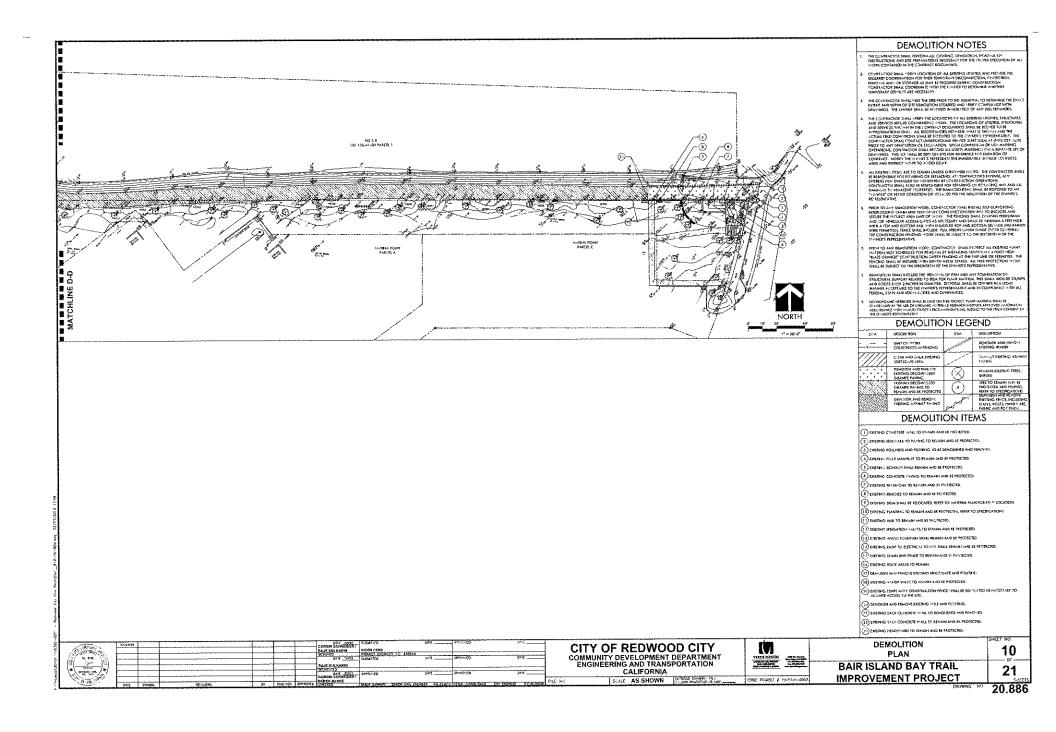


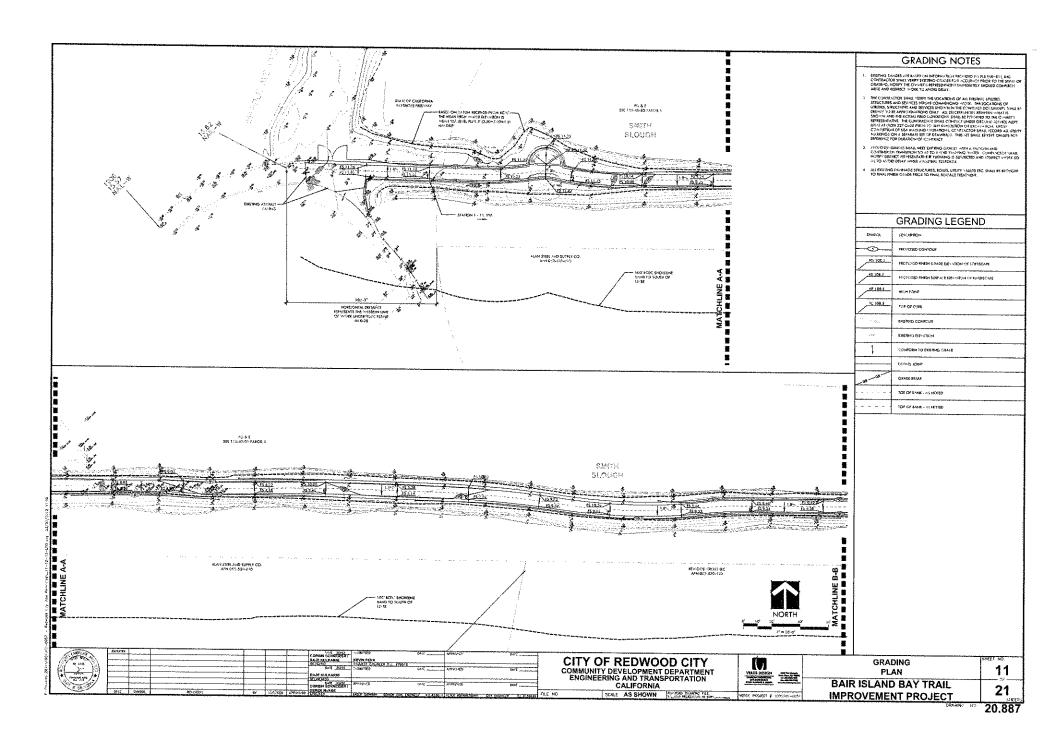


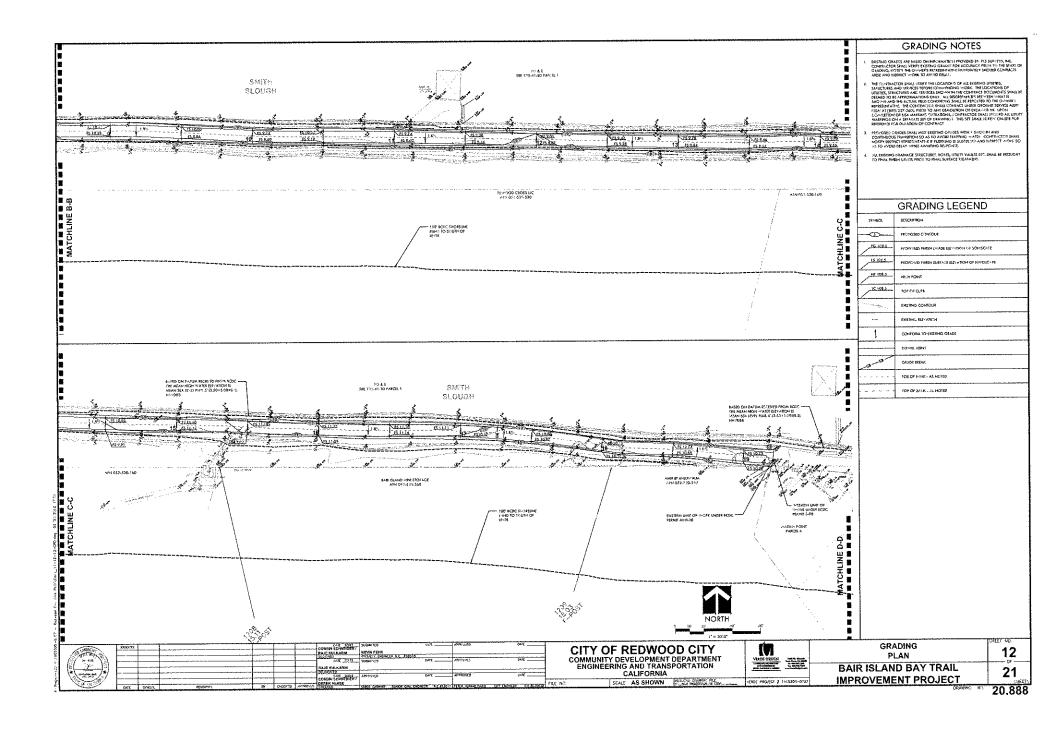


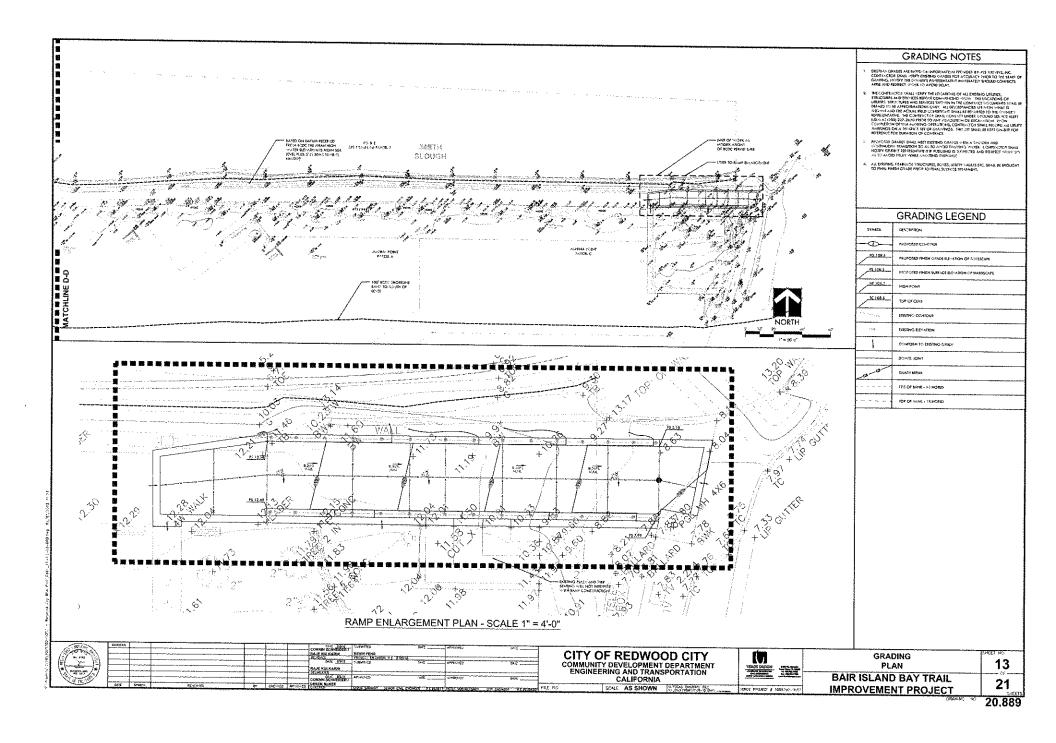


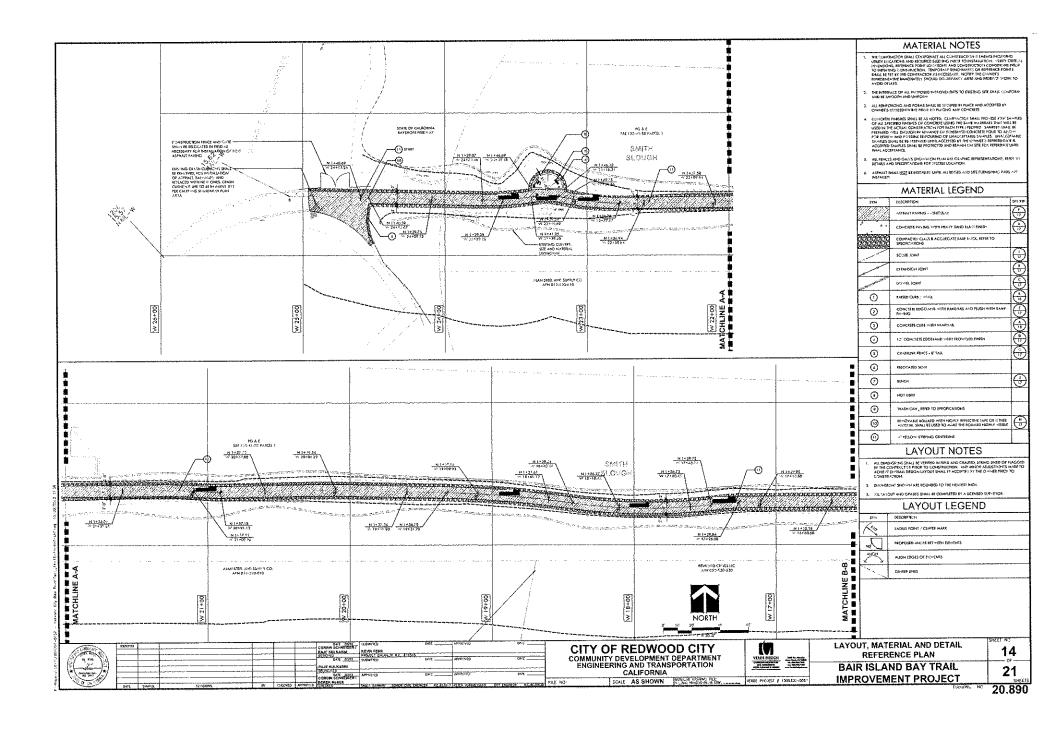


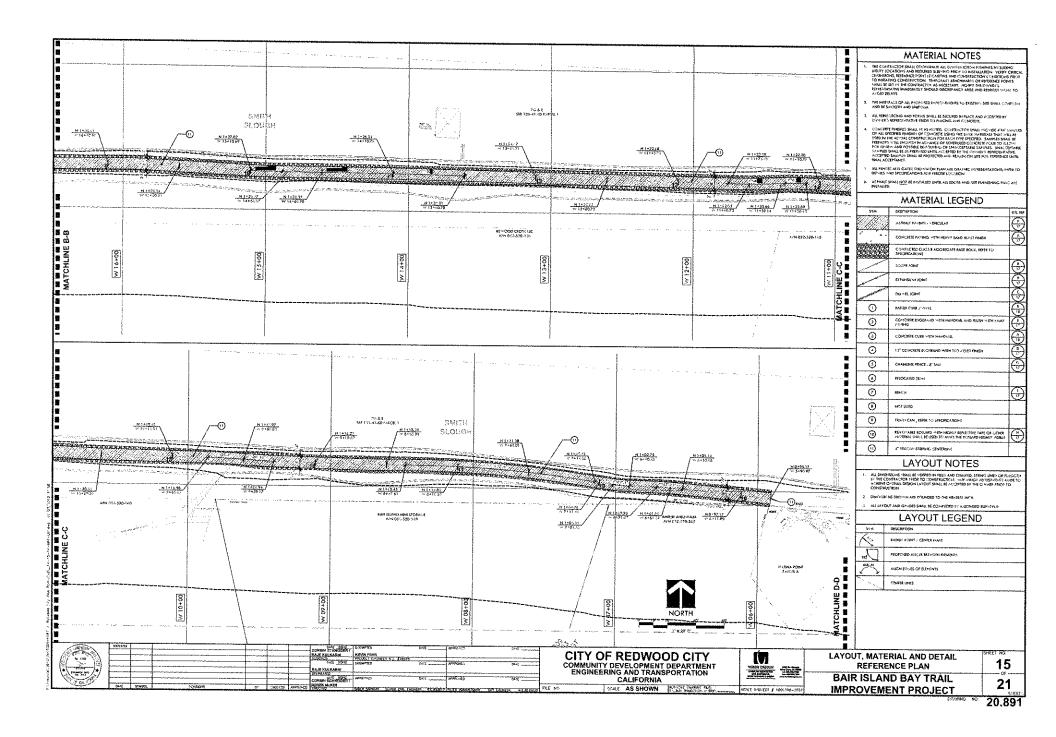


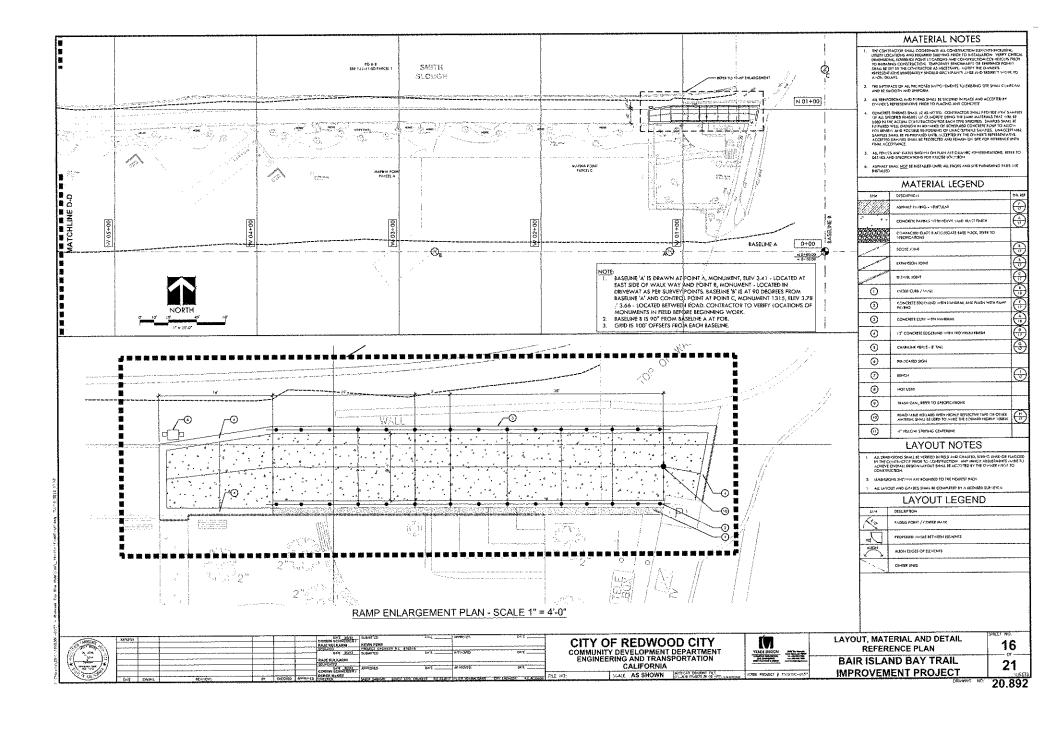


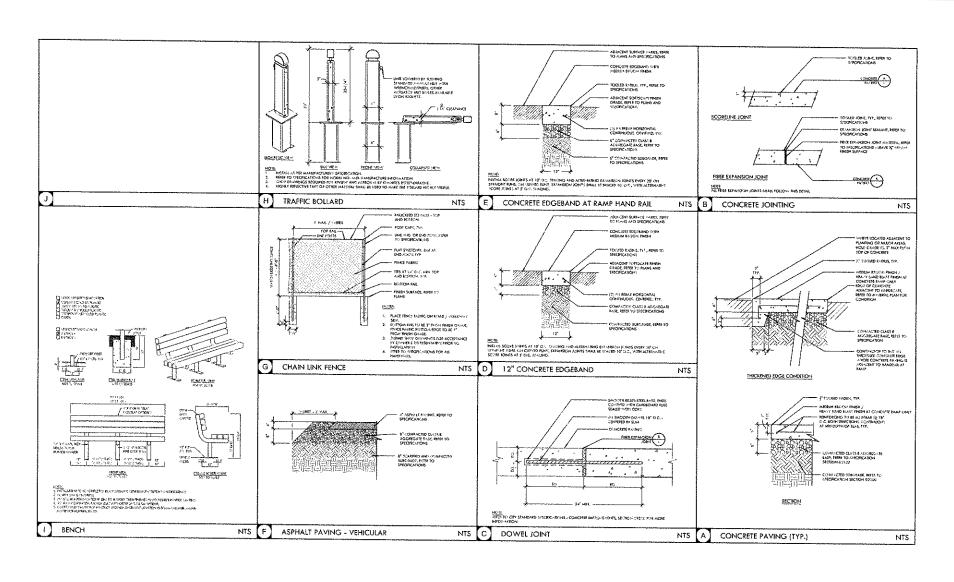






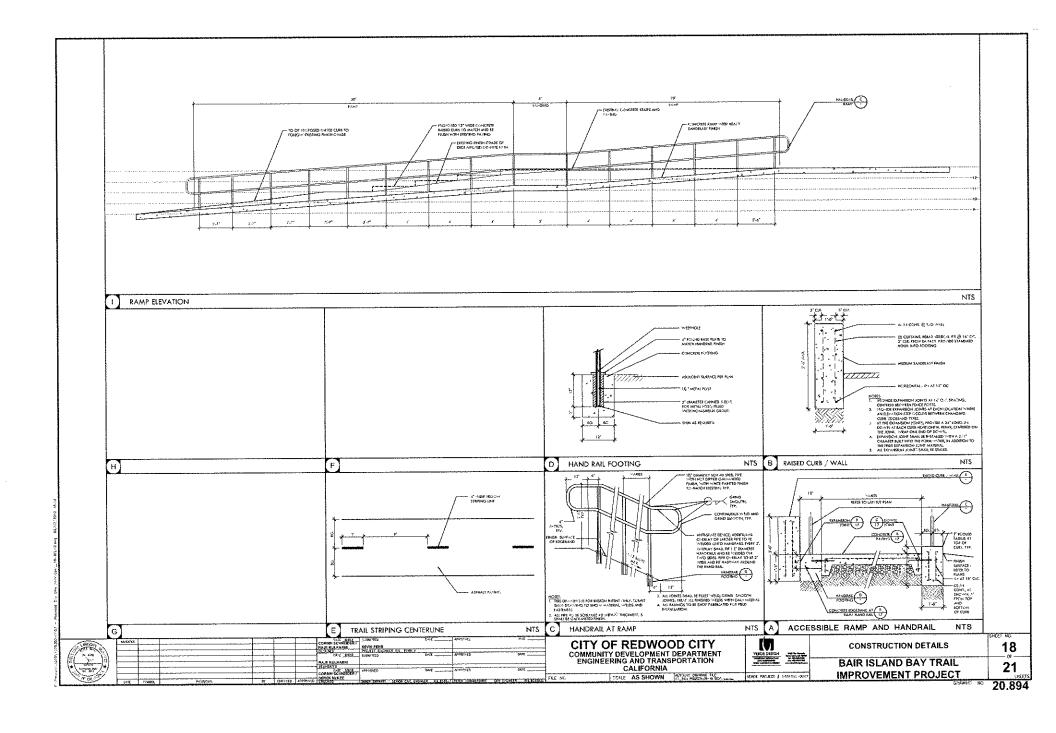






CITY OF REDWOOD CITY RAJE KULKARIA CONSTRUCTION DETAILS COMMUNITY DEVELOPMENT DEPARTMENT ENGINEERING AND TRANSPORTATION 17 AEMY DRIGH BAIR ISLAND BAY TRAIL CALIFORNIA 21 SCALE AS SHOWN AND PRINCE AS SON IMPROVEMENT PROJECT

20.893





Construction Heavy Equipment & Site Supervision

Advance planning prevents pollution

Schedule excession and grading activities for dry
weather periods. To reduce self-creation, plant tempo-rary vegetation or place other arcsion, controls before nin because.

mit hospita.

"Locale and protect storm dealas in the vicinity of the site with home ar illies during wet weather periods."

"Costined the associat of musciff counting your site (expectably during extinvation) by using better as or tempo-tally or permissioned durings difficient to direct weather arround the site. Realway abstracted muscle of vicio vicinity countracting, sempromy chooled dean or better a vicinity and

appropriate.
This your supleyes and sobcontractors. Make those brokers available to everyone who works on the construction site. Inform subcontractors about the new sharmwater recommends and their responsibilities.

