

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

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|---|--|--------------------------------------|--|---|--|--|--|
| (1) DEPARTMENT General Services | | (2) MEETING DATE January 24, 2006 | | (3) CONTACT/PHONE Duane P. Leib (805)781-5200 | | lvf | |
| (4) SUBJECT Request to approve a Resolution to Surplus and Sell a 0.78-acre Easement in County-Owned Real Property in the vicinity of the San Luis Obispo County Regional Airport to the Fiero Lane Mutual Water Company. | | | | | | | |
| (5) SUMMARY OF REQUEST Approval of the attached Resolution will authorize your Board to act on the surplus and sale of a 0.78-acre easement in certain real property in the vicinity of the San Luis Obispo County Regional Airport to the Fiero Lane Mutual Water Company. | | | | | | | |
| (6) RECOMMENDED ACTION The Department of General Services recommends your Board approve the attached Resolution by a four-fifths vote and authorize the Chairperson to execute said Resolution and Easement Agreement. | | | | | | | |
| (7) FUNDING SOURCE(S) 1130700000 | | (8) CURRENT YEAR COST \$200 | | (9) ANNUAL COST N/A | | (10) BUDGETED? <input type="checkbox"/> YES <input type="checkbox"/> N/A <input type="checkbox"/> NO | |
| (11) OTHER AGENCY/ADVISORY GROUP INVOLVEMENT (LIST): County Counsel, County Planning, County Public Works | | | | | | | |
| (12) WILL REQUEST REQUIRE ADDITIONAL STAFF? <input type="checkbox"/> No <input type="checkbox"/> Yes, How Many? _____ <input type="checkbox"/> Permanent _____ <input type="checkbox"/> Limited Term _____ <input type="checkbox"/> Contract _____ <input type="checkbox"/> Temporary Help _____ | | | | | | | |
| (13) SUPERVISOR DISTRICT(S) 1st, 2nd, 3rd, 4th, 5th, All | | | | (14) LOCATION MAP <input checked="" type="checkbox"/> Attached <input type="checkbox"/> N/A | | | |
| (15) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Presentation <input type="checkbox"/> Board Business (Time Est. _____) | | | | (16) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions (Orig + 4 copies) <input type="checkbox"/> Contracts (Orig + 4 copies) <input type="checkbox"/> Ordinances (Orig + 4 copies) <input type="checkbox"/> N/A | | | |
| (17) NEED EXTRA EXECUTED COPIES? <input type="checkbox"/> Number: _____ <input checked="" type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A 3 total | | | | (18) BUDGET ADJUSTMENT REQUIRED? <input type="checkbox"/> Submitted <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A | | | |

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|-----------------------------------|
| (19) ADMINISTRATIVE OFFICE REVIEW |
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(1-24-06)*



COUNTY OF SAN LUIS OBISPO

Department of general services

COUNTY GOVERNMENT CENTER • SAN LUIS OBISPO, CALIFORNIA 93408 • (805) 781-5200

DUANE P. LEIB, DIRECTOR

TO: BOARD OF SUPERVISORS

**FROM: *D. Leib*
DUANE P. LEIB, GENERAL SERVICES DIRECTOR**

DATE: JANUARY 24, 2006

SUBJECT: REQUEST TO APPROVE A RESOLUTION TO SURPLUS AND SELL A 0.78-ACRE EASEMENT IN COUNTY-OWNED REAL PROPERTY IN THE VICINITY OF THE SAN LUIS OBISPO COUNTY REGIONAL AIRPORT TO THE FIERO LANE MUTUAL WATER COMPANY.

RECOMMENDATION

The Department of General Services recommends your Board approve the attached Resolution by a four-fifths vote and authorize the Chairperson to sign said Resolution and Easement Agreement.

DISCUSSION

The County of San Luis Obispo currently owns several parcels of land along Airport Drive, Aero Drive, and Airport Road near San Luis Obispo County Regional Airport. The County also owns a 2-acre site on Santa Fe Road, APN 076-401-046, which is leased by the Fiero Lane Mutual Water Company (hereinafter referred to as "Grantee") for a water evaporation pond related to their water treatment facility.

The Grantee wishes to accommodate a request to treat wastewater generated by a commercial project on Broad Street (Senn/Glick). A 10-foot wide permanent, non-exclusive easement on County property to install and maintain two 4-inch pipelines to and from the commercial development would be required. The trench would be approximately 4 ½ feet deep and two feet wide, and the total area is approximately 0.78 acres. The Grantee would repair and replace all improvements and landscaping. In the event of the relocation of a roadway, Grantee would move the pipelines at Grantee's sole cost.

San Luis Obispo County Regional Airport requires, at the same time, the relocation of the Grantee's water evaporation pond due to the runway expansion project. The current term of the lease expires December 30, 2011, but the County will need the property vacated no later than June 30, 2007. The exchange of an easement in County property for an earlier lease termination is a mutual benefit to both parties.

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The Department of General Services ordered an appraisal to compare the value of the easement with the remaining term of the evaporation pond leasehold site. The easement was valued at \$85,000 and the leasehold interest was valued at \$115,000. After negotiating for an increase of the easement area, the parties agreed that Grantee would pay a net amount of \$41,000. Since a portion of the easement area is located on County property that is occupied by Mabelle Pence, a life-estate holder, a proportionate share of the proceeds amounting to \$2,829 will be paid to Mrs. Pence.

Since the exact location of the pipeline may change in the field during installation in order to accommodate existing physical conditions, staff requests authorization from the Board allowing the General Services Director to sign and record an Amended Easement Agreement if necessary. Such amendment would be in substantial conformity with the original agreement and place no increased burden upon the County's properties.

Government Code section 25365 allows the County Board of Supervisors, with a four-fifths vote, to sell surplus property not required for County use in exchange for other property that is required for County use. On January 10, 2006, the Board approved a Resolution of intention to surplus and sell this easement, and notice of their intention has been published in a newspaper of general circulation for at least one week prior to the sale (Govt. Code, Section 6061). Close of escrow shall occur on or before June 30, 2006.

OTHER AGENCY INVOLVEMENT

County Planning has stated that the sale of this easement does not require a General Plan Conformity Report, and that a review by the Airport Land Use Commission is not necessary because there are no above-ground structures. The County Environmental Coordinator has determined that the sale of this easement is a Class 4 Categorical Exemption pursuant to the California Environmental Quality Act. County Public Works has reviewed the location and has requested that the Grantee apply separately for an encroachment permit to cross public roads to complete the project. County Counsel has reviewed and approved the Resolution and the Easement Agreement as to form and legal effect.

FINANCIAL CONSIDERATION

The County paid \$2,000 last fiscal year toward the cost of the appraisal. An additional \$200 cost this year will be paid to publish the legal notice. The \$38,171 net proceeds from this sale shall be deposited this fiscal year to the San Luis Obispo County Regional Airport, Account #4150025, WBS project #300013, Runway Extension.

