PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298



December 5, 2012

Advice Letter 4018-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: PG&E and Pinnacle Towers Lease Agreement – Request for Approval under Section 851

Dear Mr. Cherry:

Advice Letter 4018-E is effective December 3, 2012.

Sincerely,

Edward F. Randolph, Director

Edward Randoft

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

March 27, 2012

Advice 4018-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: PG&E and Pinnacle Towers Lease Agreement – Request for

Approval Under Section 851

Purpose

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 enter into a 5-year lease agreement with Pinnacle Towers LLC ("Pinnacle"). This lease agreement will amend and restate a lease that PG&E currently has with Pinnacle for the same general purposes. Approving this lease agreement will allow Pinnacle to continue to operate its existing facilities on PG&E property as well as provide PG&E use of Pinnacle's steel-fabricated communications building for its own operational purposes.

Background

PG&E currently leases a 25' by 25' area of its property to Pinnacle, upon which Pinnacle operates and maintains its 304-square-foot steel-fabricated communications building, a 4-sided free-standing 80-foot-tall steel tower, and a 489-gallon propane tank and generator. A new amended and restated lease has been prepared (Attachment 1) to grant a longer lease term and to change the premises description size from 25' by 25' to 25' by 47'. The premises description size is being restated in the new amended and restated lease to include Pinnacle's existing 80-foot-tall tower location, which is not included in the current lease area boundary.

Under the current lease, PG&E charges Pinnacle \$6,900 per year for the leased space. The amended and restated lease includes a provision that waives the lease fee charged to Pinnacle in exchange for PG&E's use of Pinnacle's steel-fabricated communications building to store, operate and maintain communication equipment. Such use of Pinnacle's building will enable PG&E to transmit gas and electric system information in the southern central valley area to its respective gas and electric control centers, and to offer 2-way radio communications between PG&E vehicles in the southern central valley area.

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 Pinnacle Towers, LLC

Ann H. Kim Attention: Matthew Blanscet Law Department 1220 Augusta Dr, Suite 500

P.O. Box 7442 Houston, TX 77057

San Francisco, CA 94120 Telephone: 713-570-3082 Telephone: (415) 973-7467 Facsimile: (734) 416-6982

Facsimile: (415) 973-5520 E-mail:

Email: AHK4@pge.com Matthew.Blanscet@crowncastle.com

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

The lease area is located at an area of unincorporated Kern County in an area known as Pelato Peak. The State Board of Equalization Number for the lease area is 135-15-023. The property is currently used by Pinnacle for the operation of their 304-square-foot steel-fabricated communications building, 4-sided free-standing 80-foot-tall steel tower, and 489-gallon propane tank and generator.

(3) Intended Use of the Property:

The use of the property would not change from its current use. The amended and restated lease agreement would include Pinnacle's existing tower location as part of the lease description and allow PG&E to provide the lease at no cost to Pinnacle in exchange for PG&E's use of Pinnacle's steel-fabricated communications building to store, operate and maintain communication equipment. Such use of Pinnacle's building will enable PG&E to transmit gas and electric system information in the southern central valley area to its respective gas and electric control centers, and to offer 2-way radio communications between PG&E vehicles in the southern central valley area. A map of the easement area is provided in Attachment 1, Exhibit A.

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

PG&E will lease property to Pinnacle at no charge in exchange for Pinnacle providing PG&E free use of Pinnacle's steel-fabricated communications building to store, operate and maintain communication equipment.

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

Not Applicable. There are no financial proceeds associated with this transaction.

(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:

Not Applicable

(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. PG&E will lease the property to Pinnacle at no charge in exchange for Pinnacle providing PG&E free use of Pinnacle's steel-fabricated communications building.

(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:

Not Applicable

(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 public interest or the ability of PG&E to provide safe and reliable service to customers at reasonable rates; and
- The transaction will not materially impact the ratebase of PG&E.

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

PG&E is not aware of any additional relevant information that could assist in the review of this advice letter.

(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. Exemption

- 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.

CEQA review is generally conducted by a local agency (city, county, or other agency). See CEQA documentation for conclusive determination (e.g., notice of exemption, mitigated negative declaration, negative declaration, or full environmental impact report with mitigating measures.

Not Applicable

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.

PG&E contends that this transaction is not a "project" under CEQA as the purpose of this amended and restated lease agreement is to include Pinnacle's existing tower location as part of the lease description and to allow PG&E to provide the lease at no cost to Pinnacle in exchange for PG&E's use of Pinnacle's steel fabricated communications building for its own operational needs, none of which would result in a direct or indirect physical change to the environment.

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 **April 16, 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

Attachments

Attachment 1 – Lease Agreement

Bian Cherry 100

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 **********
Pinnacle towers, LLC
Attention: Matthew Blanscet
1220 Augusta Dr, Suite 500
Houston, TX 77057
Telephone: (713) 570-3082

Facsimile: (734) 416-6982 E-mail: Matthew.Blanscet@crowncastle.com

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: Britta Brown							
☑ ELC ☐ GAS	Phone #: (415) 973-8	8584					
□ PLC □ HEAT □ WATER	E-mail: B2Bn@pge.c	E-mail: B2Bn@pge.com					
EXPLANATION OF UTILITY TYPE		(Date Filed/ Received Stamp by CPUC)					
ELC = Electric GAS = Gas PLC = Pipeline HEAT = Heat	WATER = Water						
Advice Letter (AL) #: 4018-E Subject of AL: PG&E and Pinnacle To Keywords (choose from CPUC listing): 9		Tier: <u>2</u> nt – Request for Approval Under Section 851 ents					
AL filing type: \square Monthly \square Quarterly	□ Annual ☑ One-Tin	ne 🗆 Other					
If AL filed in compliance with a Commi	ssion order, indicate r	relevant Decision/Resolution #: <u>N/A</u>					
Does AL replace a withdrawn or rejected	ed AL? If so, identify t	he prior AL: <u>No</u>					
Summarize differences between the AL	and the prior withdra	ıwn or rejected AL: <u>N/A</u>					
Is AL requesting confidential treatment $\underline{\mathbf{No}}$? If so, what informa	tion is the utility seeking confidential treatment for:					
Confidential information will be made a	available to those who	have executed a nondisclosure agreement: <u>N/A</u>					
Name(s) and contact information of the the confidential information:	person(s) who will pr	ovide the nondisclosure agreement and access to					
Resolution Required? \square Yes \square No							
Requested effective date: Upon Comm i	<u>ission Approval</u>	No. of tariff sheets: $\underline{0}$					
Estimated system annual revenue effect	et (%): <u>N/A</u>						
Estimated system average rate effect (9	6): <u>N/A</u>						
When rates are affected by AL, include (residential, small commercial, large C.		owing average rate effects on customer classes ng).					
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	Pacifi	ic Gas and Electric Company					
Tariff Files, Room 4005 DMS Branch 505 Van Ness Ave., San Francisco, CA 94102 EDTariffUnit@cpuc.ca.gov	77 Be P.O. I San F	Brian K. Cherry, Vice President, Regulation and Rates cale Street, Mail Code B10C Box 770000 Francisco, CA 94177					

Attachment 1 LEASE AGREEMENT

AMENDED AND RESTATED TELECOM GROUND LEASE (PELATO PEAK)

Landlord and Tenant agree as follows:

- CPUC Approval. Landlord has determined, that due to the expansion of the 1. Leased Premises, that approval of the California Public Utilities Commission ("CPUC") will be required as a condition precedent to Landlord entering into this Lease, and therefore, notwithstanding any execution of this Lease by the parties, this Lease will not become effective, unless and until Landlord receives such approval ("CPUC Approval") on terms and conditions satisfactory to Landlord, in its sole and absolute discretion. Tenant shall cooperate with Landlord by providing supporting data, environmental information, review and other services to assist the Landlord in obtaining CPUC Approval. Tenant further acknowledges and agrees that the Landlord makes no representation or warranty with respect to CPUC Approval, and Tenant hereby waives all claims against Landlord which may arise out of losses, expenses or damages suffered or incurred by Tenant as a result of the need for the CPUC Approval, any delay in the receipt of CPUC Approval, or Landlord's failure to obtain CPUC Approval. If CPUC Approval is obtained, Landlord shall send a notice to Tenant stating that such approval has been granted and that this Lease shall be effective as of a commencement date as set forth in such notice (the "Effective Date"). Unless otherwise specifically provided herein, all provisions of this Lease shall be effective as of the Effective Date.
- 2. <u>Leased Premises</u>. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, for the Term (as defined below), upon all of the terms and conditions set forth herein, a portion of Landlord's Pelato Peak property, located in Kern County, California, as shown on the map attached hereto as <u>Exhibit "A"</u> and by this reference made a part hereof (the "<u>Property</u>"). The portion of the Property leased to Tenant consists of approximately 1,175 square feet of land (the "<u>Leased Premises</u>"), along with a right of access over the Property from Cerro Noroeste Road to the Leased Premises over the existing access road (the "<u>Access Road</u>"). The Leased Premises and Access Road are shown on <u>Exhibit "A"</u>. Use of the Access Road shall not be exclusive, and shall have a gate with locks used in tandem with locks of Landlord. As of the

Commencement Date of this Lease, Tenant shall continue in possession under the terms of this Lease, which amends and restates the Original Lease in its entirety.

