

2/2/11

CITY OF SAN DIEGO RIGHT OF ENTRY PERMIT

THIS CITY OF SAN DIEGO RIGHT OF ENTRY PERMIT ("Permit") is entered into by and between THE CITY OF SAN DIEGO, a California municipal corporation ("CITY"), and SAN DIEGO GAS & ELECTRIC COMPANY ("PERMITTEE"), to be effective as of the date of execution by CITY (the "Effective Date"), when signed by the parties and approved by the San Diego City Attorney, as follows:

RECITALS

- A. CITY is the owner of certain real property consisting of approximately 34,286 square feet or .79 acre located on at two sites. The north yard is on Mission Road and is approximately 23,886 square feet and the south yard is at the boat launch parking area for Hodges Reservoir and is approximately 10'400 square feet. Both sites are located in APN 272-111-19 referred to herein as the "Permit Area", and as shown in **EXHIBIT A: Lake Hodges Yard**, attached hereto.
- B. Under the terms and conditions of this Permit, CITY will allow PERMITTEE to use the Permit Area for the sole purpose of a staging area for poles and material, equipment, helicopter landing and equipment pick-up, port-a-potty, construction trailer, dumpster and bins. Temporary perimeter fencing will be installed for the term of this permit.

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, the sufficiency of which is acknowledged, the parties agree as follows:

- 1. **Right to Enter.** Subject to the terms and conditions of this Permit, CITY hereby grants permission to PERMITTEE, its employees, agents, and contractors to enter upon the Permit Area for storage of poles and material, equipment, port-a-poty, construction trailer, dumpster and bins for the Tie Line 633 Wood to Steel Pole Replacement Project (collectively, the "Permit Use"), and for no other purpose whatsoever.
- 2. **Use of Permit Area.** PERMITTEE shall obtain all other required permits and comply with all applicable environmental laws, rules, and regulations related to the Permit Use. PERMITTEE will generally not use the Permit Area on Wednesday, Saturday, or Sunday. Limited access by pick-up trucks excluding helicopter and line and dump trucks will be allowed on Wednesday and Saturday.
- 3. **Permit Fee.** Upon CITY invoicing PERMITTEE, PERMITTEE shall pay to CITY a one-time, non-refundable permit processing fee of Six Hundred Dollars (\$600).
- 4. **Term.** The term of this Permit ("Term") shall commence on February 1, 2011, and shall expire on July 31, 2011.
- 5. **Rent.** The rent is \$2,057.16 per month invoiced as one payment of \$12,342.96 rent. In addition PERMITTEE will install a heavy duty gate the CITY will deliver to the site.

6. Revocable License. This Permit is not a lease. It is a non-exclusive license to use CITY-owned property, and may be revoked at will by CITY, in its sole discretion. CITY shall not be obligated for any loss, financial or otherwise, which may be incurred by PERMITTEE as a result of such revocation or the termination of this Permit. PERMITTEE expressly waives any claim for expense or loss which PERMITTEE might incur as a result of CITY'S termination of this Permit. CITY may at all times enter upon the Permit Area.
7. Restoration. Immediately upon the expiration or earlier termination of this Permit, PERMITTEE shall promptly remove any and all of its personal property and improvements it installed in, on, under, or above the Permit Area. If PERMITTEE'S use of the Permit Area damages or results in any change to the Permit Area, PERMITTEE shall restore the Permit Area to CITY'S reasonable satisfaction, all at PERMITTEE'S sole cost and expense. PERMITTEE shall clean, slurry seal, and parking stripe the parking lot at PERMITTEE sole cost.
8. CITY'S Consent, Discretion. Whenever required under this Permit, CITY'S consent or approval shall mean the written consent or approval of the Mayor of San Diego, or his or her designee ("Mayor"), unless otherwise expressly provided. CITY'S discretionary acts hereunder shall be made in the Mayor's discretion, unless otherwise expressly provided.
9. Governmental Approvals. By entering into this Permit, neither CITY nor CITY'S City Council is obligating itself to any other governmental agent, board, commission, department or agency with regard to any other discretionary action relating to the Permit Area or PERMITTEE'S use of the Permit Area. Discretionary action includes but is not limited to rezonings, variances, environmental clearances, lease agreements, sales agreements, option to lease or purchase agreements, exclusive negotiating agreements, or any other governmental agency approvals or agreements which may be required for the PERMITTEE'S use of the Permit Area.
10. Hazardous Substances. PERMITTEE shall not allow the installation or release of hazardous substances in, on, under, or from the Permit Area. PERMITTEE and PERMITTEE'S agents and contractors shall not store, utilize, or sell any hazardous substance on the Permit Area without CITY'S prior written consent. For the purposes of this provision, a release shall include but not be limited to any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping, or otherwise disposing of hazardous substances. "Hazardous substances" shall mean those hazardous substances listed by the Environmental Protection Agency in regularly released reports and any other substances incorporated into the State of California's list of hazardous substances. A copy of the presently effective EPA and the State lists is on file in the Office of the City Clerk as Document 769704 and by this reference is incorporated into this Lease.
 - a. Remediation. If PERMITTEE'S occupancy, use, development, maintenance, or restoration of the Permit Area results in a release of a hazardous substance, PERMITTEE shall pay all costs of remediation and removal of the hazardous substance in accordance with all applicable laws, rules, and regulations of governmental authorities.