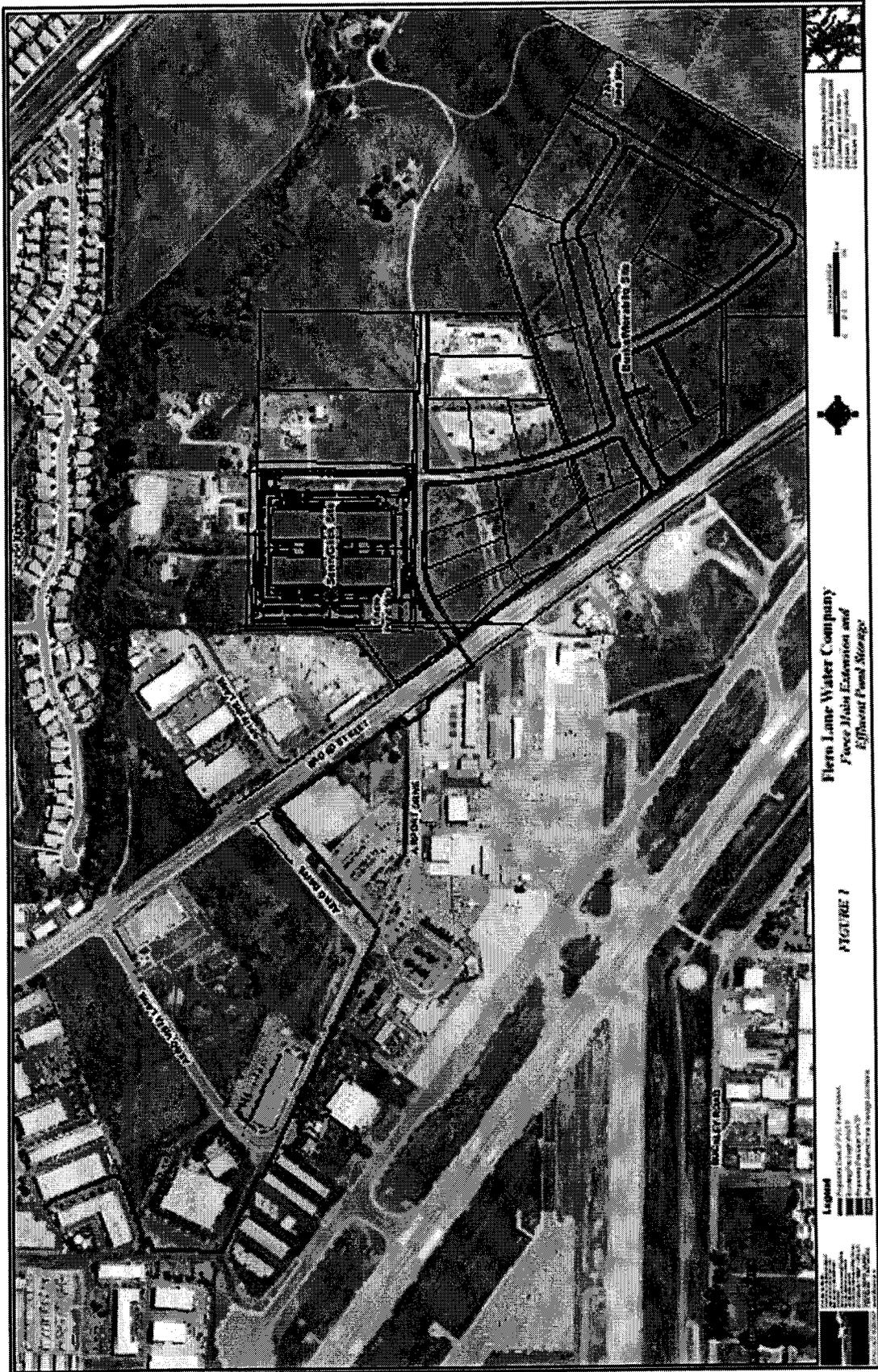
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RESULTS

Approval of the attached Resolution by a four-fifths vote will authorize your Board to act on the surplus and sale of an easement in County-owned property in the vicinity of the San Luis Obispo County Regional Airport to the Fiero Lane Mutual Water Company. It will also authorize the General Services Director to sign and record an Amended Easement Agreement if required due to minor changes of location of the pipeline location, provided it is in substantial conformity with the original agreement.

F:\bos\012406\Fiero Lane Sale

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Vicinity Map

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IN THE BOARD OF SUPERVISORS
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

.....day, 20.....

PRESENT: Supervisors

ABSENT:

RESOLUTION NO. _____
RESOLUTION GRANTING EASEMENT IN COUNTY-OWNED REAL PROPERTY
TO THE FIERO LANE MUTUAL WATER COMPANY

The following Resolution is hereby offered and read:

WHEREAS, County is the owner of certain real property situated in an unincorporated area of San Luis Obispo, in San Luis Obispo County, California (hereafter referred to as the "County Properties"), and more particularly described in Exhibit "A" attached hereto; and

WHEREAS, the Fiero Lane Mutual Water Company, a California Corporation (hereinafter referred to as Grantee"), currently leases approximately 2.0 acres of property on Santa Fe Road, APN 076-401-046, from the County for a wastewater disposal area to accommodate wastewater generated at Grantee's facilities located in the vicinity of County property; and

WHEREAS, said lease was executed on July 19, 2001 and expires December 30, 2011; and

WHEREAS, in order to accommodate a service request from a commercial development adjacent to the San Luis Obispo County Regional Airport, Grantee desires to acquire a ten-foot-wide permanent, non-exclusive easement in the County Properties for the installation, construction, repair, and maintenance of two 4-inch PVC underground wastewater pipelines; more particularly described in Exhibit "A" attached hereto; and

WHEREAS, County anticipates needing the 2.0-acre lease site as part of the Airport Master Plan Development prior to the expiration of Grantee's lease; and

WHEREAS, in exchange for the easement, Grantee agrees to pay County \$41,000 in cash and to amend the expiration date of Grantee's current lease on the 2.0-acre lease site from December 30, 2011 to June 30, 2007; and.