3. <u>Tenant's Allowed Use</u>. The Leased Premises shall be used and occupied only for maintenance and operation of the existing wireless communications facility, including a building, tower structures, equipment shelters, meter boards and related improvements and structures incidental thereto (the "<u>Improvements</u>"), and not for any other purpose ("<u>Tenant's Allowed Use</u>") without the prior written consent of Landlord, at Landlord's sole and absolute discretion. The Access Road shall be used solely for personal and vehicular access and not for any other purpose. Tenant may allow Tenant's directors, officers, partners, members, managers, employees, contractors, subcontractors, consultants, representatives, agents, subtenants, licensees, permittees and invitees ("<u>Tenant's Representatives</u>") to use and occupy the Leased Premises and use the Access Road only in connection with Tenant's Allowed Use, subject to the terms of this Lease.

4. Term and Commencement; Termination; Possession.

- 4.1 <u>Term.</u> The term (the "<u>Term</u>") of this Lease shall commence on the Effective Date (the "<u>Commencement Date</u>") and shall end on June 30, 2017 (the "<u>Expiration</u> Date"), unless sooner terminated pursuant to any provisions hereof.
- 4.2 <u>Termination</u>. LANDLORD OR TENANT MAY TERMINATE THIS LEASE AS TO THE ENTIRE LEASED PREMISES OR AS TO ANY PORTION THEREOF, AT ANY TIME, FOR ANY REASON OR NO REASON, UPON ONE HUNDRED EIGHTY (180) DAYS WRITTEN NOTICE. TENANT SHALL SURRENDER POSSESSION OF THE LEASED PREMISES, OR PORTION THEREOF, NO LATER THAN THE EXPIRATION OF SAID ONE HUNDRED EIGHTY (180) DAY PERIOD. UPON TERMINATION, TENANT SHALL SURRENDER POSSESSION OF THE LEASED PREMISES, OR PORTION THEREOF, IN THE CONDITION REQUIRED BY THIS LEASE. (TENANT TO INITIAL HERE ______).
- 4.3 **Possession.** Tenant is currently in possession of the Leased Premises under the Original Lease.

5. Rent; Additional Rent.

- 5.1 <u>Monthly Base Rent.</u> Landlord's use of Tenant's building is the consideration for Tenant's use of the Premises. Tenant shall not be required to pay rent to Landlord during the Term.
- 5.2 <u>Utilities; Interruption of Services</u>. During the Term, Tenant shall pay or cause to be paid prior to delinquency all charges for water, electricity, gas and all other public or private utility services at any time rendered to or in connection with the Leased Premises, or any part thereof, and shall comply with all contracts relating to such services. The procurement, construction and installation of any and all utilities necessary for Tenant's Allowed Use of the Leased Premises shall be solely at Tenant's expense, and any such utility installation shall be subject to the prior approval by Landlord, at Landlord's sole and absolute discretion, as an Alteration, as defined below, subject to the terms of this Lease. Landlord shall have no

obligation to provide the Leased Premises with electricity, heat, air conditioning, ventilation, water or other utility services whatsoever. Landlord shall not be liable for any failure to furnish any services or utilities to the Leased Premises, and Tenant shall not be entitled to any damages resulting from such failure, nor shall such failure release Tenant of the obligation to pay all sums due hereunder.

- 5.3 <u>Taxes</u>. Tenant shall pay, before delinquency, any and all special assessments, fees or taxes on the Improvements, alterations, equipment, furniture, fixtures, merchandise, and other personal property located at or in the Leased Premises, or which may be imposed due to Tenant's use or occupancy of the Leased Premises.
- 5.4 <u>Additional Rent; Administrative Fee</u>. All charges and other amounts of any kind payable by Tenant to Landlord pursuant to this Lease shall be deemed additional rent hereunder ("<u>Additional Rent</u>"). Landlord shall have the same remedies for default in the payment of Additional Rent as for the payment of any rent, and the term "<u>Rent</u>" shall include Additional Rent.
- 5.5 **Payment of Additional Rent.** Additional Rent shall be paid to Landlord, without deduction, recoupment, offset or counterclaim, in lawful money of the United States of America, at Landlord's address for notices hereunder or to such other person or at such other place as Landlord may from time to time designate in writing.
- Late Fee. Tenant acknowledges that late payment of Additional Rent will cause Landlord to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impractical to fix. Therefore, if any amount due from Tenant is not received by Landlord within ten (10) days after its due date (or if no due date is otherwise specified hereunder, within thirty (30) days following Landlord's invoice or demand therefor), then Tenant shall pay a late charge of Two Hundred No/100 Dollars (\$200.00) (the "Late Fee") to Landlord, which sum shall constitute liquidated damages for such late payment. The parties agree that such Late Fee represents a fair and reasonable estimate of the costs that Landlord will incur by reason of late payment by Tenant. Acceptance of any liquidated damages shall not constitute a waiver of Tenant's default with respect to the overdue amount or prevent Landlord from exercising any of the rights and remedies available to Landlord under this Lease or by law. Such liquidated damages shall constitute Additional Rent hereunder, and shall be payable in addition to interest accruing under this Lease and any attorneys' fees and costs which may be payable under this Lease.
- 5.7 **Default Rate.** In addition to the Late Fee, any Additional Rent not paid when due (or if no due date is otherwise specified hereunder, within thirty (30) days following Landlord's invoice or demand therefor) shall bear interest at the Default Rate from the date due until paid. The term "Default Rate" shall mean a per annum rate of interest equal to the prime or reference rate of interest announced from time to time by the San Francisco Main Office of Bank of America, N.T. & S.A. (or any successor bank), plus six percent (6%) per annum, provided that in no event shall the Default Rate of interest charged on any sum then due or past due hereunder exceed the maximum rate of interest, if any, which may then be lawfully charged on such amount. Landlord's acceptance of interest shall not constitute a waiver of Tenant's default with

respect to the overdue amount or prevent Landlord from exercising any of the rights and remedies available to Landlord under this Lease or by law.

- "As Is" Condition. Tenant acknowledges that Tenant, or its predecessors-ininterest, have been in possession of the Leased Premises since approximately 1993, and Tenant has had an opportunity thoroughly to inspect the condition of the Leased Premises and the Access Road, and Tenant agrees that it is leasing the Leased Premises on an "AS IS" basis, without any representation or warranty by Landlord or its agents as to the condition of the Leased Premises or the Access Road, or their fitness for Tenant's use, and subject to all Legal Requirements, as defined below, including, without limitation, all applicable zoning, municipal, county and state laws, ordinances and regulations governing and regulating the use of the Leased Premises or the Access Road, and any easements, covenants or restrictions of record. Tenant acknowledges that Landlord and its employees and agents have not made any representations or warranties that the Leased Premises or the Access Road complies with Legal Requirements as it pertains to the Tenant's use and occupancy of the Leased Premises. Tenant assumes responsibility for causing the Tenant's Improvements, Alterations, occupancy and use of the Leased Premises to comply with all Legal Requirements throughout the Term. acknowledges that it has satisfied itself that the Leased Premises and Access Road are suitable for Tenant's Allowed Use. Landlord shall have no obligation to do any work in and to the Leased Premises or Access Road in order to prepare the Leased Premises and Access Road for occupancy or use by Tenant.
- Repairs and Maintenance. Tenant shall maintain the Leased Premises in good, clean and sanitary condition and repair, and shall not suffer, commit or permit any waste or nuisance to occur or exist on or about the Leased Premises or Access Road. Tenant shall also control any and all rodents and vermin on the Leased Premises, and shall be responsible for weed abatement as needed on the Leased Premises. Tenant shall promptly remove all rubbish and waste from the Leased Premises, and, if caused by Tenant, from the Access Road. Tenant shall also repair any damage to the Access Road caused by Tenant or Tenant's Representatives. Landlord shall have no obligation whatsoever to maintain the Leased Premises or any part thereof. Landlord shall maintain and repair the Access Road in good condition and repair, to be determined at Landlord's sole discretion; provided however, that Landlord shall maintain and repair the Access Road in a condition so that Tenant has continued access to the Leased Premises, except for closures due to weather conditions or casualty.
- 8. <u>Legal Compliance</u>; <u>Hazardous Substances</u>. Tenant, at its expense, shall immediately comply with all laws, ordinances, rules, regulations, requirements, or orders of municipal, state and federal authorities now in force or that may later be in force, including, without limitation, the Federal Communications Commission (collectively, the "<u>Legal Requirements</u>") applicable to the Tenant's use or occupancy of the Leased Premises, the Access Road, the Improvements or Alterations. Tenant shall not cause or permit any Hazardous Substances to be brought upon, kept, used, released, discharged or disposed of in or about the Leased Premises or the Access Road. The term "<u>Hazardous Substances</u>" shall include any and all hazardous or toxic substances, materials or wastes which are or become regulated by any local, state or federal government authority. Tenant shall also comply with all "<u>Hazardous Substances Laws</u>" defined as all Legal Requirements relating to industrial hygiene, environmental protection or the use, analysis, generation, manufacture, storage, presence,

disposal or transportation of any Hazardous Substances, as defined above, applicable to the Tenant's use or occupancy of the Leased Premises, the Access Road, the Improvements or Alterations. If any clean-up, remedial removal or restoration work is required by any federal, state or local governmental agency or political subdivision because of the presence of Hazardous Substances in or about the Leased Premises or Access Road, then Tenant shall, at its sole cost, promptly take any and all action necessary to perform such clean-up, remedial removal or restoration in compliance with all Hazardous Substances Laws, but only to the extent caused, permitted or exacerbated by Tenant or Tenant's Representatives. In no event will Tenant have any liability for any remedial or clean-up costs (or other compliance costs) in connection with the presence of any Hazardous Substances on, in or under the Leased Premises existing prior to the installation of the Improvements, use or occupancy of the Leased Premises by Tenant, which occurred approximately in 1993. Landlord, at its expense, shall comply with all Legal Requirements applicable to the Access Road.