- b. Indemnity. PERMITTEE shall protect, defend, indemnify, and hold CITY harmless from any and all claims, costs, and expenses related to environmental liabilities resulting from PERMITTEE'S occupancy, use, development, maintenance, or restoration of the Permit Area, including but not limited to costs of environmental assessments, costs of remediation and removal, any necessary response costs, damages for injury to natural resources or the public, and costs of any health assessment or health effect studies.
 - c. Notice of Release. If PERMITTEE knows or has reasonable cause to believe that a hazardous substance has been released on or beneath the Permit Area, PERMITTEE shall immediately notify CITY. If PERMITTEE knows or has reasonable cause to believe that a hazardous substance has been released on or beneath the Permit Area as a result of PERMITTEE'S use of the Permit Area, PERMITTEE shall immediately notify CITY and deliver a written report thereof to CITY within three (3) days after receipt of the knowledge or cause for belief. If PERMITTEE knows or has reasonable cause to believe that a hazardous substance has been released on or beneath the Permit Area as a result of PERMITTEE'S use of the Permit Area and such substance is an imminent and substantial danger to public health and safety, PERMITTEE shall take all actions necessary to alleviate the danger. PERMITTEE shall immediately notify CITY of any notice of violation received or initiation of environmental actions or private suits related to PERMITTEE'S use of the Permit Area.
 - d. Environmental Assessment. Upon reasonable cause to believe that PERMITTEE'S occupancy, use, development, maintenance, or restoration of the Permit Area ("PERMITTEE'S Operations"), resulted in any hazardous substance being released on or beneath the Permit Area, CITY may cause an environmental assessment of the suspect area to be performed by a professional environmental consultant registered with the State of California as a Professional Engineer, Certified Engineering Geologist, or Registered Civil Engineer. The environmental assessment shall be obtained at PERMITTEE'S sole cost and expense, and shall establish what, if any, hazardous substances have more likely than not been caused by PERMITTEE'S Operations on, in, or under the Permit Area, and in what quantities. If any such hazardous substances exist in quantities greater than allowed by city, county, state, or federal laws, statutes, ordinances, or regulations, then the environmental assessment shall include a discussion of such substances with recommendations for remediation and removal necessary to effect compliance with those laws or statutes, and estimates of the cost of such remediation or removal. PERMITTEE shall cause, or if PERMITTEE fails to do so within a reasonable period of time, CITY may cause, the remediation and/or removal recommended in the environmental assessment such that compliance with environmental law is achieved, and PERMITTEE shall pay all costs and expenses therefor.
11. Property Damage. PERMITTEE shall promptly pay for all damage to CITY'S personal property and the personal property of third parties resulting from PERMITTEE'S use of the Permit Area.
12. Indemnification. PERMITTEE shall protect, defend, indemnify, and hold CITY, its elected officials, officers, representatives, agents, and employees harmless from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to PERMITTEE'S officers, employees, agents, contractor's, invitees and