WHEREAS, a portion of the easement consisting of an area approximately one hundred and eighty-one (181') feet long by ten (10') feet in width crosses APN 076-401-021, which is affected by a life estate interest held by Mabelle H. Pence as specified in the County's Purchase Agreement executed by the San Luis Obispo County Board of Supervisors on June 17, 1986; and

WHEREAS, a prorated share of the cash compensation amounting to \$2,829 will be paid by separate check to Mabelle H. Pence as the life estate holder, with the balance of \$38,171 payable to the County; and

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WHEREAS, the exact location of the wastewater pipeline may change slightly in the field during installation to accommodate existing physical conditions; and

WHEREAS, any minor change in the location of the pipeline required during construction would require an amended grant of Easement Agreement with revised legal description; and

WHEREAS, the County Planning Department has determined that the County's grant of said easement does not require a General Plan Conformity Report; and

WHEREAS, based on the recommendation of the County Environmental Coordinator, the Board found this grant of easement to be Categorically Exempt on January 10, 2006 pursuant to the California Environmental Quality Act (CEQA) (Public Resources Codes, Section 21000 et seq.), as implemented by the State CEQA Guidelines, California Code of Regulations, Section 15304; and

WHEREAS, County staff has inspected the property and advises that the easement will not impact the use of the property for any County purpose; and

WHEREAS, review by the County Airport Land Use Commission is not required because there will be no above-ground structures; and

WHEREAS, in accordance with Government Code, Section 25365, the Board of Supervisors declared their intention to surplus and sell this easement on January 10, 2006; and

WHEREAS, the Clerk of the Board, in accordance with Government Code, Section 6061, published public notice of the Board's intent; and

WHEREAS, it is in the best interest of the County of San Luis Obispo to grant said easement in exchange for cash compensation as well as amended lease terms on the parcel that Grantee currently leases from the County;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of San Luis Obispo, State of California as follows:

1. That the easement in real property conveyed by the attached Easement Agreement is hereby granted by the County of San Luis Obispo, and that the Board of Supervisors hereby authorizes the Chairperson to sign the Easement Agreement as Grantor.
2. That the Board of Supervisors directs the Clerk of the Board to deliver the signed Easement Agreement to the County Real Property Manager.
3. That the Board of Supervisors directs the County Real Property Manager to sign related documents necessary to conclude this transaction and to deliver the Easement Agreement to the Clerk of the Board for recordation following receipt of cashier's checks in the amounts of \$38,171 payable to County of San Luis Obispo and \$2,829 payable to Mabelle H. Pence.
4. That the Board of Supervisors authorizes the Director of General Services to sign and record an Amended Easement Agreement, if required due to minor changes of location of the wastewater pipeline during installation, provided that such Amended Easement Agreement is in substantial conformity with the original agreement and places no increased burden upon the County's properties.
5. That the Board of Supervisors authorizes the \$38,171 in cash received for this Easement Agreement to be deposited to San Luis Obispo County Regional Airport, account #4150025, WBS project #300013, Runway Extension.

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Upon Motion of Supervisor _____, seconded by Supervisor
_____, and on the following roll call vote, to-wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

the foregoing Resolution is hereby adopted.

Chairperson of the Board of Supervisors

ATTEST:

Clerk of the Board of Supervisors

APPROVED AS TO FORM AND LEGAL EFFECT:

JAMES B. LINDHOLM, JR.
County Counsel

By: *Robert A. ...*
Deputy County Counsel

Date: 1/6/06

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RECORDING REQUESTED BY:

County of San Luis Obispo
Department of General Services

AND WHEN RECORDED RETURN TO:

Fiero Lane Mutual Water Company
815 Fiero Lane
San Luis Obispo, CA 93401

SPACE ABOVE THIS LINE FOR RECORDER'S USE

EASEMENT AGREEMENT

This Agreement is entered by and between the County of San Luis Obispo, a public entity in the State of California, hereafter referred to as "Grantor," and Fiero Lane Mutual Water Company, a California Corporation, hereafter referred to as "Grantee."

A. Grantor is the owner of certain real property situated in an unincorporated area of San Luis Obispo, in San Luis Obispo County, California (hereafter referred to as the "County Properties"), and more particularly described in Exhibit A, which is attached to this Agreement and hereby incorporated by reference.

B. Grantee currently leases approximately 2.0 acres of property on Santa Fe Road, APN 076-401-046, from Grantor for a wastewater disposal area to accommodate wastewater generated at Grantee's facilities located in the vicinity of County property. Said lease was executed on July 19, 2001 and expires December 30, 2011.

C. In order to accommodate a service request from a commercial development near the San Luis Obispo County Regional Airport, Grantee desires to acquire an easement on the County Properties.

D. County anticipates needing the 2.0-acre lease site as part of the Airport Master Plan Development prior to the expiration of Grantee's lease. Grantor and Grantee agree to the following:

- 1.-expiration date of Grantee's current lease on the 2.0-acre lease site will be amended from December 30, 2011 to June 30, 2007.
- 2.-Grantor shall give Grantee a permanent, non-exclusive easement on Grantor's property as described in Exhibit A attached to this agreement.

E. Grantee acknowledges that the major portion of the easement area is located within property owned and controlled by Grantor. The remaining portion consisting of an area approximately one hundred and eighty-one (181') feet long by ten (10') feet in width across the frontage area facing Highway 227 of APN 076-401-021 is affected by a life estate interest held

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by Mabelle H. Pence as specified in the county's Purchase Agreement executed by the San Luis Obispo County Board of Supervisors on June 17, 1986.

F. The easement is granted solely for the purpose of installing and maintaining two 4-inch PVC sewer pipelines in a common trench to bring wastewater from the commercial development to the Grantee's wastewater treatment facilities and to return the treated water to the commercial development.

Grant of Easement

1. For valuable consideration in the amount of Forty One Thousand Dollars (\$41,000), payable in the form of a two cashier's checks at the time of recording, Grantor grants to Grantee an easement, subject to the terms of this Agreement. One cashier's check in the amount of \$38,171 shall be made payable to County of San Luis Obispo and the other cashier's check in the amount of \$2,829 shall be made payable to Mabelle H. Pence. Both checks shall be delivered no later than June 30, 2006 to the County of San Luis Obispo, Department of General Services, attention Real Property Manager, 1087 Santa Rosa Street, San Luis Obispo, CA 93408.

Character of Easement

2. The easement granted in this Agreement is an easement in gross.

Description of Easement

3. The easement granted in this Agreement is an easement for the installation, construction, repair, and maintenance of two 4-inch PVC underground pipelines. The easement area is more particularly described in Exhibit B attached hereto and made a part hereof.

4. Grantee acknowledges that the primary purpose of the County Properties is for activities related to the San Luis Obispo County Regional Airport. Grantor agrees to avoid any actions associated with the easement that interferes with the use of the airport or that would present a safety hazard to that use, as determined by Grantor.

Construction, Installation and Maintenance

5. All installation, repair, construction and maintenance shall be performed by licensed professionals without cost or expense to the County. All work shall be performed by qualified individuals in a professional and good workmanlike manner, in compliance with all laws, zoning laws, and any other ordinances, orders, rules, regulations, and requirements of all federal, state, and municipal governments and appropriate departments, commissions, boards and officers thereof.