9. <u>Alterations; Liens.</u> Tenant shall not make any improvements, modifications or alterations ("<u>Alterations</u>") to the Leased Premises without the prior written consent of Landlord, which consent shall be at Landlord's sole and absolute discretion. Tenant shall make no Alterations whatsoever to the Access Road. Tenant shall also keep the Leased Premises free from any liens arising out of any work performed, materials furnished or obligations incurred by or for the benefit of Tenant. All Alterations to the Leased Premises shall upon their installation become a part of the realty, except for unattached and movable improvements, personal property and trade fixtures placed on or in the Leased Premises by the Tenant, which shall be and remain Tenant's personal property and, at Tenant's option, may be removed by Tenant at any time during the Term. Prior to the expiration or sooner termination of the Term, Tenant shall remove any Alterations designated by Landlord and promptly repair, at its sole cost and expense, any damage to the Leased Premises caused by such removal.

10. **Prohibition on Assignment, Subletting or Other Transfers.**

General. Tenant acknowledges that Tenant's identity, reputation and 10.1 experience, the specific character of Tenant's business and anticipated use of the Leased Premises and the relationship between such anticipated use and other present and/or future planned uses have been a material consideration to Landlord's entry into this Lease. Tenant acknowledges that the limitations on assignment or subletting set forth herein have been expressly agreed to by Tenant as a material inducement to Landlord to lease the Premises to Tenant. Tenant shall not, and shall not permit its Existing Tenants (as defined below) to, under any circumstances, mortgage, pledge, encumber or otherwise hypothecate or create any security interest in this Lease or the Leased Premises or any part thereof in any manner whatsoever. Tenant also shall not, and shall not permit its Existing Tenants to, under any circumstances, assign, sublet or otherwise transfer this Lease or any interest herein, or permit the Leased Premises, Access Road or any part thereof to be used or occupied by any person or entity other than Tenant and the Existing Tenants. Landlord hereby consents to the existing subleases to Nextel Communications, Inc., and the State of California through its Department of Transportation (the "Existing Subtenants"), without payment of any Additional Rent.

10.2 <u>No Release</u>. The subletting of the Leased Premises to the Existing Subtenants shall not relieve Tenant of its liability under this Lease. In the event of default by

either Existing Subtenant, in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such Existing Subtenant.

10.3 <u>Permitted Transfers</u>. Notwithstanding the prohibition against any assignment or subletting above, Tenant (but not the Existing Subtenants) may assign this Lease, but not sublease, to a parent or subsidiary of Tenant, or an entity under common control with Tenant, but only if Tenant notifies Landlord at least ten (10) business days prior to the assignment. No such assignment shall release Tenant from any of its obligations hereunder, nor result in any change in Tenant's Allowed Use of the Leased Premises nor require any Alterations to the Leased Premises.

11. <u>Indemnity; Security; Insurance.</u>

Indemnity. Tenant shall, to the maximum extent permitted by law, indemnify, protect, defend and hold harmless Landlord, its parent corporation, subsidiaries, 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 attorneys' fees and costs) and liabilities of whatever kind or nature (collectively, "Claims"), including Claims arising from the passive or active negligence of the Indemnitees, except to the extent such Claims arise from Landlord's or an Indemnitee's sole gross negligence or willful misconduct, which arise from or are in any way connected with Tenant's activities, or the acts, omissions, the entry on, occupancy or use of, the Leased Premises or the Access Road by Tenant or Tenant's Representatives, or the exercise by Tenant of Tenant's rights hereunder, or the performance of, default or failure to perform, any of the terms, covenants or condition of this Lease, including, but not limited to, Claims arising out of or in connection with: (i) injury to or death of persons, including, but not limited to, employees of Landlord or Tenant or any of Tenant's Representatives; (ii) injury to property or other interest of Landlord, Tenant or any third party; (iii) violation of any applicable federal, state, or local laws, statutes, regulations, or ordinances, including all Legal Requirements relating to the environment and including any liability imposed by law or regulation without regard to fault; (iv) the condition of the Leased Premises or Access Road, (iv) with any labor performed on the Leased Premises by, or at the request or for the benefit of, Tenant, (v) failure by Tenant to surrender the Leased Premises at the end of the Term in the condition required by this Lease, or (vi) the use, storage, treatment, transportation, release, or disposal of any Hazardous Substances by Tenant or any of the Tenant Representatives. In the event any action or proceeding is brought against any Indemnitee for any Claim against which Tenant is obligated to indemnify or provide a defense hereunder, upon written notice from Landlord, Tenant shall defend such action or proceeding at Tenant's sole expense by counsel approved by Landlord, which approval shall be in Landlord's sole and absolute discretion. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

11.2 <u>Indemnification for Hazardous Substances</u>. Tenant acknowledges that all Claims arising out of or in any way connected with releases, discharges or exacerbation of a Hazardous Substance, occurring as a result of or in connection with Tenant's use or occupancy of the Leased Premises, the activities of Tenant or any of Tenant's Representatives, and all costs,

expenses and liabilities for environmental investigations, monitoring, containment, abatement, removal, repair, cleanup, restoration, remediation and other response costs, including attorneys' fees and disbursements and any fines and penalties imposed for the violation of any Legal Requirements relating to the environment or human health, are expressly within the scope of the indemnity set forth above. The purpose of the foregoing indemnity is to protect Landlord and the Indemnitees from expenses and obligations related to Hazardous Substances on, under or about the Leased Premises or Access Road to the fullest extent permitted by law. The Tenant's obligation to defend includes, but is not limited to, the obligation to defend claims and participate in administrative proceedings, even if they are false or fraudulent.

- Tenant for, and Tenant hereby waives and releases the Landlord and the Indemnitees from, any and all Claims, whether in contract, tort or on any other basis, for any injury to or death of any person, for loss of use of or damage to or destruction of property in or about the Leased Premises and Access Road, and for damage to Tenant's business, loss of Tenant's profits or other financial loss to Tenant, resulting from or attributable to an occurrence on, the condition of, or the use or occupancy of the Leased Premises and Access Road, including, without limitation, the presence, movement, use, release, emission, discharge, or spill of any Hazardous Substances or earthquake or earth movement, gas, fire, oil, electricity or flood. The provisions of this Section shall survive the expiration or earlier termination of this Lease. Use of the Leased Premises and Access Road shall be at Tenant's sole risk and expense, and Tenant accepts all risk relating to the occupancy and use of the Leased Premises and Access Road by Tenant and Tenant's Representatives.
- 11.4 <u>Security</u>. Tenant expressly assumes all responsibility for security, in, on or about the Leased Premises, and Landlord shall not be liable for any damage to goods, wares, merchandise or other property located in the Leased Premises or Access Road, or injury or death to Tenant or Tenant's Representatives or any other person in or about the Leased Premises or Access Road related to security. The foregoing waiver includes criminal acts of third parties. Tenant shall keep any and all gates into the Property locked at all times, except when actually entering or leaving the Property.
- Insurance; Waiver of Subrogation. Tenant shall carry insurance, and comply with the terms regarding such insurance, as set forth in Exhibit B. The insurance required under this Lease shall be issued by companies qualified to do business in the State of California and rated A: X or better in "Best's Key Rating Guide." All policies shall be endorsed to include Landlord, and any mortgagees, property managers and other parties as Landlord may specify from time to time, as additional insureds, as their interests may appear. Each policy shall provide expressly, in the form of such policy or by endorsement that: (1) the policy shall not be cancelled or altered in such a manner as adversely to affect the coverage afforded thereby without thirty (30) days' prior written notice to Landlord and any mortgagee to whom a loss thereunder may be payable; (2) the coverage shall be primary and noncontributing with any insurance that may be carried by Landlord; (3) any loss shall be payable notwithstanding any act of negligence of any additional insured that might otherwise result in a forfeiture of coverage; (4) the word "Insured" is used therein severally and not collectively and insurance coverage thereunder shall apply as though a separate policy were issued to each insured, although the inclusion of more than one insured party shall not operate to increase the limits of the insurer's liability; and (5) for waiver of the insurer's rights to subrogation against Landlord. With respect

to loss or damage resulting from any cause insured against by the insurance to be carried by Tenant, and with respect to any similar insurance which is maintained by Landlord, the parties hereto waive any and all rights of subrogation against the other, and each such party hereby agrees that it shall not make any claim against the other, or seek to recover from the other, for loss or damage to the other, or its property, or property of others under its control, which may be insured against by such insurance, and each party hereto shall give notice to any insurance carrier of the foregoing waiver of subrogation, and obtain a waiver of the right to recovery against the other party hereto, its agents and employees.