guests, which arise out of or are in any manner directly or indirectly connected with this Permit or PERMITTEE'S occupancy, use, development, maintenance, or restoration of the Permit Area, and all expenses of investigating and defending against same, including without limitation attorney fees and costs; provided, however, that PERMITTEE'S duty to indemnify and hold harmless shall not include any claims or liability arising from the established active negligence, sole negligence, or sole willful misconduct of CITY, its elected officials, officers,

representatives, agents and employees. CITY may, at its election, conduct the defense or participate in the defense of any claim related in any way to this indemnification.

13. Taxes. PERMITTEE, alone, shall pay any and all taxes, charges, and use fees levied by any governmental agency against PERMITTEE or against any of the Permit Area as a result of PERMITTEE'S occupancy, use, development, maintenance, or restoration of the Permit Area.
14. Encumbrances. PERMITTEE shall keep the Permit Area free from all encumbrances and liens of any nature which arise out of or are in any manner directly or indirectly connected with this Permit or PERMITTEE'S use of the Permit Area. PERMITTEE shall protect, defend, indemnify, and hold CITY harmless from and against any and all such encumbrances and/or liens, and from and against any claim, liability, cost or expense, including without limitation all attorney fees and costs, relating to or charged against the Permit Area, including without limitation PERMITTEE'S failure or the failure of any contractor or subcontractor hired by PERMITTEE to pay any person or persons referred to in Section 3181 of the California Civil Code or other applicable sections thereof.
15. No Discrimination. PERMITTEE shall not discriminate in any manner against any person or persons on account of race, color, religion, gender, sexual orientation, medical status, national origin, age, marital status, or physical disability in PERMITTEE'S use of the Permit Area, including but not limited to the providing of goods, services, facilities, privileges, advantages, and accommodations, and the obtaining and holding of employment.
16. PERMITTEE'S Risk. PERMITTEE recognizes that CITY may need the Permit Area for essential public infrastructure, and that PERMITTEE shall bear all risks and liability arising out of or in any manner directly or indirectly connected with PERMITTEE'S use of the Permit Area and any damages to the improvements on, or in the vicinity of the Permit Area resulting directly or indirectly thereby.
17. Insurance. PERMITTEE represents and warrants that it is self-insured for public liability and property damage claims in an amount not less than Two Million Dollars (\$2,000,000). Prior to PERMITTEE'S occupancy of the Permit Area, PERMITTEE shall deliver to CITY evidence of such self-insurability in form and content reasonably satisfactory to CITY.
18. Accident Reports. PERMITTEE shall immediately report to CITY any accident causing property damage or injury to persons and related to the Permit Use or the Permit Area. Such report shall contain the names and addresses of the involved parties, a statement of the circumstances, the date and hour of the accident, the names and addresses of any witnesses, and other pertinent information.