6. Grantee hereby agrees to the following guidelines and requirements in the use of said County Properties:

a. Grantee shall notify San Luis Obispo County Airports Manager at least

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seventy-two (72) hours prior to commencement of any construction, installation or maintenance work. The removal of airport fencing must be coordinated with and approved by the Airports Manager or designee, and Grantee will compensate Grantor for any costs associated with ensuring airport security and safety, including but not limited to temporary fencing or security guards. Pipelines shall have sufficient cover to permit any other legal use of the property. Once construction and installation is complete, Grantee will only be allowed on the easement area for emergency or periodic maintenance work and only with prior notification of San Luis Obispo County Airports. Grantee is not to use, traverse, or in any way interrupt any other portion of property owned by Grantor that is not a part of the easement area.

b. Upon completion of construction and installation of said wastewater pipeline, Grantee shall restore the County Properties, including the portion included in the life estate of Mabelle H. Pence, to the condition as specified by Grantor. Said specifications shall include but not be limited to replacement of landscaping and/or fencing, trees, and any other improvements removed by the project. The removal of any topsoil shall be replaced after construction with topsoil equal to or superior to the topsoil displaced in conjunction with the project. All excess soil or debris created as a result of the project will be removed from the property. All backfill will be compacted to preclude trench settling and the entire construction area will be ripped and re-leveled to the adjacent land grade after construction. Potential erosion areas will be terraced, reseeded, and mulched as required by existing ordinances and/or good engineering practices. Grantee shall retain responsibility for any physical failures of the County Properties or loss of vegetation resulting from construction, installation or maintenance of the pipelines. Upon completion of the project, Grantee will provide a complete set of as-built plans to the Grantor for portions of the project located on Grantor's property.

c. Grantee shall maintain the pipelines in good repair and take corrective measures to repair any damage to the pipelines and any resulting damage to the County Properties or the property surrounding the County Properties. Should Grantee fail to make any necessary repairs, Grantor will undertake said repairs and Grantee shall reimburse Grantor for said costs upon demand.

d. Grantee shall be responsible for the monitoring of all activity during construction, installation and maintenance and shall comply with all such rules and regulations necessary to protect the health, safety and welfare of the public therein. Grantee acknowledges that the County Properties shall remain clean and open at all times during construction, installation and maintenance to permit uninterrupted public use of the airport located within the County Properties.

e. Grantee shall operate and manage the construction, installation and maintenance in a first class manner during the entire construction and any maintenance periods thereafter.

f. Grantee acknowledges that the easement described in this agreement does not include the portion of the pipeline project that crosses public roads. Grantee agrees to obtain a permit from the County of San Luis Obispo, Department of Public Works for work within the roadways prior to the beginning of construction within this easement at any location.

Handwritten initials and scribbles in the bottom right corner of the page, including the letters 'B', 'D', and 'P' and some illegible markings.

7. In exercising the rights under this Agreement, Grantee must use reasonable care and may not unreasonably increase the burden on the County Properties or make any material changes to the County Properties except as defined in this Agreement.

Relocation

8. Grantee shall remove or relocate pipelines, without cost or expense to Grantor, if and when made necessary by any abandonment, change of grade, alignment or width of any street, sidewalk or other public facility, including the construction, maintenance, or operation of any other underground or above ground facilities including but not limited to: any sewer, storm drain, conduits, gas, water, electric, or other utility system, or pipes owned by Grantor or any other public agency. In the event all or any portion of said easement shall be needed by Grantor or in the event the existence of said easement shall be considered detrimental to the public health, safety, welfare, or convenience or to governmental activities, including but not limited to, interference with Grantor's construction projects, or is in conflict vertically and/or horizontally with any proposed Grantor's installation, Grantee shall remove and relocate said facilities to such other location or locations on said Property as may be designated by the Grantor, and easement exhibit shall be amended by Grantee at Grantee's cost to reflect revised description. Grantee is not obligated to additionally pay for easement value as a result of Grantor's request. Grantor shall complete said removal or relocation within ninety (90) days of notification unless exigencies dictate a shorter period for removal or relocation. In the event said facilities are not removed or relocated within said period of time, Grantor may cause the same to be done at the sole cost and expense of Grantee. Further, in the event of an emergency, Grantor may remove or relocate such facilities without prior notice to Grantee provided Grantee is notified within a reasonable period thereafter.

Nonexclusive Easement

9. The easement granted in this Agreement is nonexclusive. Grantor retains the right to make any use of the County Properties, including the right to grant concurrent easements in the County Properties to third parties, that does not interfere unreasonably with Grantee's free use and enjoyment of the easement as defined in this Agreement.

Agreement Non-Assignable

10. This Agreement shall not be assigned. Any purported assignment of this Agreement or of any interest in this Agreement shall be void and of no effect.

Indemnification

11. Grantee, shall defend, indemnify, and save harmless the Grantor, its officers, agents and employees, from any and all claims, demands, damages, costs, expenses, or any liability arising out of this Agreement or attempted performance of the provisions hereof,

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including but not limited to those predicated upon theories of violation of statute, ordinance, or regulation, professional malpractice, negligence, or recklessness including negligent or reckless operation of motor vehicles or other equipment, furnishing of defective or dangerous products or completed operations, premises liability, liability arising from trespass or inverse condemnation, violation of civil rights; and also including any adverse determination made by the Internal Revenue Service or the State Franchise Tax Board with respect to Grantee's "independent contractor" or "Grantee" status that would establish a liability for failure to make social security and income tax withholding payments, or any act or omission to act, whether or not it be willful, intentional or actively or passively negligent on the part of the Grantee or its agents, employees or other independent contractors in the chain of contractual privity with Grantee; providing further that the foregoing shall apply to any wrongful acts or any active or passively negligent acts or omissions to act, committed jointly or concurrently by Grantee or Grantee's agents, employees or other independent contractors. Nothing contained in the foregoing indemnity provision shall be construed to require indemnification for claims, demands, damages, cost, expenses, judgments, or attorney fees resulting solely from the negligence or willful misconduct of the Grantor.

Limits of Grantor Liability

12. In no event shall Grantor be liable, under any theory, to Grantee for any damage to Grantee's pipelines caused by any excavation or work performed by Grantor at or near the location of the Grantee's pipeline except to the extent caused by Grantor's willful misconduct or criminal acts. Grantor shall not be liable, under any theory, to Grantee for any indirect, special punitive or consequential damages (including, but not limited to, any claim for loss of services) nor shall Grantor be liable, under any theory, for damage to the pipeline caused by any other persons.