Casualty or Condemnation. If, in Landlord's good faith judgment, the Leased 12. Premises shall be so damaged by fire, other casualty, acts of God or other elements (a "Casualty") so that Tenant can not restore the Leased Premised to be suitable for Tenant's business needs within ninety (90) days from the date of the Casualty ("Substantial Damage"), Landlord or Tenant may terminate this Lease by written notice given to Tenant or Landlord, respectively, within thirty (30) days after the date of the Casualty. If the Lease is terminated, the termination shall be effective as of the date of the surrender in the condition required by this Lease. If there is a taking ("Taking") of the Leased Premises by right or threat of eminent domain which results in the remainder of the Leased Premises being unable, in Landlord's good faith judgment, to be restored to a condition suitable for Tenant's business needs within ninety (90) days from the date of the Taking ("Substantial Taking"), this Lease shall terminate, and Tenant shall surrender possession in the condition required by this Lease. circumstances will Landlord be required to make any repairs, replacements, restoration or reconfiguration of or to the Leased Premises, or otherwise expend any funds whatsoever in connection with a Casualty or condemnation.

13. Rights Reserved to Landlord.

- Use of Leased Premises. As consideration for this Lease, in lieu of rent, Landlord reserves the right to use the Leased Premises for telecommunications purposes, which includes the right to access and use certain rack space designated as racks 2, 3, 4 and 5 within the Tenant's building on the Premises, as more specifically set forth in the First Amendment and Second Amendment to the Original Lease, as described in Exhibit "C", attached hereto and by this reference made a part hereof. Landlord's use of the Leased Premises shall be limited to the foregoing, unless expressly agreed to by Landlord and Tenant in writing. Tenant shall provide electrical power adequate to operate Landlord's equipment as installed on the rack space, without cost to Landlord. Should Tenant fail to maintain the Building or Leased Premises, shall fail to provide power or shall interfere with Landlord's use in any way, or allow any of Tenant's Representatives to interfere with Landlord's use in any way, Landlord shall have the right to terminate this Lease if Tenant fails to perform such maintenance, provide power or prevent such interference after ten (10) days written notice. Tenant shall also reimburse Landlord for any losses for damage to Landlord's equipment caused by the negligence or willful misconduct of Tenant or Tenant's Representatives, or the lack of maintenance of the Building or Leased Premises.
- 13.2 At any time Landlord may enter the Leased Premises in Access. connection with Landlord's reserved rights or to inspect the same and determine whether Tenant is complying with all of its obligations hereunder. Subject to the limitations set forth in Section 13.1 above, Landlord reserves the right to use the Leased Premises for such purposes as it may deem necessary or appropriate if, and whenever, in the interest of its service to its customers or the public, it shall appear necessary or desirable to do so, or to access the Leased Premises to construct, reconstruct, maintain, operate and use such facilities on the Property as Landlord deems appropriate for the conduct of Landlord's business; provided that Landlord does not interfere with Tenant's equipment or operations at the Leased Premises or that of the Existing Subtenants. Landlord also reserves the right to restrict access to the Leased Premises or any portion or portions thereof in the event of civil disturbance, fire, earthquake or other casualty or emergency, or in connection with Landlord's response thereto, or otherwise when Landlord deems it advisable to do so, including in connection with events and emergencies occurring or affecting Landlord's business operations located outside the immediate vicinity of the Leased Premises.
- 13.3 <u>Third Party Rights</u>. Tenant accepts the Leased Premises subject to all existing easements, licenses, rights of entry and rights of way. Landlord also reserves the right to grant easements, licenses, rights of entry and rights of way in, on and across the Property to third parties for any use whatsoever, including, without limitation, for the staging of equipment, to the extent that such easements. licenses and rights of way do not unreasonably and materially interfere with Tenant's use of the Leased Premises.
- 13.4 <u>Interference</u>. Tenant shall not in any way interfere or permit any interference with Landlord's use of the Property, or the use of any third parties authorized to use the Property under leases, easements, licenses, rights of entry and rights of way granted to such parties by Landlord. Interference shall include, but not be limited to, any activity by Tenant that places any of Landlord's gas or electric facilities in violation of any of the provisions of General

Order Nos. 95 (Overhead Electric), 112 (Gas), or 128 (Underground Electric) of the CPUC or any other applicable provisions of the laws and regulations of the State of California or other governmental agencies (whether federal or state). Tenant shall not erect, handle, or operate any tools, machinery, apparatus, equipment, or materials closer to any of Landlord's high-voltage electric conductors than the minimum clearances set forth in the High-Voltage Electrical Safety Orders of the California Division of Industrial Safety, which minimum clearances are incorporated herein by reference, but in no event closer than ten (10) feet to any energized electric conductors or appliances. Tenant shall not drill, bore, or excavate without the prior written consent of Landlord, which consent may be withheld at Landlord's sole and absolute discretion. Tenant shall 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 Tenant with locating any and all underground facilities, including, but not limited to, gas pipelines, valves, regulators or electric conduits. Tenant shall not materially interfere with any of Landlord's operations, facilities or equipment, and Tenant shall transmit and receive only on frequencies previously approved by Landlord in writing, as set forth on Exhibit D. Landlord will not grant, after the Effective Date of this Lease, a lease, license or any other right to any third party for the use of the Property, if such use materially interferes with any of Tenant's operations, facilities or equipment. In the event any such interference from such third party does not cease within a fifteen (15) day period after Tenant provides written notice to Landlord, Tenant will have the right to terminate this Lease upon thirty (30) days written notice to Landlord. During such fifteen (15) day period, Landlord shall make reasonable best efforts to eliminate such interference, but shall not be required to commence legal action. The terms "interfere" or "interference" under this paragraph shall include, without limitation, both physical interference and signal interference with Landlord's or Tenant's operations, facilities or equipment, as applicable.

14. Surrender; Condition of Leased Premises at End of Term; Holding Over.

- 14.1 <u>Surrender</u>. Upon expiration or termination of this Lease, Tenant shall, within a reasonable time, remove all of Tenant's personal property and equipment, and all above ground Improvements and Alterations that Landlord elects to have removed, and restore and surrender the Leased Premises as nearly as reasonably possible to the condition that existed at the time such equipment and Improvements and Alterations were installed, reasonable use, wear and tear excepted. Tenant shall repair and restore any damage to the Leased Premises caused by such removal or demolition. Notwithstanding the foregoing, upon expiration or termination of this Lease, Tenant shall not remove its Building from the Premises, and such Building shall become the property of Landlord.
- 14.2 <u>Holding Over.</u> If Tenant holds over after the expiration or earlier termination of the Term without the express written consent of Landlord, Tenant shall become a tenant at sufferance only, at a rental rate equal to one hundred dollars (\$100) per day. Nothing contained in this Section shall be construed as implied consent by Landlord to any holding over by Tenant, and Tenant shall protect, indemnify, defend and hold Landlord and the Indemnitees harmless from and against any and all Claims resulting from any failure to surrender possession of the Leased Premises upon the expiration or earlier termination of the Term, as provided in this Lease. If Tenant holds over after the expiration or earlier termination of the Term with the

express written consent of Landlord, Tenant shall become a month-to-month tenant without payment of rent.

15. **Default.**

- **Events of Default.** The occurrence of one or more of the following events 15.1 shall constitute an "Event of Default" under this Lease: (a) any failure by Tenant to pay any Additional Rent and such amount remains unpaid for more than twenty (20) days after receipt of written notice from Landlord of such failure to pay; (b) any holding over after the expiration or earlier termination of the Term without the express written consent of Landlord, without the necessity of any notice from Landlord or cure period; (c) any failure to deliver to Landlord evidence of the insurance required to be carried by Tenant hereunder within thirty (30) days after demand; (d) any failure by Tenant to perform any of the other provisions of this Lease to be observed or performed by Tenant where such failure continues for thirty (30) days after notice by Landlord, provided that if the nature of the default is such that it cannot be reasonably cured within such thirty (30) day period, so long as Tenant has commenced efforts to cure within such thirty (30) day period and is diligently prosecuting such efforts, Tenant shall have such additional time as is required to cure the default, not to exceed sixty (60) days; (e) the bankruptcy or insolvency of Tenant, any transfer by Tenant in fraud of creditors, assignment by Tenant for the benefit of creditors, or the commencement of any proceedings of any kind by or against Tenant under any provision of the Federal Bankruptcy Act or under any insolvency, bankruptcy or reorganization, and (f) the appointment of a receiver for a substantial part of the assets of Tenant.
- 15.2 <u>Termination Upon Default</u>. Upon such termination, Landlord may recover from Tenant any amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom.
- 15.3 **Right to Cure.** If Tenant shall default in the performance of any act, covenant or condition on Tenant's part to be performed hereunder and if Tenant shall not cure such default within the applicable cure period, if any, Landlord may, but shall not be obligated to, perform such act, covenant or condition to the extent Landlord may, in its reasonable judgment, deem desirable, and pay the expenses which Landlord may deem reasonably necessary or advisable in connection with such performance. Notwithstanding the foregoing, Landlord shall have the right to cure any failure by Tenant to perform any of its obligations under this Lease without notice to Tenant if such failure results in an immediate threat to life or safety of any person. All commercially reasonable sums paid or incurred by Landlord in curing any such defaults shall be paid by Tenant to Landlord upon demand, together with interest thereon from the date Landlord pays or incurs such sums or expenses to the date of repayment by Tenant, at the Default Rate. If Tenant fails to pay the same, Landlord shall have the same rights and remedies as are provided in the case of default in the payment of rent. Notwithstanding the foregoing, unless a failure to cure results in (i) an immediate threat to life or safety of any person, (ii) a threat of damage to Landlord's telecommunication equipment, or (iii) a violation of Legal Requirements, Landlord shall have no right to make any repairs or alterations to Tenant's communications facilities or Improvements.