Social sounds requirements and over responsionances. Good househoping practices:

*Designatio can completely contained stees for sub-parities, vehicle reflecting, and routine equipment nationamnos. The designated was should be well away from stream or starm drain taken, and betteel fit neces-

from scream or storm than tolen, and bettered it neces-sary, Make major repair of the faits.

"Korp materials not of the rais - prevent recoff constantination at the source. Cover exposed piles of soil in construction materials with plants shooting or

temperary roofs.

*Even pollutaries off exposed surfaces. Place truth cans and recycling receptables around the site to minimize

Dry recop paved surfaces that drain to storm durins. erecks, or channels. If parentees flushing is recessary, the silt pends or other rechniques to hap rediment and other pollutants.

other pollutants.
Victions up leash, drips and other spills intrassilisticity to
show for not continuistate to all or groundwater or lower
residue on parties markers. Use of champs methods
residue to a partie markers. Use of champs methods
resould be lower bear that the wrise, was just
resould be lower bear that the contract
contract to the contract
resould be lower bear that
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resource that
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correct with anys
or
plants therefore general erround the contains of the
champson. A planted line is recommended to preven
the
resource of
the resource of
resource that
resource that
resource
r horizy it down on the construction else.

Make one pertable toilets me mainfained in good working order by the leading company and that was one disposed of property. Check tollers frequently for

Materials/waste handling

Prantice source reduction – minimum waste when you order materials. Order only the smouth you need to finish the job.

to finish the jon.

"Use recyclable masterials whenever possible. Arrange

"Use recyclable castercia in viscource possible. Armage for pick-up of recyclable materials solve no concrete, aspitati, army metal, solvent, dispraeses, cleared rejectoric, peper, two, and white-beautination entertrials such as send oil, adulferen, betterion, and tires. "Disperse of all senses and denotified odes's property. Many constitution materials and warse can be expected, betterion aspitals and warse can be expected, betterion aspitals and warse can be expected, betterion aspitals and exceeding solvent and desarred systems aspital and exceeding solvent and desarred systems better aspital and exceeding solvent and desarred systems better aspitals and exceeding solvent and desarred systems. The exceeding solvent and desarred systems are solvent aspitals and exceeding solvent and aspitals are solvent aspitals and exceeding solvent and aspitals are solvent aspitals and aspitals are solvent aspitals." three in the street or mear a creek or streets bod.

Pollution Prevention – It's Part of the Plan It is your responsibility to do the job right!

Runoff from streets and other paved areas is a major source of pollution in local creeks, San Francisco Bay and the Pacific Ocean. Construction activities can directly affect the health of our waters unless contractors and crews plan ahead to keep dirt, debris, and other construction waste away from storm drains and creeks. Following these guidelines will ensure your compliance with local stormwater ordinance requirements. Remember, ongoing monitoring and maintenance of installed controls is crucial to proper implementation.

Operation



to pleasing and provenine vehicle maintena Designate a completely contained area of the or tion allo, well away from strongs or storm durin for suite and equipment perking, reflecting, and re-vehicle and equipment paintenance.

✓ Meintain all vehicles and begay equipment, Inspect for mently for and repair leaks.

√ Penform unifor maintenance, repetr jobs, and vehicle and
equipment washing off site.

If you would dealth and replace motor oil, radiator cools or other fluids on site, one drip page or drop clocks to outsis drips and spills. Collect all spont fluids, store in separate containers, and recycle whenever possible, or dispose of fluids as bazardous waste.