Insurance

13. Grantee shall obtain and deliver to the Grantor and maintain for the entire term of construction, installation and maintenance, a certified copy of each insurance policy, and obtain Grantor's approval of all such policies. Companies authorized to do business in the State of California shall issue said policies. Grantee shall maintain said insurance in force at all times during construction, installation and maintenance. The following coverage with the following features shall be provided:

a. **Commercial General Liability Insurance:** Grantee shall maintain in full force and effect for the period covered by this Agreement, commercial general liability insurance. This insurance shall include, but shall not be limited to, comprehensive general and automobile liability insurance providing protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from any act or occurrence arising out of Grantee's operations in the performance of this Agreement, including without limitation, acts involving vehicles. The policy shall provide not less than single limit coverage applying to bodily and personal injury, including death resulting therefrom, and property damage

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in the total amount of One Million Dollars (\$1,000,000). The following endorsements must be attached to the policy:

- (1) If the insurance policy covers on an “accident” basis, it must be changed to “occurrence”.
- (2) The Liability policy must cover personal injury as well as bodily injury.
- (3) Blanket contractual liability must be afforded and the policy must contain a cross liability or severability of interest endorsement.

b. Workers’ Compensation Insurance: In accordance with the provisions of section 3700 et. Seq., of the California Labor Code, if Grantee has any employees, Grantee is required to be insured against liability for worker’s compensation or to undertake self insurance. Grantee agrees to comply with such provisions before commencing the performance of this Agreement.

c. Additional Insureds to be Covered: The commercial liability policies shall name the “County of San Luis Obispo, its officers, employees and agents” as additional insureds. The policy shall provide that Grantee’s insurance will operate as primary insurance and that no other insurance maintained by the County, or additional insured, will be called upon to contribute to a loss hereunder.

d. Certification of Coverage: Prior to commencing work under this Agreement, Grantee shall furnish Grantor with the following for each insurance policy required to be maintained by the Agreement:

(1) A copy of the Certificate of Insurance shall be provided. The certificate of insurance must include a certification that the policy will not be canceled or reduced in coverage or changed in any other material aspect without thirty (30) days prior written notice to Grantor.

(2) A copy of Grantee’s Workers’ Compensation policy need not be provided, but a copy of proof of coverage does need to be provided.

(3) Upon further written request, Grantee shall provide a copy of the entire insurance policy and not just the “fact sheet” or proof of coverage.

(4) Approval of Insurance by Grantor shall not relieve or decrease the extent to which Grantee may be held responsible for payment of damages resulting from Grantee’s services or operations pursuant to this Agreement. Further, Grantor’s act of acceptance of an insurance policy does not waive or relieve Grantee’s obligations to provide insurance coverage required by the specific written provisions of this Agreement.

e. Effect of Failure or Refusal: If Grantee fails or refuses to procure or maintain the insurance required by the Agreement, or fails or refuses to furnish Grantor with the certifications required by subparagraph (d) above, Grantor shall have the right, at its option, to forthwith terminate the Agreement for cause. If Grantor contends that Grantee has failed or refused to provide insurance required under this Agreement, Grantor shall notify Grantee in

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writing of its belief and shall provide Grantee ten (10) business days in which to respond and or supply evidence of insurance.

Destruction of Pipelines

14. If the pipelines or any improvements are destroyed or partially destroyed by any reason including but not limited to war, armed conflict, public emergency, public nuisance, calamity, fire, earthquake, flood, act of God, strike, or similar act, the Grantor shall not be responsible or liable for any accretion, avulsion, loss or destruction to the easement or improvements, County Properties, existing or later built structures or other rights on any adjacent property. Grantee shall be solely responsible for restoration of any damages occurring to the pipelines.

Taxes

15. During the term of this Easement, Grantee hereby agrees to pay, prior to delinquency, all taxes and assessments, including both general and special, levied or assessed against the easement area and in connection with the premises and Grantee's operation thereof, including without limitation, taxes on Grantee's possessory interest hereunder or in the easement area, and taxes or assessments on all structures, improvements, and fixtures now or hereinafter existing in the easement area, and on any personal property situated in, on, or about the easement area, or in, on or about any structures or improvements thereon. **Grantee is hereby informed that a possessory interest subject to property taxation shall be created by this Easement and that the party to whom the possessory interest is vested (Grantee) shall be subject to the payment of property taxes levied on such interest and must pay such taxes.**

Severability

16. The invalidity of any provision of this Agreement shall not affect the validity, enforceability of any other provision of this Agreement.

Entire Agreement

17. This Agreement constitutes the entire agreement between Grantor and Grantee relating to the above easement. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement is of no force and effect. Any amendment to this Agreement shall be of no force and effect unless it is in writing and signed by Grantor and Grantee. No person shall sign for the Grantor except the Chairperson of the Board of Supervisors. Grantee shall not rely on representations made by or signatures of any other person(s) acting on behalf of Grantor.

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Binding Effect

18. This Agreement shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of Grantor and Grantee.

Notices

19. All notices herein provided to be given, or which may be given by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States mail, postage prepaid and addressed as follows:

To Grantor at: County of San Luis Obispo
Department of General Services
1087 Santa Rosa Street
San Luis Obispo, CA 93408
Attn: Real Property Manager

To Grantee at: Fiero Lane Mutual Water Company
815 Fiero Lane
San Luis Obispo, CA 93401

/////////////////////////////////NOTHING FURTHER PAST THIS POINT/////////////////////////////////

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IN WITNESS WHEREOF, Grantor and Grantee have executed this Agreement on the day and year first hereinabove set forth.

GRANTOR:
COUNTY OF SAN LUIS OBISPO

By: _____
Chairperson of the Board of Supervisors

Date: _____

ATTEST:

Clerk of the Board of Supervisors

APPROVED AS TO FORM AND LEGAL EFFECT:

JAMES B. LINDHOLM, JR.
County Counsel

By: *James B. Lindholm, Jr.*
Deputy County Counsel

Date: 12/1/05

HOLDER OF LIFE ESTATE:

By: *Mabelle H. Pence*
Mabelle H. Pence

GRANTEE:
FIERO LANE MUTUAL WATER COMPANY

By: *Matt Quaglino*
Matt Quaglino, President

Date: 4/11/06

Corporate Certificate:

I, Paul Shaner certify that I am the Secretary of the Corporation named in the foregoing Agreement; that Matt Quaglino, who signed said Agreement on behalf of the Corporation, was then President of said Corporation; and said Agreement was duly signed for and on behalf of said Corporation by authority of its governing body and is within the scope of its corporate powers.