16. Notices. All notices, consents, demands and other communications from one party to the other given pursuant to the terms of this Lease or under the laws of the State of California, including but not limited to, notice under the provisions of Section 1161 of the California Code of Civil Procedure and Section 1946 of the California Civil Code, shall be in writing and shall be deemed to have been fully given when received or delivery is refused by the recipient, when sent by: (a) personal delivery, or (b) sent by certified mail, return receipt requested, or (c) sent by a nationally recognized overnight courier. The addresses for notices may be changed by written notice to the other party.

The address for

Landlord is: Pacific Gas and Electric Company

Land and Environmental Management

1850 Gateway Blvd Concord, CA 94520 Attention: Land Agent

With a copy to:

(If by certified mail)

Law Department
Pacific Gas and Electric Company

P.O. Box 7442

San Francisco, CA 94120

Attn: Senior Director & Counsel, Contracts Section (Real Estate)

(If by personal delivery or overnight courier)

Law Department

Pacific Gas and Electric Company 77 Beale Street, Mail Code B30A

San Francisco, CA 94105

Attn: Senior Director & Counsel, Contracts Section (Real Estate)

The address for

Tenant is: Pinnacle Towers LLC

c/o Crown Castle GT Company, LLC

2000 Corporate Drive Canonsburg, PA 156317 Attention: E. Blake Hawk

17. <u>Limitation of Liability</u>. No director, officer, shareholder, employee, adviser or agent of Landlord shall be personally liable in any manner or to any extent under or in connection with this Lease. In no event shall Landlord or any of its directors, officers, shareholders, employees, advisers or agents be responsible for any consequential, incidental,

exemplary or special damages suffered or incurred by Tenant or Tenant's Representatives, including, without limitation, on account of lost profits or business interruption.

- 18. <u>Brokers</u>. Tenant represents and warrants to Landlord that no real estate broker, agent or finder negotiated or was instrumental in negotiating or representing Tenant in the negotiation of this Lease, and Tenant shall indemnify and hold Landlord harmless from and against any claims made by any such broker, agent or finder of Tenant and any and all costs and damages suffered by Tenant as a consequence thereof, including, without limitation, attorneys' fees.
- 19. **Subordination and Estoppel.** This Lease shall be subordinate to any present or future ground lease or mortgage respecting the Property, subject to any future ground lease or mortgage, providing, that so long as Tenant is not in default under the terms of this Lease, beyond any applicable cure period, Tenant's rights under this Lease shall not be disturbed and shall remain in full force and effect for the Term, and Tenant shall not be joined in by the holder of any mortgage or deed of trust in any action or proceeding to foreclosure thereunder. Tenant shall, within thirty (30) days of receiving a request from Landlord, execute, acknowledge in recordable form, and deliver to the Landlord or its designee a certificate stating, subject to a specific statement of any applicable exceptions, that the Lease as amended to date is in full force and effect, that to the best of the knowledge of Tenant, without any inquiry or investigation beyond checking Tenant's files and obtaining information from Tenant's employees and agents familiar with the Leased Premises, the Landlord has committed no uncured defaults and has no offsets or claims.

20. Miscellaneous.

- 20.1 <u>Time</u>. In all instances where Tenant is required by the provisions of this Lease to pay any sum of money or to do any act at a particular indicated time or within any indicated period, it is understood and agreed that time is of the essence.
- 20.2 <u>Authority</u>. Landlord and Tenant represent and warrant to each other that they have full right, power and authority to enter into this Lease without the consent or approval of any other entity or person and make these representations knowing that the other party will rely thereon.
- 20.3 Attorneys' Fees. If as a result of any breach or default on the part of Tenant under this Lease, Landlord uses the services of an attorney in order to secure compliance with this Lease, Tenant shall reimburse Landlord upon demand as Additional Rent for any and all attorneys' fees and expenses incurred by Landlord, whether or not formal legal proceedings are instituted. Should either party bring an action against the other party, by reason of or alleging the failure of the other party to comply with 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 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. For purposes hereof, the reasonable fees of 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 the law departments of Landlord and Tenant, respectively. The non-prevailing party shall also pay the attorneys' 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 Lease.

- 20.4 No Offset. Tenant acknowledges that Landlord is executing this Lease in its capacity as Landlord of the Leased Premises, and not in its capacity as a public utility company or provider of electricity and natural gas. Notwithstanding anything to the contrary contained herein, no act or omission of Pacific Gas and Electric Company or its employees, agents or contractors as a provider of electricity and natural gas, and not in its capacity as Landlord, shall abrogate, diminish, or otherwise affect the respective rights, obligations and liabilities of Tenant and Landlord under this Lease. Further, Tenant covenants not to raise as a defense to its obligations under this Lease, or assert as a counterclaim or cross-claim in any litigation or arbitration between Tenant or Landlord relating to this Lease, any claim, loss, damage, cause of action, liability, cost or expense (including, without limitation attorneys' fees) arising from or in connection with Pacific Gas and Electric Company's provision (or failure to provide) electricity and natural gas.
- 20.5 <u>Successors</u>. The terms, covenants and conditions of this Lease shall be binding upon and inure to the benefit of Landlord and Tenant and their respective successors, and except as otherwise provided, their assigns.
- 20.6 <u>Survival</u>. The waivers of claims or rights, the releases and the obligations of Tenant under this Lease to indemnify, protect, defend and hold harmless Landlord and other Indemnitees shall survive the expiration or earlier termination of this Lease, and so shall all other obligations or agreements of Landlord and Tenant hereunder which by their terms survive the expiration or earlier termination of this Lease.
- 20.7 <u>Not Offer.</u> The submission of this Lease for review or signature by Tenant does not constitute an offer or option to Lease, and it shall not be effective as a Lease or otherwise until this Lease is executed and delivered by Landlord and Tenant.
- 20.8 <u>Construction</u>. This Lease is the result of negotiations between the parties and their respective attorneys and shall be construed in an even and fair manner, regardless of the party who drafted this Lease or any provision hereof. The headings or captions of sections in this Lease are for convenience and reference only, and in no way define, limit, or describe the scope or intent of this Lease or the provisions of such Sections. This Lease shall be construed as though the covenants between Landlord and Tenant are independent.

20.9 Entire Agreement. There are no oral agreements between Landlord and Tenant affecting this Lease, and this Lease supersedes and cancels any and all prior negotiations, arrangements, correspondence, communications, agreements and understandings, if any, whether oral or written, between Landlord and Tenant with respect to the subject matter of this Lease, and none of the foregoing shall be used to construe this Lease. No amendment or modification of this Lease shall be binding or valid unless expressed in writing and executed and delivered by Landlord and Tenant. There are no representations between Landlord and Tenant other than those contained in this Lease and all reliance with respect to any representations is based solely upon the terms of this Lease.

20.10 <u>Governing Law</u>. This Lease shall be construed in accordance with, and governed by, the laws of the State of California, without giving effect to its conflict of laws principles.

20.11 <u>Peaceful Possession</u>. So long as Tenant is not in default under the terms of this Lease, beyond any applicable cure period, Tenant shall enjoy peaceful and quiet possession of the Leased Premises, subject to the terms of this Lease.

20.12 **Exhibits.** The following Exhibits are attached to this Lease and are made a part of this Lease:

Exhibit A Map of Property, Leased Premises and Access Road
Exhibit B Insurance Requirements
Exhibit C Description of PG&E's Use of Tenant's Building

Exhibit D Approved Transmission Frequencies

IN WITNESS WHEREOF, the parties have executed this Lease as of the dates indicated below each signature, effective upon the Effective Date hereinabove first written.