✓ Do not use diusel oil to lubricate or class, equipment or

✓ Records most website helteries

Claim up spills immediately when they happen of Never hose down "duty" provinces as imperimental surfaces where finish have spilled. Use thy cleans ods (absorbant materials, cal litter, and/or rego) will possible. If you must use water, use just enough in keep the dust down.

√ Sween on sollion day materials immediately. Never attempt to "wash them sway" with water, or bury from. Use at little water as possible for dust control.

Clean up spills on dirt areas by digging up and property discovers of conteminated soil.

Report significant spills to the appropriate spill response agencies immediately. You are required by law to report all significant relection of herestors mentales, including 10.1 To report a spill, acid the following agencies: 1) Dial 911 or your local emergency response member, 2) Call

Earth-Moving Activities



√Seed or plant interpretary regression for excelor, control in stopes or where construction is not immediately playing.

Protect downslope draining courses, streams, and storm drains with bay belos, temporary drainings explice, silt fences, because or storm drain inter filters.

✓ Properly report failures of mosion and main

Omeral Business Fractions of Schedule exercation and grading work for dry woulder.

√ Perform major equipment repeirs sway from the job site.

Roadwork & Paving



promptly.

Profirm major maintenance, repairs, and weathing of equip-

when sway bron as commences and.

When reliability to veldebelogication resintenance must be done on site, designate a completely contained area sway from some other ferius and crooks.

Do not use dissel oil to behiciate or clean confirmed or

parts.

Necycle used oil, battesies, concrete, broken asphalt, etc. whenever pensible.

Train employees in using these best management practices.

Duning Constitutions

A Novid paying and seed conting in vert wentime, or when rein
is forecast before fresh payerment will have time to cure.

Cover and seal costs bearins and mandrels when applying
need cost, sharpy seal, hap soul, etc.

Use check dama, distinct, or before to divert runoff around

over wash excess material from exposed-aggs

crose or similar breatments into a circuit or storm drain, Col-lent and encycle, or dispose to dist area.

Cover stockpiles and other rematrication materials with plastic traps. Protect from rainfull and provent runoff with temporary roots or plastic sheets and horms.

✓ Catch dripe them paver with drip petes or obserbent meterial (cloth, rage, etc.) placed under machine when not in use.
 ✓ Clean up all spills and lenka tatent "dry" methods (with

✓ Callect and retycle or appropriately dispose of excess. Alice; and recycle or epitoposium; control
 Avoid over-application by water tracks for dust control.

Against Concrete Removal

A rold creating excess dust when breaking augment or con-

crete.

 After breaking up old passement, be sare to remove all obunits and pieces from the site.

rainfail or nexeff. ✓ Protect nontry storm drain inlets during saw-conting. Shorel
or vacanin saw-out sharry deposits and remove from the

✓ Never bose down streets to ciean up tracked dist. Use dry

Fresh Concrete

Painting & Application & Mortar Application of Solvents & Adhesives



of Secure bears of comment affect they are much. He more to know wited-blown consent provider away from guttern, eterm, crains, rainfall, and remost.

Wash out concrete infrast only in designated wash-out area in your yard, where the water will flow into containment proofs or outo dirt. Let converte borden and dispose of as garbago. Whenever possible, recycle werhout by pumping back into mixors for come. Never dispose of washing into

√ When cleaning up after driveway or sidewalk construction,
which fines outo dirt same, not down the driveway or into
the street or state, drain.

√ Prevent aggregate wash from driveway/pulic constru from ordering storm drains. Here approprie werd onto that areas and spade into dirt.

✓ Place have below or other excelon controls downstone:

When breaking up paving, be sure so pick up all the place and dispose property.

√ Nevez bury solid or bazardous waste staterial



Tourist Decisions Practices

(Both at your yard and the construction site, always store
both dry and red materials under cover, protected from
usingful sed month. Protect dry materials from wind. pains, dinners, solvent, ghoes, and sleading fluids are hazardous wastes and must be disposed of at a hazardous waste collection facility (contact your local stormwater program).

Painting closure:

Never clean brushes or rime point containers into a sizest, gutter, storm drain, or stream. ✓ For water-based paints, paint out brushes to the extent possible. Ringe to the sanitary sewer once you have pointed.

etradesion from the local westewater tentument and

If for oil-fement paints, point out brooked to the extent possible and clean with thickness of solvent in a proper container. Filter and scare thinners and solvents. Dispose of extens liquides and reason that a hazardous weats.

Print transvari

Print chips and dust from non-hazardous fey stripple,
and small blasting two be sucpt up or collected in plastic
drop cloths and disposed of as trush.

Chemical paint stripping residue and chips and dust from searing paints or paints containing lead or tributy!
 the must be disposed of as bazardous wasten.

When stripping or cleaning building excluders with high-pressure water, block secun durine. Weak water costs eith rans and spide there 61. Or, each with the boat waterwater transcent authority to find out If you can colorat (moy or examina) building cleanings water and dispose to the sessingly seven. Sampling of the water may be required to acted the waterwater transcent authority and making the deciding.

Reaso leftorer util-based paint. Dispose of excess liquid, including shalpes, as issuedous waster.

✓ Small quantity generators should check with the San Masse. ental Health Division reg

√ Unoperated curss of paint stray be able to be returned to the
paint version. Check with the version regarding its "bey
ere."

Output

Description

Descr

Landscaping, Gardening, and Pool Maintenance



min by storing them under targs or second plants shooting

√ Store perficides, fortilizers, and other obsuments induces o

✓ Protect storm drain inlets with lary bales, berme, filter mass.

√ Revenuencion is an excellent firm of employ control for any site.

Landacaging/Annies Maintenance

* Use up protection and follow label directions. Rinac containers, and two innovator as product. Dispose of rined containers in the truth.

✓ Dispose of crossed pesticides as hazardous waste.

✓ Collect laws and gorden olippings, proxing waste, and tree
ninomings. Chip if necessary, and compost.

✓ Do not place and waste in gatters. In communities with curbride yard waste recycling, leave elippings and pruning wasto for pickup in approved bags or connicors. Or, take to a landfill dust composts yard waste.

When emptying a pool or ups, let children dissipate for 5 to 7 days. Then recycle water by draining it gradually unto a landscaped area, or drain, the decisionins on wear to a storm deale.

Chlorimated water may be to discharged to the sanitary sewer (if allowed by the local acwage treatment sufficients); mainting a from to a utility sink or sewer pipe element jum

Storm drain polluters may be liable for fines of up to \$25,000 per day!