19. Compliance with Law. PERMITTEE shall, at its sole cost and expense, comply with all laws and the requirements of all municipal, state, and federal authorities now in effect or which may hereafter be in effect, which pertain to the Permit Area and PERMITTEE'S Operations on the Permit Area.
20. Signs. No signs may be displayed on the Permit Area without CITY'S prior written consent.
21. Maintenance of the Permit Area. PERMITTEE shall maintain the Permit Area, at PERMITTEE'S sole cost and expense and to CITY'S satisfaction, in a decent, safe, healthy and sanitary condition.
22. Grading. PERMITTEE represents and warrants that any grading and compaction operations shall be done in such a manner that will not disrupt the existing surface drainage pattern and the final grades will not interfere with the existing flow pattern.
23. Inspection. CITY may, at any and all times, enter and inspect the Permit Area.
24. Waiver. CITY'S failure to insist upon the strict performance of any of PERMITTEE'S obligations under this Permit, in one or more instance, shall not be construed as a waiver of any such obligation, and the same shall remain in full force and effect. The property constituting the Permit Area is publicly-owned and held in trust for the benefit of CITY'S citizens. CITY'S failure to discover a breach of any obligation of this Permit or to take prompt action to require the cure of any such breach shall not result in an equitable estoppel, but CITY may at any and all times require the cure of any such breach.
25. Survival. Any obligation which accrues under this Permit prior to its expiration or termination shall survive such expiration or termination.
26. Entire Permit. This Permit contains the entire agreement between the parties relating to the rights granted hereby and the obligations assumed herein. No modification of this Permit shall be valid unless in writing and signed by the party to be charged.
27. Legal Proceedings. In the event of any controversy, claim, or dispute relating to this Permit, the prevailing party shall be entitled to recover from the non-prevailing party all reasonable costs and expenses thereof, including without limitation attorney fees and costs.
28. Notices. Any notice, request, payment, demand, or other communication required or permitted to be given under this Permit shall be in writing and deemed received upon personal service, delivery by a reputable overnight service, or delivery by United States registered or certified mail, return receipt requested, postage prepaid, and addressed to the parties as follows:

THE CITY OF SAN DIEGO
Real Estate Assets Department
Attention: James F. Barwick, Director,
1200 Third Avenue, Suite 1700 (MS 51A)
San Diego, California 92101

With a copy by First Class mail to: SAN DIEGO CITY ATTORNEY
Attention: Real Property Section
1200 Third Avenue, Suite 1100
San Diego, California 92101-4106

PERMITTEE: San Diego Gas & Electric Company
Attn: Brian Swanson
8335 Century Park Court, Bldg. CP11D
San Diego, California 92123

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29. Authority. Each individual executing this Permit on behalf of another person or legal entity represents and warrants that they are authorized to execute and deliver this Permit on behalf of such person or entity in accordance with duly adopted resolutions or other authorizing actions which are necessary and proper and under such legal entity's articles, charter, bylaws, or other written rules of conduct or governing agreement, and that this Permit is binding upon such person or entity in accordance with its terms. Each person executing this Permit on behalf of another person or legal entity represents and warrants such entity is a valid, qualified corporation, limited liability company, partnership, or other unincorporated association in good standing in its home state and that such entity is qualified to do business in California

IN WITNESS WHEREOF, this Permit is executed to be effective as of the Effective Date.

Date: 2/2/2011

SAN DIEGO GAS & ELECTRIC COMPANY

BY: [Signature]
Name: JEFF SYKES
Title: LAND MANAGEMENT SUPERVISOR

Date: 2/9/11

THE CITY OF SAN DIEGO, a California municipal corporation

BY: [Signature]
Name: JAMES F. BARWICK, CCIM
Title: DIRECTOR, REAL ESTATE ASSETS

ENVIRONMENTAL CLEARANCE:

The activity for which this Right of Entry Permit is to be used is Categorically Exempt from CEQA pursuant to State CEQA Guidelines Section §15301, Class 1, Existing Facilities.

Date: 2/3/11

City of San Diego Public Utilities Department
Environmental Analysis Section

BY: [Signature]
Name: NICOLE A. MEGINNIS
Title: SENIOR PLANNER

Approved as to Form and Legality:

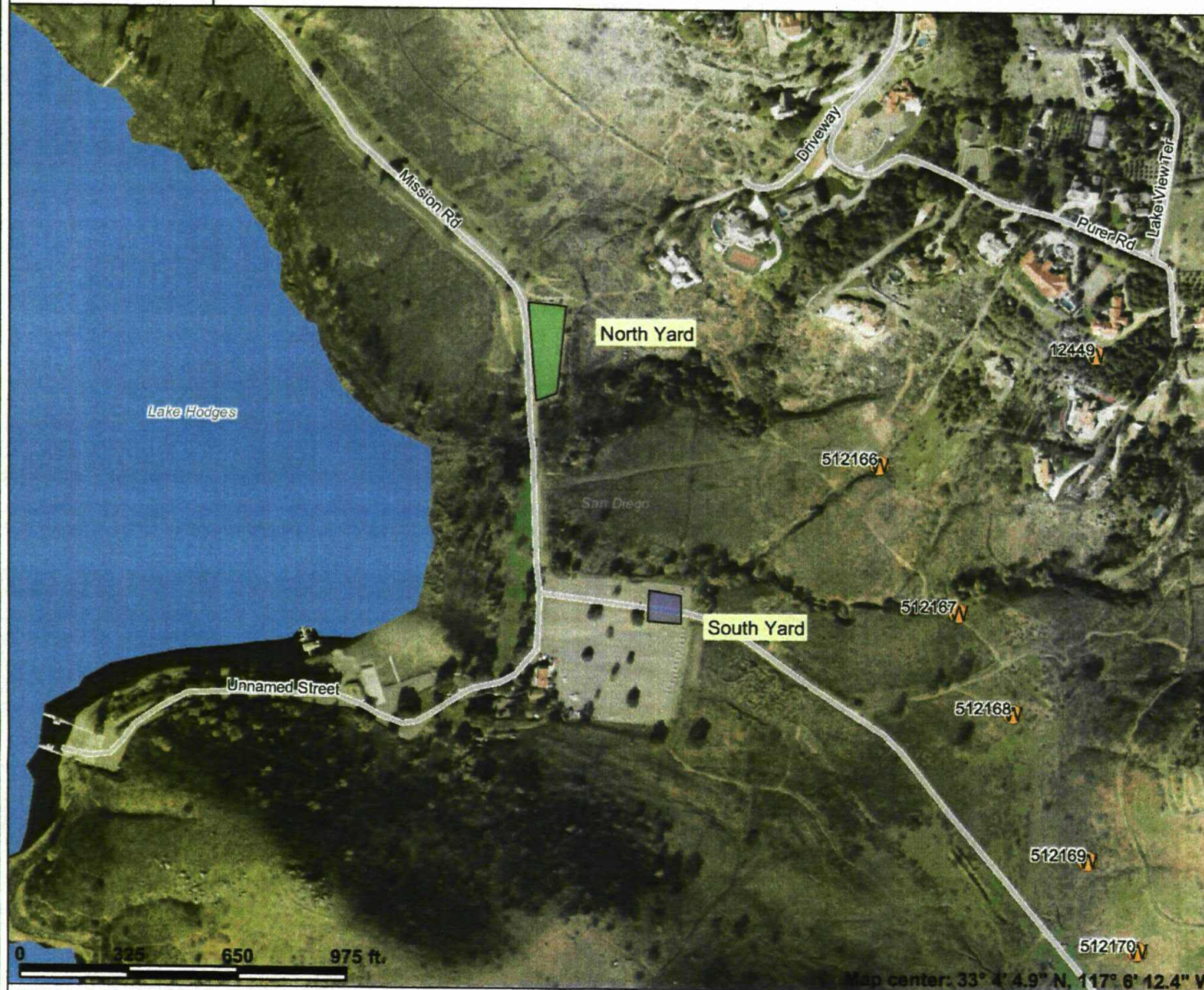
JAN I. GOLDSMITH, City Attorney

BY: [Signature]
Name: BRACK LADWIG
Title: DEPUTY CITY ATTORNEY

DCM/
1-28-11

EXHIBIT A: Permit Area

TL689 Lake Hodges Yard



Legend

Electric Transmission Structure (Confidential)

- P Portal
- A Aerial Marker Structure
- S Terminal
- T Steel
- U Tower
- U Underground
- W Wood
- C City Point
- L Local Roads
- M Main Roads
- MS Major Roads Shields
- MR Major Roads
- H Highways
- MH Major Highways
- W Water Body
- B Bay
- L Lake or Pond minor category unknown
- PL Perennial Lake or Pond
- IL Intermittent Lake or Pond
- R Reservoir, Major Category
- PR Perennial Reservoir
- IR Intermittent Reservoir
- CB County Boundary
- SDG&E 2008 West



Scale: 1:5,533

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User: bswanson Date: Jan 27 2011

EXHIBIT "A"