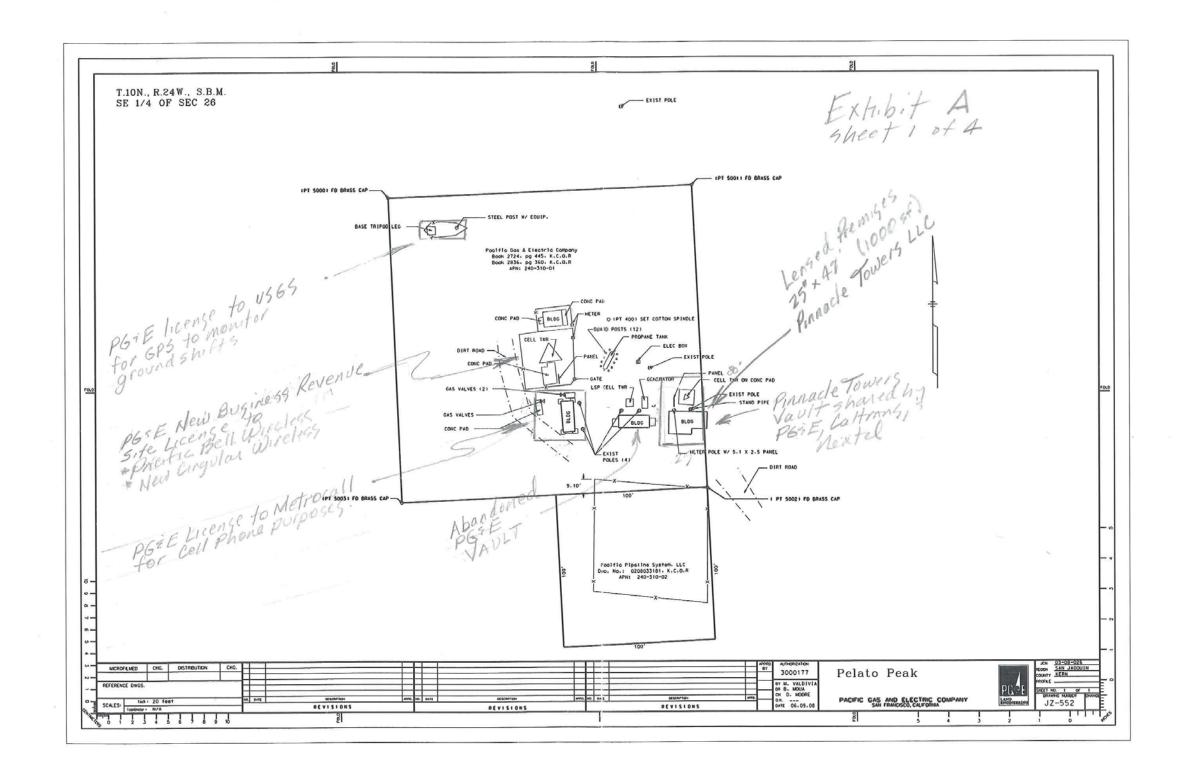
PACIFIC GAS AND ELECTRIC COMPANY, a California corporation By: Marvin Penner, Manager Land Management

TENANT:
PINNACLE TOWERS LLC, a Delaware limited liability company
By:
Print Name:
Title:
Date:

[NOTE: Tenant to initial Section 4.2]

EXHIBIT "A"

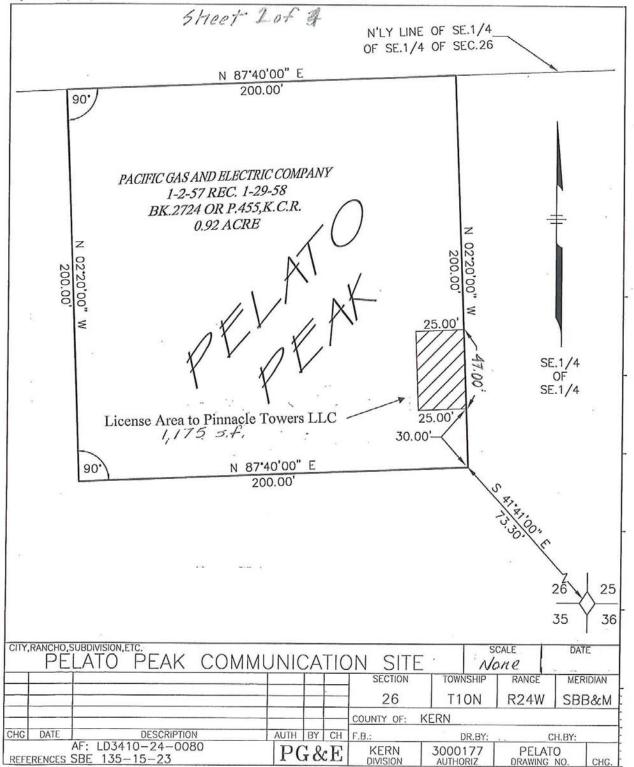
Description of Property, Access Road and Leased Premises



. .



EXHIBIT "A"



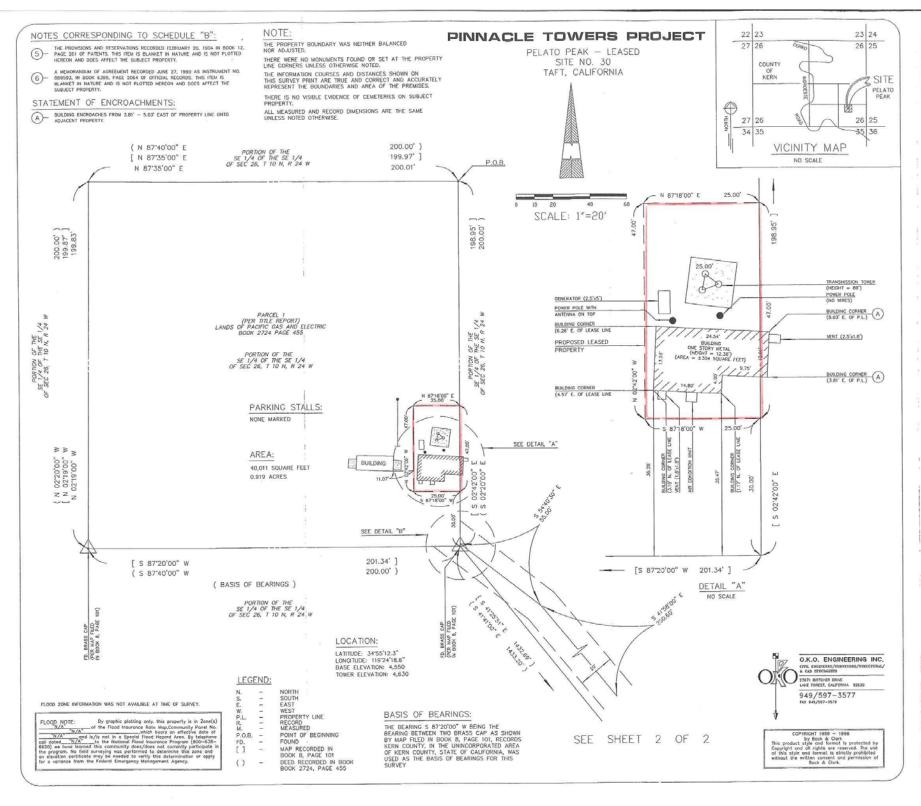
EXMIBIT "A" sheet 3 of 4

Legal Description for Lease Expansion

The land referred to herein is situated in the County of Kern, State of California, and is described as follows:

Beginning at a Brass Cap in the southeast quarter of the southeast quarter of section 26, Township 10 North, Range 24 West, San Bernardino Meridian, in the unincorporated area, County of Kern, State of California, according to the official plat of the survey of said land on file in the Bureau of Land Management, from which the Sandstone Rock (marked X) marking the southeast corner of said section 26 bears South 41° 25' 51" East 1,432.69 feet distant and running thence North 02° 42' 00" West 30.00 feet to the true point of beginning; thence South 87° 18' 00" West 25.00 feet; thence North 02° 42' 00" West 47.00 feet; thence North 87° 18' 00" East 25.00 feet; thence South 02° 42' 00" East 47.00 feet to the true point of beginning.

Containing within said bounds 1,175 square feet, 0.027 acres.



LEGAL DESCRIPTION

THE LAND REFERRED TO HEREON IS SITUATED IN THE COUNTY OF KERN, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

BEGINNING AT A POINT IN THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 26, TOWNSHIP TO NORTH, RANGE 24 WEST, SAM BERNARDING MERDIAM, BIT THE LIMINCOSPORATED AREA, COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF THE SURVEY OF SAM LAND ON FIELD IN THE BURBLEAU OF LAND MANAGENETH, FROM WHICH THE SANDSTERS FROM (MARKED AY MARKING THE SOUTHEAST CONTINCT OF SAM SECTION 26 BEARS SOUTH 414" LAST LASTS FILE THAT IS A WARRING THE SOUTHEAST COUNTRY OF SAM SECTION 26, DESCRIPT AS THE PROPERTY LIME OF THE SOUTHEAST COUNTRY OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAM SECTION 26, DISTANCE OF 200.00 FEET, THENCE SOUTH SOUTHEAST QUARTER OF THE SOU

CONTINUE ON SHEET 2 OF 2

ALTA/ACSM LAND TITLE SURVEY

Pinnacle Towers Project
Site No. 30
Client Site No: tower 43
Site Name: Pelato Peak - Leased

I <u>David J. MocArthur</u>, do hereby certify to Neliombank, N.A. as Administrative Lender, Pinnacle Towers Inc.; Federal Aviation Administrative, Helilond & Kolght, LLP (Caolay Alturen), and Chicago Tiller Issuarces Compeny, that this survey was made on the ground under my personal supervision and that this jald is a true, correct and accounter resementation of the facts as found at the time of the survey, and more specifically, I so hereby certify that the survey conforms to the conditions and subputations as better