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					RAR KILKARNS			
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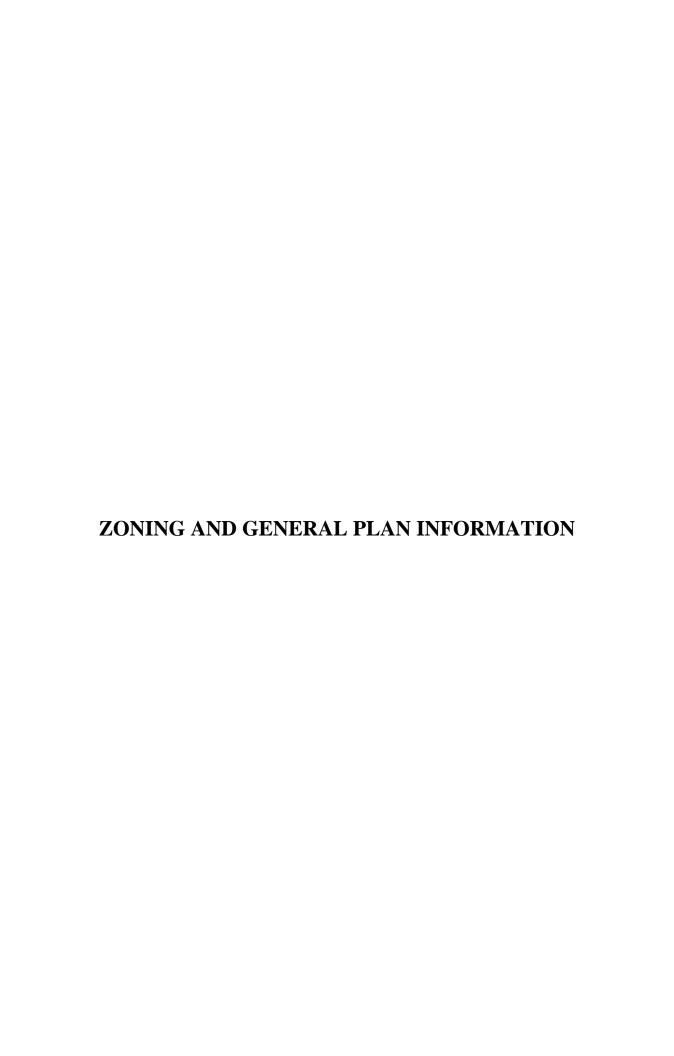
CITY OF REDWOOD CITY COMMUNITY DEVELOPMENT DEPARTMENT ENGINEERING AND TRANSPORTATION

CALIFORNIA STATE AS SHOWN



CONSTRUCTION DETAILS BAIR ISLAND BAY TRAIL IMPROVEMENT PROJECT

21



ARTICLE 20 - TP (TIDAL PLAIN) DISTRICT

Sections:

20.1 - Purpose.

20.2 - Permitted Uses.

20.3 - Accessory Uses.

20.4 - Conditional Uses.

20.5 - Height Regulations.

20.6 - Lot Area.

20.7 - Lot Coverage.

20.8 - Yard Requirements.

20.9 - Minimum Pervious Area and Stormwater Requirements.

20.1 - Purpose.

To create a district for the marsh lands adjacent to San Francisco Bay and to permit certain types of development therein of a relatively temporary nature which can ultimately be replaced by permanent development under another more appropriate zoning district.

(Ord. 1130, eff. 7-10-64)

20.2 - Permitted Uses.

The following structures and uses are permitted in the TP District:

- A. Agriculture;
- Extraction of chemicals from sea water by natural evaporation and extraction of oyster shells or other deposits from San Francisco Bay;
- C. Public parks and public recreation areas or facilities.

(Ord. 1130, eff. 7-10-64)

20.3 - Accessory Uses.

The following structures and uses are permitted in the TP District when accessory to a use permitted under Sections 20.2 and 20.4:

- Living quarters of watchmen or caretakers regularly employed on the premises; but not including labor camps and dwellings for transient labor;
- **B.** Offices necessary to the conduct of a principal use:
- C. Parking lots, or garages, and stables;
- D. Other accessory uses and structures customarily appurtenant to a principal use.

(Ord. 1130, eff. 7-10-64)

20.4 - Conditional Uses.

The following structures and uses are permitted in the TP District subject to first securing a use permit therefor:

- A. Commercial recreation areas, uses, or facilities, including shooting clubs or facilities and marinas, but not including facilities in which the principal use is enclosed in a permanent building such as bowling alleys;
- B. Outdoor theaters, golf driving ranges, swimming pools, beaches, carnivals, and circuses;
- C. Airports, race tracks, and rodeo or exposition grounds;
- D. Dirt, gravel, rock, or fill businesses, not including concrete or asphalt batch plants;
- E. Public or private sewage disposal plants or the production of fertilizer therefrom;
- F. Equipment or materials storage or salvage yards, petroleum or inflammable liquids storage, and explosives storage or testing;
- G. Sanitary land fill operations;
- H. Radio, radar, or television transmission or receiving facilities;

- Public or quasi-public uses;
- Refuse or garbage disposal;
- K. Warehouses and storage buildings.

(Ord. 1130, eff. 7-10-64)

20.5 - Height Regulations.

No structure shall exceed two and one-half (2 1/2) stories or thirty (30) feet in height, whichever is greater.

(Ord. 1130, eff. 7-10-64)

20.6 - Lot Area.

The minimum lot area shall be five (5) acres.

(Ord. 1130, eff. 7-10-64)

20.7 - Lot Coverage.

Not more than fifty (50) percent of the lot area shall be covered by buildings.

(Ord. 1130, eff. 7-10-64)

20.8 - Yard Requirements.

The following yards are required:

- A. Front yards: Front yards shall have a minimum depth of fifty (50) feet;
- B. Side yards: Side yards shall have a minimum width of thirty (30) feet;
- C. Rear yards: Rear yards shall have a minimum depth of thirty (30) feet.

(Ord. 1130, eff. 7-10-64)

20.9 - Minimum Pervious Area and Stormwater Requirements.

A minimum of eighty (80) percent of each lot shall be pervious area, to be composed of landscaping, vegetated open space, or permeable paving materials, consistent with the provisions of Section 32.12 of the Zoning Ordinance, as that section may be amended from time to time. All development is also subject to the requirements of Chapter 27A (Stormwater Treatment Measures and Maintenance Program) of the Municipal Code, as that chapter may be amended from time to time. The minimum pervious area requirement may be reduced to not less than forty (40) percent by the Zoning Administrator upon a request for a conditional use permit, subject to an additional finding that other proposed stormwater treatment methods are adequate to comply with the provisions of Section 32.12 of the Zoning Ordinance and Chapter 27A of the Municipal Code. Such alternate stormwater treatment methods must be determined by the Engineering and Construction Division to reduce stormwater pollutants to an equivalent or greater level than would be achieved providing the required pervious area.

(Ord. 1130.336 § 17, eff. 1-5-06)

Parks (P)

This category applies to open space areas set aside for active and passive recreation, including public and private parks of all sizes, sports fields, recreational facilities, plazas, and trails.