Paul Shaner
(Corporate Seal) Secretary

18 B-20
~~18 B-20~~

EXHIBIT "A"
LEGAL DESCRIPTION
10 foot wide Sanitary Sewer Easement

Project No: 0314.0005

December 16, 2005

A 10 foot wide sewer easement over the lands of the County of San Luis Obispo, being portions of Lots 75 and 76 of the San Luis Obispo Suburban Tract in the County of San Luis Obispo, State of California as shown on the map filed in Book 1 of Licensed Surveys at page 92 in the County Recorder's Office of said County of San Luis Obispo, the centerline of said easement described as follows:

Commencing at the southwest corner of Tract No 712 in the County of San Luis Obispo, as shown on the map filed in Book 10 of Maps at page 49 in the County Recorder's Office of said County, thence along the westerly line of said Tract north $01^{\circ} 35' 07''$ east 10.00 feet; thence north $88^{\circ} 24' 53''$ west 5.00 feet to a point that is 5.00 feet westerly of said westerly line, said point being the **True Point of Beginning**; thence parallel with said westerly line and the westerly line of Parcel 1 of Parcel Map CO 89-319 in the said County as shown on the map filed in Book 54 of Parcel Maps at page 61 in said County Recorder's Office and the extension thereof south $01^{\circ} 35' 07''$ west 303.81 feet to a point that is 21.00 feet southerly of the southerly line of said Parcel 1 also being the northerly line of the San Luis Obispo County Airport, as shown on the map filed with the County Surveyor of said County in Book A of County Surveys at page 6; thence parallel with said northerly line south $64^{\circ} 31' 20''$ east 348.50 feet; thence south $19^{\circ} 31' 20''$ east 31.11 feet to a point that is 43.00 feet southerly of said northerly line; thence south $64^{\circ} 31' 20''$ east 1142.65 feet to a point that is 5.00 feet easterly of the southwesterly extension of the westerly line of Parcel 2 of Parcel Map CO 79-28 in said County as shown on the map filed in Book 30 of Parcel Maps at page 23 in said County Recorder's Office; thence parallel with said westerly line and the westerly line of Parcel 1 of said Parcel Map CO 79-28 north $50^{\circ} 27' 20''$ east 677.76 feet to a point that is 5.00 feet southerly of the northerly line of said Parcel 1, also being the southerly right of way of State Highway 227; thence parallel with said southerly right of way south $35^{\circ} 13' 57''$

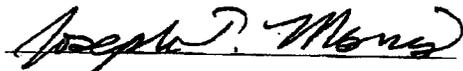
B-20
19.

east 654.95 feet to a point 5.00 feet northerly of the northerly line of the land conveyed to the State of California under a deed recorded in Volume 1825 of Official Records at page 70 in said County Recorder's Office; thence parallel with said northerly line, south 54° 40' 29" west 38.85 feet to a point that is 5.00 feet westerly of the westerly corner of said land conveyed to the State of California; thence parallel with said southerly right of way, south 35° 13' 57" east 106.99 feet to a point that is 5.00 feet southerly of the southerly right of way of Airport Drive, formerly known as Aero Loop as shown on said Parcel Map CO 79-28, thence parallel with said southerly right of way of Airport Drive, south 88° 45' 23" east 48.31 feet to a point 5 feet southerly of said southerly right of way of State Highway 227; thence, parallel with said southerly highway right of way south 35° 13' 57" east 257.84 feet.

Excepting therefrom any portion lying within Aero Drive and Airport Drive.

Containing approximately 0.78 acres.

The above described land is graphically shown on the attached Exhibit B (4 sheets) and made a part hereof.



Joe Morris PLS 6192 Exp.3/31/2006

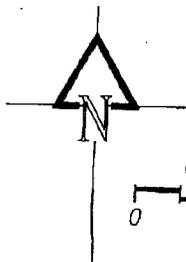
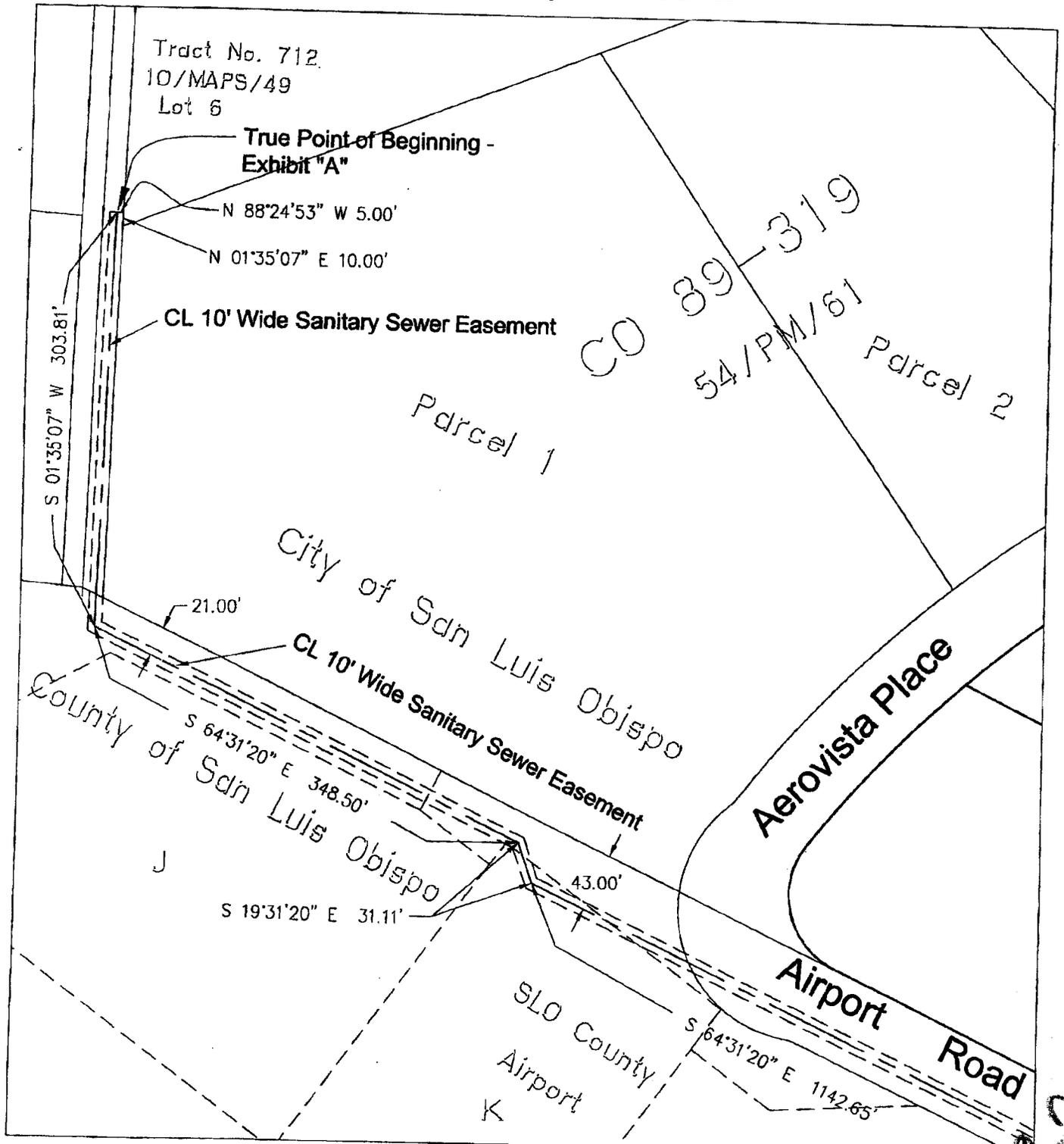
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Date