- The distance from necrest intersecting street, road and other point of reference

DAVID J. MACARTHUR EXP. 3-31-2001
Registration No. 12502
within the State of CALIFORNIA
Date Of Survey 9-16-98
Date Of Lost Revision 12-18-98
Network Project No. 980357 SITE No. 30 SHEET 1 OF 2

TWORK NE 'S NATIONAL S c: 330-666-3608, email: n Road, Akron, Ohio 44333 CLARK'S 88 BO phone

EXHIBIT "B"

Insurance Requirements

Tenant shall procure, carry and maintain the following insurance coverage, and Tenant is also responsible for the compliance of Tenant's consultants, contractors and subcontractors with the insurance requirements, as appropriate:

A. Workers' Compensation and Employers' Liability

- 1. Workers' Compensation insurance or self-insurance indicating compliance with any applicable labor codes, acts, laws or statutes, state or federal.
- 2. Employers' Liability insurance shall not be less than One Million and No/100 Dollars (\$1,000,000.00) 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 Coverage "occurrence" form, with no coverage deletions.
- 2. The limit shall not be less than One Million and No/100 Dollars (\$1,000,000.00) each occurrence/ Two Million and No/100 Dollars (\$2,000,000.00) aggregate for bodily injury, property damage and personal injury.
- 3. Coverage shall: a) By "Additional Insured" endorsement add as insureds PG&E, its directors, officers, agents and employees with respect to liability arising out of the Lease or work performed by or for the Tenant; b) Be endorsed to specify that the Tenant's insurance is primary and that any insurance or self-insurance maintained by PG&E shall not contribute with it.

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 Two Million and No/100 Dollars (\$2,000,000.00) each accident for bodily injury and property damage.

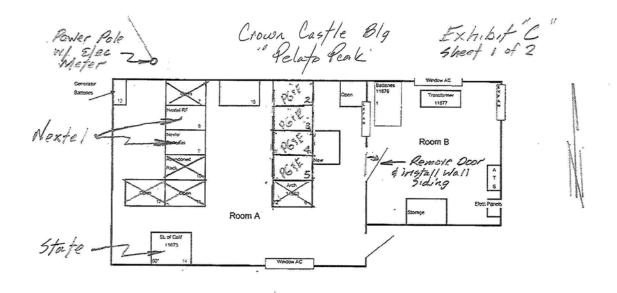
D. Additional Insurance Provisions

1. Before the Commencement Date and before commencing performance of work under the Lease, Tenant shall furnish PG&E with certificates of insurance and endorsements of all required insurance for Tenant.

- 2. Should any of the above described policies be cancelled before the expiration date thereof, the insurer shall endeavor to deliver notification to PG&E in accordance with the policy provisions.
- 3. The documentation must be signed by a person authorized by that insurer to bind coverage on its behalf and shall be submitted to PG&E's Land Agent as specified under Notices in the body of the Lease.
- 4. PG&E may inspect the original policies or require complete certified copies, at any time.
- 5. Upon request, Tenant shall furnish PG&E the same evidence of insurance for Tenant's agents or contractors as PG&E requires of Tenant.
- 6. Should Tenant have the right under this Lease to self-insure for any required insurance, Tenant 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 Tenant from a third party insurer, in full compliance with the provisions of this Exhibit B, 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, Tenant shall act with the same promptness and subject to the same standards of good faith as would apply to a third party insurance company.

EXHIBIT "C"

Description of PG&E's Use of Tenant's Building



Exh.b.+"C" Sheet 2 of 2

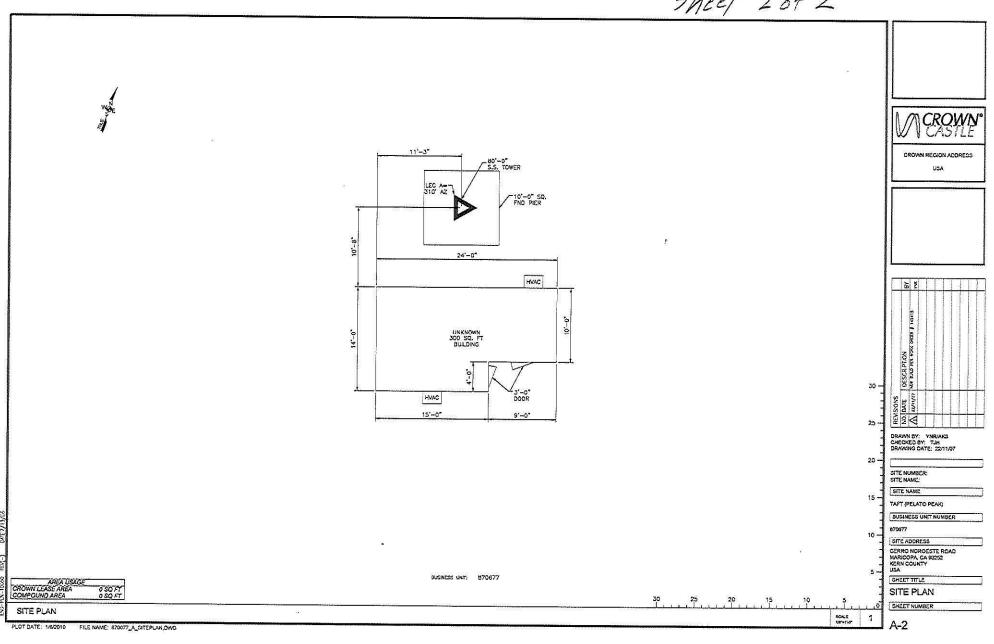


EXHIBIT "D"

Approved Transmission Frequencies

BLOCK DIAGRAM



PACIFIC GAS & ELECTRIC COMPANY TELECOM SITE APPLICATION

Prepared By: Matt Blanscet Phone No.: Title: Transaction Specialist Fax No. Address 1220 Augusta Drive, Suite 500	SSING FEE OF TWO THOUSAND DOLLARS (\$2,000) D ELECTRIC COMPANY Phone No.:
EACH APPLICATION MUST BE ACCOMPANIED BY A NON-REFUNDABLE PROCES PLEASE MAKE CHECK PAYABLE TO "PACIFIC GAS AN APPLICANT INFORMATION APPLICANT INFORMATION APPLICANT INFORMATION Control of the Prepared English of the Prepared By: Matt Blanscet Title: Transaction Specialist Fax No. Address 1220 Augusta Drive, Suite 500	SSING FEE OF TWO THOUSAND DOLLARS (\$2,000) D ELECTRIC COMPANY Phone No.: Fax No. Zip Code: 15617 713-570-3082
APPLICANT INFORMATION Applicant: Pinnacle Towers LLC, c/o Crown Castle GT Company LLC Address: 2000 Corporate Drive City: Canonsburg State: PA Prepared By: Matt Blanscet Phone No.: Citle: Transaction Specialist Fax No. Address 1220 Augusta Drive, Suite 500	Phone No.: Fax No. Zip Code: 15617 713-570-3082
APPLICANT INFORMATION Applicant: Pinnacle Towers LLC, c/o Crown Castle GT Company LLC Address: 2000 Corporate Drive Sity: Canonsburg State: PA Trepared By: Matt Blanscet Phone No.: Title: Transaction Specialist Fax No. Address 1220 Augusta Drive, Suite 500	Phone No.: Fax No
Applicant: Pinnacle Towers LLC, c/o Crown Castle GT Company LLC Address: 2000 Corporate Drive City: Canonsburg State: PA Prepared By: Matt Blanscet Phone No.: Citle: Transaction Specialist Fax No. Address 1220 Augusta Drive, Suite 500	Phone No.: Fax No. Zip Code: 15617 713-570-3082
Address: 2000 Corporate Drive City: Canonsburg State: PA Prepared By: Matt Blanscet Phone No.: Citle: Transaction Specialist Fax No. Address 1220 Augusta Drive, Suite 500	Fax No
Address: 2000 Corporate Drive City: Canonsburg State: PA Prepared By: Matt Blanscet Phone No.: Citle: Transaction Specialist Fax No. Address 1220 Augusta Drive, Suite 500	Fax No
City: Canonsburg State: PA Prepared By: Matt Blanscet Phone No.: Title: Transaction Specialist Fax No. Address 1220 Augusta Drive, Suite 500	Zip Code: 15617 713-570-3082
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Prepared By: Matt Blanscet Phone No.: Title: Transaction Specialist Fax No. Address 1220 Augusta Drive, Suite 500	713-570-3082
Title: Transaction Specialist Fax No. Address 1220 Augusta Drive, Suite 500	
Address 1220 Augusta Drive, Suite 500	127-410-0502
00000000000000000000000000000000000000	
Sity: Itousion State: CF	Zip Code: 77057
	2.p code
SITE INFORMATION	
PG&E Site Name: Pelato Peak (Taft)	
Address: 30977 Cerro Noroestre Road	
City: Maricopa (Kern County) State: CA	Zip Code: 93252
Application Is Made For: New License (If new license, check appropriate sub-	oox for type use (i.e., Land, Vault & Tower, etc.))
☐ Land Sq. Ft.	tox for type use (i.e., Land, Vanit & Tower, etc.))
□ Vault & Tower	
☐ Vault Space Only	
☐ Tower Space Only	
▼ Renew License	
☐ Modify License	
Comments: Replace existing lease with new ground lease covering 25' by 47' a land is for existing Vault, Tower, Generator, and Propane Tank that	
State.	of Tellant - and subleased to Nexter a