Open Space Categories

The Open Space categories identify areas devoted to the preservation of natural resources and use for outdoor recreation (including areas of historic and cultural value). In addition, much of Redwood City's land area is actually under water—occupied by the San Francisco Bay and controlled waterways.



Parks

Preservation (OS)

The Preservation category applies to natural and other areas set aside to allow for:

- 1. The protection and preservation of unique resources in Redwood City, including wildlife habitat, creeks, tidal marsh lands, protected hillsides, and geological formations.
- 2. Opportunities for resource enhancement, including restoration of tidal and other wetlands and creeks.
- 3. The preservation and management of locally available natural resources, including but not limited to timber, marine, wind, solar, and other types of resources.

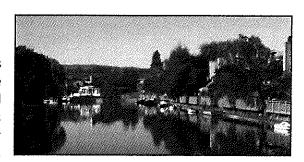


Preservation

Allowed uses must be complementary to resource preservation, enhancement, and management, including low-intensity recreational facilities, such as hiking and biking trails and related improvements.

Controlled Waterway (OS-CW)

The Controlled Waterway category applies to water features located within the Redwood Shores area. These waters are separate from the waters of the San Francisco Bay and therefore are not subject to tidal influences. Permitted uses include boating and fishing, as regulated by other government agencies. Property lines or private properties that extend into the Redwood Shores lagoon shall have the same land use designation as the landward property where the main residential structure is located.



Controlled Waterway

QUALIFICATIONS OF APPRAISER ASSUMPTIONS AND LIMITING CONDITIONS CERTIFICATION OF APPRAISAL

WALTER D. CARNEY, MAI QUALIFICATION STATEMENT

EXPERIENCE

Principal/Executive Vice President, with Hulberg & Associates, Inc. since November 1984 Senior Commercial Appraiser with Home Federal Savings and Loan of San Diego - Cupertino, CA (1983-1984)

Chief Appraiser with Home Savings of America - Los Angeles, CA (1983) Investment Advisor with Smith Barney - San Diego, CA (1980-1983) Staff Appraiser with Home Federal Savings of San Diego - San Diego, CA (1978-1980)

EDUCATION

Bachelor of Arts from University of Southern California - Los Angeles BA - Economics; BA - International Relations

Advanced courses in real estate appraisal satisfying the Appraisal Institute's education requirements in: Standards of Professional Practice, Real Estate Appraisal Principles, Basic Valuation Procedures, Capitalization Theory and Techniques (Parts A and B), Case Studies in Real Estate Valuation, and Report Writing and Valuation Analysis.

PROFESSIONAL LICENSE

Member, Appraisal Institute - MAI #9398

Vice Chair and Member of Admissions Committee, Northern California Chapter-Appraisal Institute 1992 through 1995

Member, International Right of Way Association (IRWA)

President – IRWA, Chapter 42, 2000

Board of Directors International Right of Way Association, Chapter 42, 1998-2001

State of California "Certified-General" Appraiser Certificate No. AG003413

APPRAISAL ASSIGNMENTS

Commercial: Office buildings, medical/dental buildings, retail centers, restaurants,

hotels/lodgings, mixed-use projects, banks and vacant land.

Industrial: Light industrial, warehouse and R&D buildings; refuse and recycling

facilities; maritime leases and maritime ship and boat repair; and vacant

land.

Residential: Single-family, condominiums, apartments, subdivisions, and vacant land.

Other: Agricultural – livestock, ranching and farmland; easements: surface,

subsurface, air and historic façade (preservation) and conservation; telecommunications and communications facilities; railroad and public utility corridors; "plottage parcels"; wetlands and Waters of the U.S.; reservoirs; open space and protected habitats; abandoned public streets; worship facilities; truck stops; food processing and cold storage facilities; public and private schools; auto dealerships; airport fixed base

operators; eminent domain/condemnation; and litigation.

QUALIFICATION STATEMENT, WALTER D. CARNEY, MAI - Continued

CLIENTS

Clients of Hulberg & Associates, Inc. include banks, savings and loans, insurance companies, attorneys, public agencies and individuals. A partial list of past clients includes:

Acacia Capital Corporation Advanced Micro Devices A.G. Spanos Companies Aldrich, Eastman & Waltch

Alza Corporation
Apple Computer, Inc.

Arnelle, Hastie, McGee, Willis & Greene

Arcadia Homes Bank of America Bank of the West Barry Swenson Builder Berliner-Cohen

Bingham, McCutcheon

Bridge Bank

NAI-BT Commercial Calpine Corporation

CalTrans

Castle & Cook, Inc. Century Partners Champion International Charles W. Davidson Company

Chevron U.S.A., Inc.
China Trust Bank
City of Alameda
City of Fremont
City of Milpitas
City of Richmond
City of San Jose
City of Santa Clara
City of Sunnyvale

Coast Counties Truck & Equipment Co.

Comerica Bank-California County of Santa Clara Cox, Castle & Nicholson

Dept. Of Housing and Urban Devt.

DLA Piper

D. R. Horton Company

Federal Home Loan Bank Board Federal Home Loan Mortgage Corp. Federated Department Stores Ferrari, Olsen, Ottoboni

Fidelity National Life Insurance Co. Firemans Fund Insurance Co. First American Title Insurance Co.

Ford Motor Company

GMAC

Greater Bay Bancorp Goldfarb & Lipman

Hoge, Fenton, Jones & Appel

Hopkins & Carley

Housing Capital Company

Howard, Rice, Nemerovski, Canady

IBM

Intel Corporation

IRS KB Home

The Koll Company
Larwin Homes
Lehmann Brothers
Legacy Partners
Lockheed Martin Co.

Matteoni, Saxe & O'Laughlin McDonald's Corporation

Merrill Lynch

Metropolitan Life Insurance Co. Meyers, Nave, Riback & Silver

Miller, Starr & Regalia Morrision & Foerster Murray & Murray Nature Conservancy Orchard Properties Pinn Brothers Ponderosa Homes

Prudential Insurance Company of America

Richmond American Homes

Ryland Homes

Sears

Shea Homes
Shell Oil Company
Silicon Valley Law G

Silicon Valley Law Group Sobrato Development Cos.

South Bay Construction & Devt. Co.

Stanford University
State of California
Steefel, Levitt & Weiss
SummerHill Homes
Thelen, Reid & Priest
Toeniskoetter & Breeding
Trust for Public Land
United States Postal Service
University of California
Valero Energy Company
Washington Mutual Bank

Wells Fargo Bank

Wendel Rosen Black & Dean

Westfield Corporation Wilson Sonsini

CHARLES R. MARQUELING, ASA, SRA QUALIFICATION STATEMENT

EXPERIENCE

Affiliated with Hulberg & Associates, Inc. since April 1988 as a commercial and industrial property appraiser.