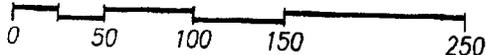
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Exhibit "B"

10' wide Sanitary Sewer Easement



SCALE : 1" = 100'



Project : 0314-005
Drawing : Layout
Date : December 14, 2005



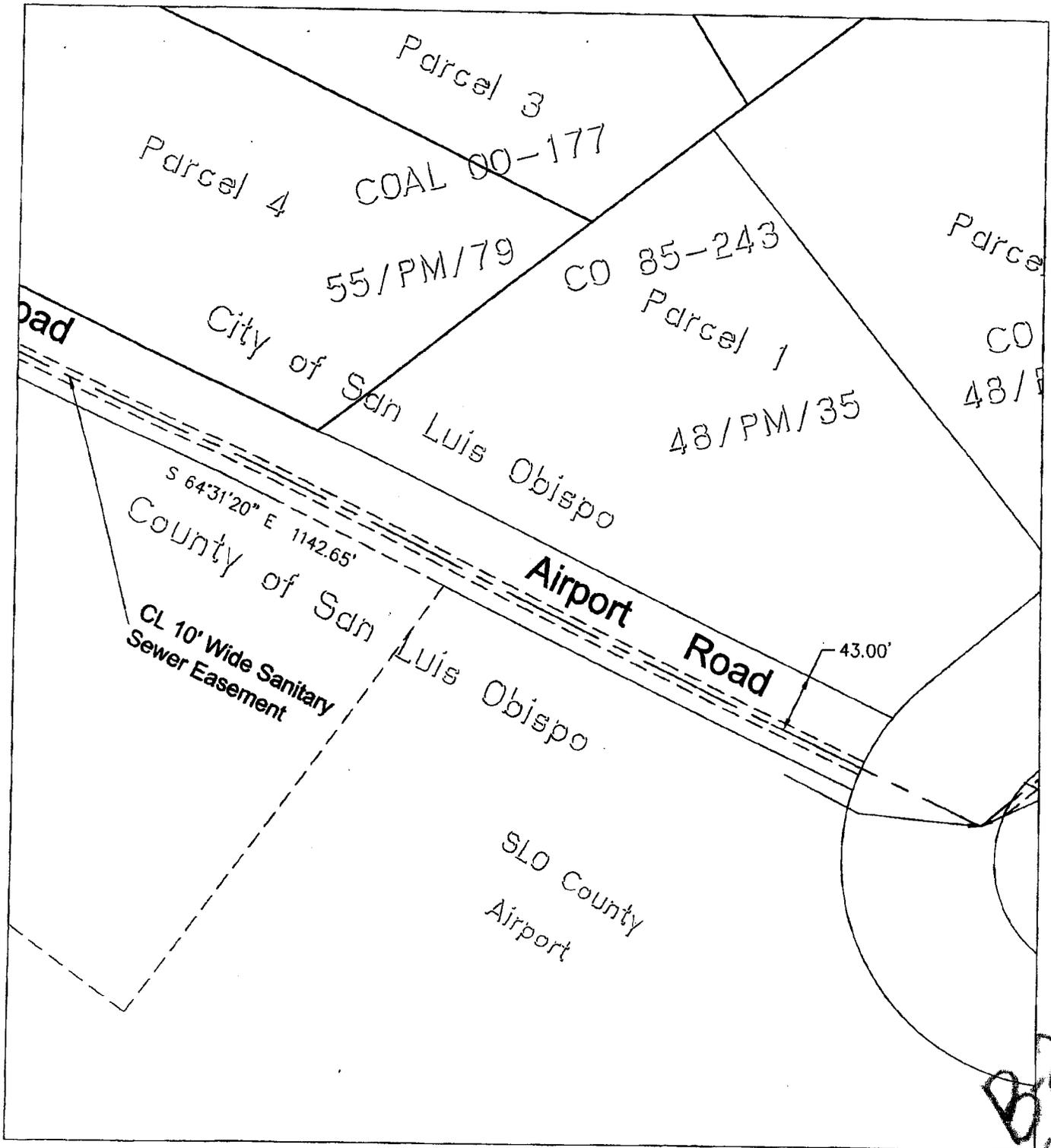
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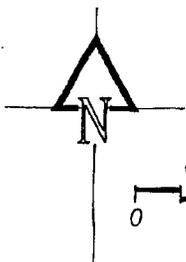
Handwritten signature/initials

Exhibit "B"

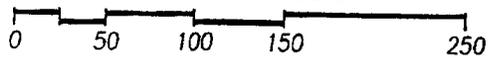
10' wide Sanitary Sewer Easement



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SCALE : 1" = 100'