TECHNICAL DATA SHEETS

Site Name: Pelato Peak (Taft)	Date: _3/21/12
County: Kern	
APPLICANT INFORMATION	
Project Contact: Matt Blanscet	
(Name)	
1220 Augusta Drive, Suite 500 (Address)	e:
Houston, CA, 77067	
(City, State, Zip)	•
713-570-3082 724-416-6982	
(Phone Number) (Fax Number)	
RF Engineer (Name)	k.
(Address)	(
(City, State, Zip)	
(Phone Number)	
EQUIPMENT INFORMATION	
Type of Operation Base Station Mobile Relay Microwave	Fiber Optics
✓ Other Subtenant Uses – Nextal/Cell & State/Mobile Rad	
Subtenant Uses − Nextal/Cell & State/Mobile Rad	10
Equipment Space:	
Number of 2' ×2' Floor Rack Spaces Required:	
Space Required For Cavities, Duplexers, Combiners, Duplexers, etc.	
☐ Wall Space ☐ Floor Space	
H×W×D in inches	
☐ Mounted with Radio ☐ Not Required	
No. of Transmitters: No. of Receivers	
Maximum AC Power Consumption: Transmit Watts Sta	andby Watts
Battery Space (for battery facilities, if any, including charger):	
□ Wall Space □ Floor Space	
H×W×D in inches	
☐ Mounted with Radio ☐ Not Required	
Maximum AC Power Consumption of battery charger:	

RADIO SPACE AND EQUIPMENT

CABINET/RACK #: 1			CABINET/RACK# 2		
	Tx	Rx		Tx	Rx
Manufacturer	Motorola		Manufacturer		
Type & Model	C55RCB3105T-SP		Type & Model	*	
Type of Service	Mobile repeater		Type of Service		
Rack/Cabinet Size	24"x24"x60"		Rack/Cabinet Size		
Call Sign			Call Sign		
Tx Frequency	859-7375		Tx Frequency		
Tx Power Output	814-7375		Tx Power Output	3	
ERP			ERP	2	
Power Consumption	Watts	Watts	Power Consumption	Watts	Watts
Electric Svc. Req.	Amps/Volts	Amps/Volts	Elec. Svc. Req.	Amps/Volts	Amps/Volts
No. of Outlets			No. of Outlets		

CABINET/RACK #: 3				CABINET/RACK#	4
	Tx	Rx		Tx	Rx
Manufacturer			Manufacturer		
Type & Model			Type & Model		
Type of Service			Type of Service	3	
Rack/Cabinet Size			Rack/Cabinet Size		
Call Sign			Call Sign		
Tx Frequency			Tx Frequency		
Tx Power Output			Tx Power Output		
ERP			ERP		
Power Consumption	Watts	Watts	Power Consumption	Watts	Watts
Electric Svc. Req.	Amps/Volts	Amps/Volts	Elec. Svc. Req.	Amps/Volts	Amps/Volts
No. of Outlets			No. of Outlets		

Wall Space #: 1			Floor Space # 1		
	Tx	Rx		Tx	Rx
Manufacturer			Manufacturer		
Type & Model			Type & Model		
Type of Service			Type of Service		
Rack/Cabinet Size			Rack/Cabinet Size		
Call Sign			Call Sign		
Tx Frequency			Tx Frequency		
Tx Power Output			Tx Power Output		
ERP			ERP	1	
Power Consumption	Watts	Watts	Power Consumption	Watts	Watts
Electric Svc. Req.	Amps/Volts	Amps/Volts	Elec. Svc. Req.	Amps/Volts	Amps/Volts
No. of Outlets			No. of Outlets		

ANTENNA SPACE AND EQUIPMENT

	ANTENNA SPACE AND EQUIPMENT									
Types of Antennas	(Example)	#1	#2	#3	porter 8 cm	#4				
Antenna Quantity	1	1	1	2	1	1				
Receive or Transmit?	Both	both	Both	Both	Both	Repeater				
Manufacturer	Mark	Antenna specialists	Ems	Decibel	Ems	Motorola				
Types of Antennas	Low VSWR Dish	Omni	Panel	Panel	Panel	Grid Dish				
Model #	PI8A120L-2	Asp 955	Fr65-13-10dal2	Umwd-06513-xd	Fr80—11- 05NAL2	T5417A				
Antenna Weight										
Antenna Dimensions	10' Dia. (H×W×D)									
Antenna Mount Height	70'									
RAD Center AGL										
Mount Type	41/2" O.D. Pipe									
Tower Leg	NW									
Direction of Radiation	32°	360								
Tx Frequency	1865 MHz	859.7375	1930-1945/851- 856/935-940	1930-1945/851- 856/935-940	1930-1945/851- 856/935-940	851.8375- 854.5625				
Rx Frequency	1945 MHz	814.775	1850-1865/806- 824/896-901	1850-1865/806- 824/896-901	1850-1865/806- 824/896-901	806.8375- 809.5625				
Receive Band of Freq	1850-1990 MHz									
Transmit Band of Freq	1850-1990 MHz									
Antenna Gain	34									
# of Lines Per Antenna	1	1								
Line Type	HCC158-50J	Andrew heliax								
Line Diameter	1 5/8"	7/8								

GROUND SPACE							
LOCATION OF EQUIPMENT:		INDOOR CABINETS (PG&E Building) Tenant Building & Tower					
# of EQUIPMENT SHELTERS/BTS CAR	BINETS		EQUIPMENT SHELTER/CABINETS/BTS DIMENSIONS (H×W×D) (ft.)	(H×W×D) (ft.)			
LEASED GROUND SPCE DIMENSIONS (H×W×D) (fl.)		25' by 47' (1,175 sf)	CONCRETE PAD DIMENSIONS (L×W) (ft.)	(L×W) (ft.)			
SHELTER MANUFACTURER/MODEL:		Steel					
POWER PROVIDED BY:		Licensor UTILITY COMPANY DIRECT					

ENERATOR REQUIREMENTS	S Applicant Pr	ovided	PG&E PF	SONIDED [O.	THER	
OTHER, EXPLAIN:						
<u> </u>						
	SIZE (KW)		TANK SIZE	489 Gallon Propane Tank	L.	
GENERATOR DESCRIPTION	FUEL TYPE	Dranana	OTHER	489 Gallon Propane Tank	N	
	FUELTIPE	Propane	ORKPLAN			
		***	JAN LAN			
				C 11:0: 37 I		
Describe in detail your pro	oposed work	plan (project) for the use of th	e facilities. Your de	scription should	
nclude the proposed use	of your radio	(i.e., comme	rcial use, internal	communications, tw	vo-way mobile ra	idio,
tc.),						
5000						

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

AT&T

Alcantar & Kahl LLP

Ameresco

Anderson & Poole

BART

Barkovich & Yap, Inc. Bartle Wells Associates

Bloomberg

Bloomberg New Energy Finance

Boston Properties

Braun Blaising McLaughlin, P.C.

Brookfield Renewable Power CA Bldg Industry Association

CLECA Law Office CSC Energy Services

California Cotton Ginners & Growers Assn

California Energy Commission
California League of Food Processors
California Public Utilities Commission

Calpine

Cardinal Cogen Casner, Steve

Center for Biological Diversity

Chris, King City of Palo Alto

City of Palo Alto Utilities

City of San Jose City of Santa Rosa Clean Energy Fuels

Coast Economic Consulting

Commercial Energy

Consumer Federation of California

Crossborder Energy
Davis Wright Tremaine LLP

Day Carter Murphy

Defense Energy Support Center Department of Water Resources

Dept of General Services

Douglass & Liddell Downey & Brand Duke Energy

Economic Sciences Corporation Ellison Schneider & Harris LLP

Foster Farms

G. A. Krause & Assoc. GLJ Publications GenOn Energy, Inc.

Goodin, MacBride, Squeri, Schlotz &

Ritchie

Green Power Institute Hanna & Morton

Hitachi

In House Energy

International Power Technology
Intestate Gas Services, Inc.
Lawrence Berkeley National Lab
Los Angeles Dept of Water & Power
Luce, Forward, Hamilton & Scripps LLP

MAC Lighting Consulting

MBMC, Inc.
MRW & Associates
Manatt Phelps Phillips
McKenzie & Associates
Merced Irrigation District
Modesto Irrigation District

Morgan Stanley Morrison & Foerster Morrison & Foerster LLP NLine Energy, Inc.

NRG West NaturEner

Navigant Consulting

Norris & Wong Associates North America Power Partners North Coast SolarResources Northern California Power Association Occidental Energy Marketing, Inc.

OnGrid Solar Praxair

R. W. Beck & Associates

RCS, Inc.

Recurrent Energy SCD Energy Solutions

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 Tabors Caramanis & Associates

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