Affiliated with Urban Property Analysis from April 1986 to April 1988 as a commercial and industrial property appraiser.

Independent real estate appraiser from 1979 - 1986. Real estate sales from 1977 - 1978.

Qualified as an expert witness in Superior Court, Santa Clara County.

EDUCATION

Bachelor of Science, Business Degree in Real Estate from San Jose State University

Appraisal Institute courses:

Introduction to Appraising Real Property, Applied Residential Property Valuation, Narrative Report Writing Seminar, USPAP, Capitalization Theory and Techniques, Case Studies in Real Estate Valuation, Condemnation and several other seminars.

PROFESSIONAL LICENSE

ASA, Real Property Urban Designation, American Society of Appraisers SRA Designation, Appraisal Institute State of California "Certified-General" Appraiser, Certificate No. AG002635 1991 President, South Bay Chapter of the Appraisal Institute 1997-1998 President, San Jose Chapter of the American Society of Appraisers Licensed California Real Estate Broker, 00620637

APPRAISAL ASSIGNMENTS

Experience in appraising a variety of property types:

Commercial: Office buildings; community and strip retail centers; medical

buildings; and vacant land.

Industrial: Light industrial; research and development; warehouses;

condominiums; and vacant land.

Residential: Apartments; condominiums; subdivisions; single-family dwellings;

vacant land; mobile home parks; low income housing.

ASSUMPTIONS AND LIMITING CONDITIONS

The appraisal is subject to the following assumptions and limiting conditions:

We believe the information furnished by others in this report to be reliable, but we assume no responsibility for its accuracy.

The legal description furnished us is assumed to be correct. We assume no responsibility for matters legal in character nor do we render any opinion as to the title, which is assumed to be good. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear under responsible ownership and competent management.

We have made no survey of the property and assume no responsibility in connection with such matters. The sketch in this report is included to assist the reader to visualize the property. Stable soil conditions are assumed. Water and mineral rights have not been valued, unless noted.

If this appraisal contains a valuation relating to a portion of a larger parcel of real estate, the value reported for such portion relates to the portion only. It should not be construed as applying with equal validity to other portions of the larger parcel.

Any structure(s) is assumed by the appraiser to have been constructed in accordance with applicable building code requirements. Any use of the structure(s) is assumed to be in conformance with applicable zoning ordinances, unless otherwise noted in the appraisal. No specific investigation of these issues has been undertaken by the appraiser. It is recommended that the client secure appropriate legal opinions if these issues pose any concern.

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. The appraisers have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraisers have no direct evidence relating to this issue, possible noncompliance with the requirements of ADA in estimating the value of the property has not been considered.

Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

This appraisal shall be used only for the function outlined in the attached report, unless expressly authorized by Hulberg & Associates, Inc. The format and value reported may or may not be valid for other purposes.

Distribution of this report is at the sole discretion of the client and we will make no distribution without the specific direction of the client.

Assumptions and Limiting Conditions - (continued)

It is your (the client's) responsibility to read the report and to inform the appraiser of any errors or omissions of which you are aware, prior to utilizing the report or making it available to any third party.

If the client provides copies of this report to third parties, the client shall ensure that the report is copied in its entirety.

The liability of Hulberg & Associates, Inc., and its employees is limited to the client only and to the fee actually received by the appraiser (total per appraisal). Any party who is not the "client" identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Hulberg. "Client" shall not include partners, co-owners, affiliates or relatives of the party named in the engagement letter. The client also agrees that in case of lawsuit arising from or in any way involving this appraisal assignment (brought by lender, partner or part owner in any form of ownership, tenancy or any other party), client will hold Hulberg & Associates and its employees harmless from and against any liability, loss, cost or expense incurred or suffered by appraiser in such action, regardless of its outcome.

If this report is placed in the hands of anyone but the client, client shall make such party aware of all the assumptions and limiting conditions of the assignment. The appraiser is in no way responsible for costs incurred to discover or correct any deficiencies of any type present in the property, physically, financially, and/or legally.

The appraisers cannot be held responsible for unforeseeable events that alter market conditions prior to the effective date of any prospective value.

This is a Summary Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it presents only summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use. The appraiser is not responsible for unauthorized use of this report.

The value or values presented in this report are based on the premises outlined herein and are valid for the purpose stated.

We were not provided with Preliminary Title Reports on the title of the property being appraised, and therefore, the report must include the assumption that there are no liens, encroachments, encumbrances, easements or clouds upon the title that would adversely impact the value and marketability of the subject property.

We were not provided with a soils, environmental, or geotechnical report. The appraisal therefore contains the assumption that there are no soils, environmental, or geological conditions that would adversely impact the marketability or value of the subject property.

This appraisal report is based upon the *Extraordinary Assumption* that there are no matters of record that would impact value.

CERTIFICATION OF APPRAISAL

The undersigned does hereby certify that, except as otherwise noted in this appraisal report:

- 1. I have no present or contemplated future interest in the real estate that is the subject of this appraisal.
- 2. I have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved. The appraisal has not been based on a requested minimum valuation, specific valuation or the approval of a loan.
- 3. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- 4. To the best of my knowledge and belief, the statements of facts contained in this appraisal report are true and correct.
- 5. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- 6. My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.
- 7. Charles R. Marqueling, ASA, SRA, inspected the property. Walter D. Carney, MAI, did not inspect the property but did contribute to the analysis and conclusions of the report.
- 8. No one other than the undersigned prepared the analysis, conclusions, and opinions concerning real estate that are set forth in this appraisal report.
- 9. Members of the Appraisal Institute are required to meet certain continuing education requirements. As of the date of this report, Mr. Carney and Mr. Marqueling have completed the requirements of the continuing education program of the Appraisal Institute. Mr. Marqueling has also completed the continuing education program of the American Society of Appraisers.
- 10. I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- 11. I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Walter D. Carney, MAI

Certified-General Appraiser #AG003413

Charles R. Marqueling, ASA, SRA

Certified-General Appraiser #AG002635

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California Public Utilities Commission

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SCE SMUD

SPURR

San Francisco Public Utilities Commission

Seattle City Light Sempra Utilities

Sierra Pacific Power Company

Silicon Valley Power Silo Energy LLC

Southern California Edison Company

Spark Energy, L.P. Sun Light & Power Sunrun Inc. Sunshine Design

Sutherland, Asbill & Brennan

Tecogen, Inc.

Tiger Natural Gas, Inc.

TransCanada

Turlock Irrigation District

United Cogen

Utility Cost Management

Utility Specialists

Verizon

Wellhead Electric Company Western Manufactured Housing Communities Association (WMA)

eMeter Corporation