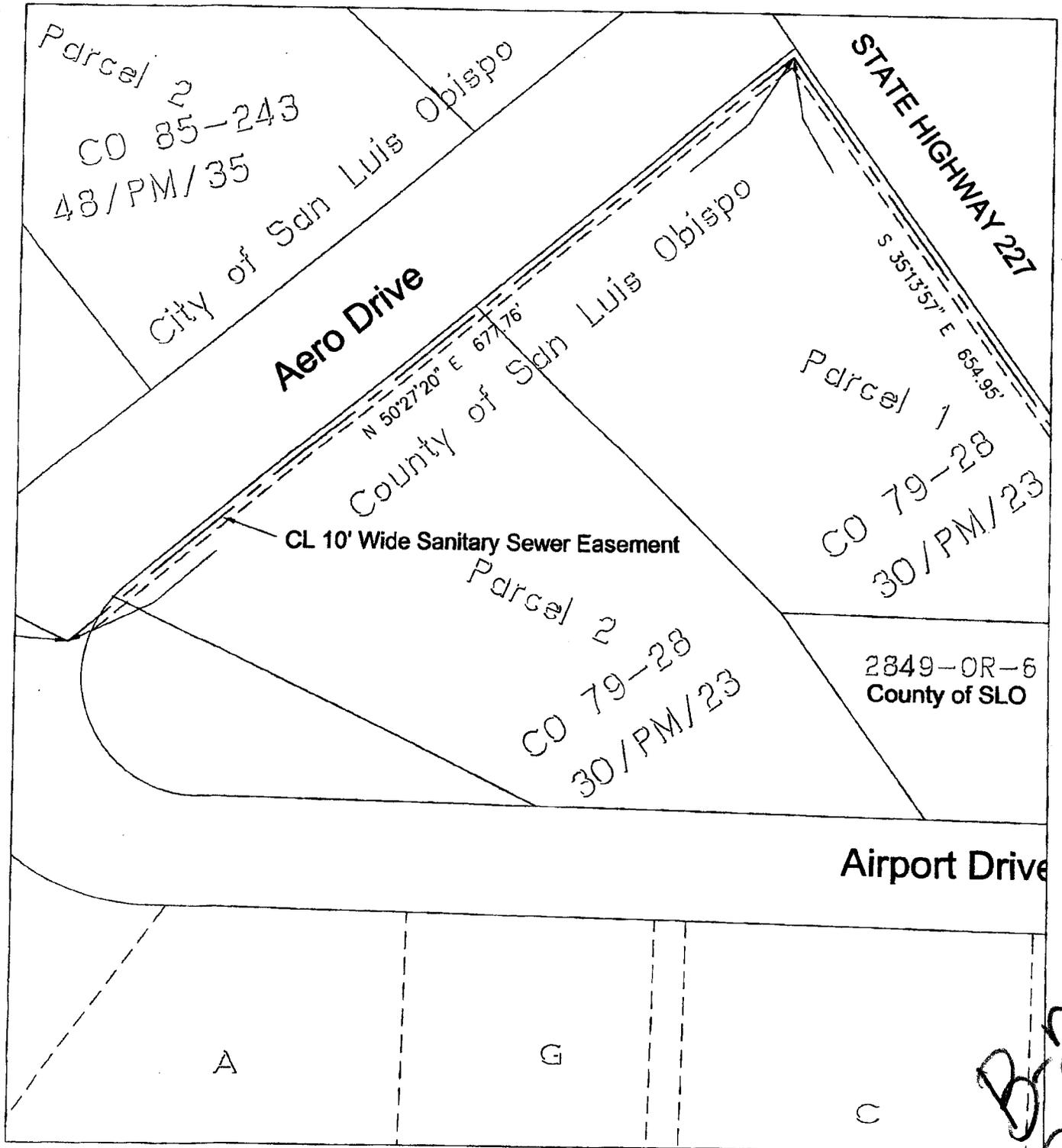
Project : 0314-005
Drawing : Layout
Date : December 14, 2005



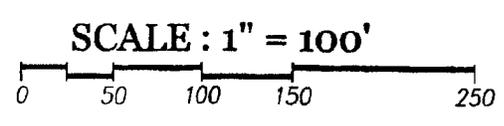
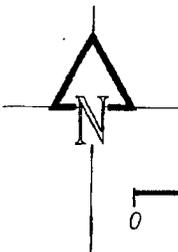
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Exhibit "B"

10' wide Sanitary Sewer Easement



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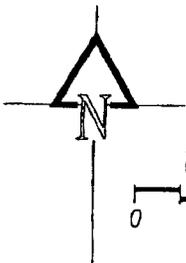
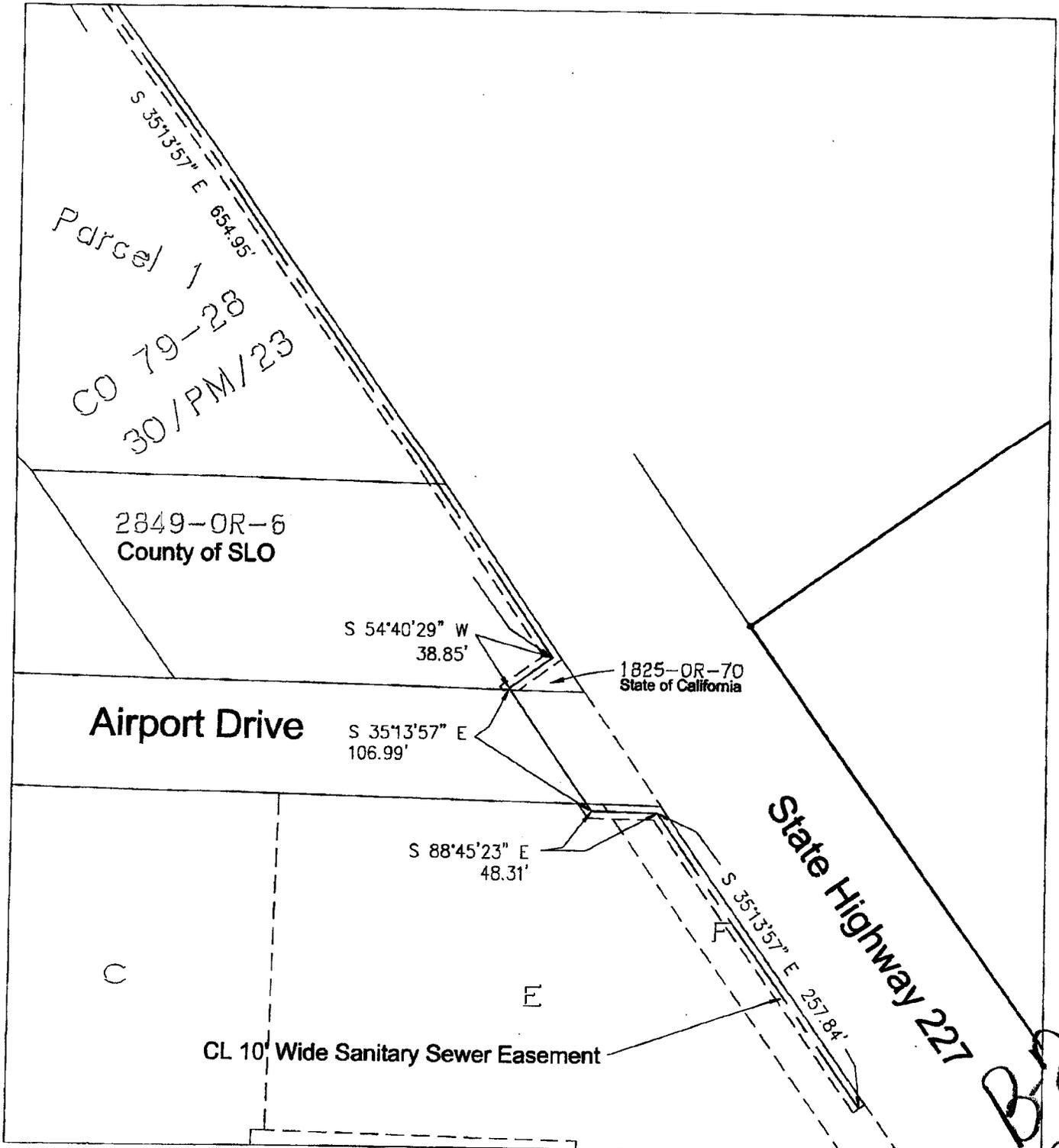


Project : 0314-005
Drawing : Layout
Date : December 14, 2005

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Exhibit "B"

10' wide Sanitary Sewer Easement



SCALE : 1" = 100'



Project : 0314-005
Drawing : Layout
Date : December 14, 2005



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