

DISCLOSURES

26420 PALOMAR RD, MENIFEE, CA 92585

*All information provided here is CONFIDENTIAL.

Additionally, all the information provided is considered reliable but in No instance shall be considered guaranteed. Buyers must perform their due diligence regarding all aspects of the property and the sale.

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EASEMENT OPTION

Already Executed. The Proposed easement allows an Overhead power line to run over one of the corners of the lot.

Worth 400K. 50K already paid. 350K due soon. Included on the sale at full price. In simple terms, buyer to assume the option and any unpaid benefits.

CONFIDENTIAL

ACCESS AND UTILITY 1EASEMENT OPTION AGREEMENT

WHEREAS, Optionor is the owner of that certain real property located in the Township of Menifee, County of Riverside, State of California, consisting of approximately three and fifty eight hundredths (+/- 3.58) acres of real property, known as APN 331-220-043, further described in <u>Exhibit A</u>, attached hereto and made a part hereof (collectively, the "<u>Property</u>");

WHEREAS, Optionor desires to grant to Optionee the right and option to acquire an easement on, along, over, across and through a portion of the Property, upon the terms and conditions of, and as more particularly described in, this Option Agreement;

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, and for the other consideration referenced herein, the Parties hereto agree as follows:

1. Grant of Option. For the consideration and subject to the terms and conditions set forth herein, Optionor hereby grants to Optionee the right and option (the "Option") to acquire a perpetual non-exclusive one hundred foot (100 ft.) wide easement in gross on, along, over, across and through the Property, which easement area is approximately depicted in Exhibit B, attached hereto and made part hereof (the "Easement Area"), to serve as a means of vehicular and pedestrian access for ingress and egress attendant to the right to erect, construct, reconstruct, replace, upgrade, remove, maintain, operate and use from time to time the following (collectively, the "Utility Facilities"): including but not limited to above-ground wires, cables and equipment for the transmission and storage of electrical energy and/or for communication purposes, and all necessary and proper poles, structures, foundations, footings, guy wires, anchors, cross arms and other appliances, fixtures and facilities for use in connection with said wires, cables and equipment on, along, over, and across the Easement Area (collectively, the "Easement"). Optionor additionally grants to Optionee the right and option to acquire a temporary, non-exclusive easement for construction purposes up to ten (10) feet on either side of the Easement Area as set forth more particularly in Section 2 of Exhibit C (Form of Easement Agreement) attached hereto ("Temporary Construction Easement"). Optionor and Optionee agree as follows: (a) the exact size, shape, width and location of the Easement Area and Temporary Construction Easement has not yet been determined, and the depiction shown in Exhibit B attached hereto is an approximation only and is subject to change, (b) the exact size, shape, width and location of the Easement Area and Temporary Construction Easement will depend on the Optionee's final design of the Utility Facilities as may be required by Optionee or any permitting authorities, the connection of the Utility Facilities to facilities on other properties. and other factors, and (c) as the design of Utility Facilities is finalized by Optionee, Optionee will more specifically describe the portions of the Property required for the Utility Facilities and

prepare a legal description and depiction of the Easement Area, which legal description shall be included in the Deed of Easement Agreement (as defined below) to be executed and recorded pursuant to Section 4 below.

2. Option Term; Consideration.

- 2.1 The initial term of the Option shall commence upon the Effective Date and terminate at 11:59 pm Pacific Time on the first (1st) anniversary of Effective Date (the "<u>Initial Option Term</u>"). In consideration of the rights granted hereunder, Optionee will pay to Optionor a one-time option payment of Fifty Thousand Dollars (\$50,000) ("<u>Option Payment</u>"), to be deposited with the Escrow Holder (hereinafter defined) as of the Effective Date. The Option Payment shall be applicable to the Option Consideration (hereinafter defined) and non-refundable to Optionee in the event that this Agreement is terminated, unless Optionor is in default or breach of this Agreement after any applicable notice and cure periods.
- 2.2 Optionee shall have a single election to extend the Initial Option Term for an additional twelve (12) months (the "Extended Option Term", and together with the Initial Option Term, the "Option Term") by providing written notice to Optionor at any time prior to the expiration of the Initial Option Term and paying an additional sum of Fifty Thousand Dollars (\$50,000) to Optionor within thirty (30) days after the expiration of the Initial Option Term (which shall be credited as additional Option Consideration). In the absence of default under this Option Agreement, all Option Consideration shall be non-refundable upon delivery to Optionor.
- 2.3 Optionee may terminate this Option Agreement in its sole discretion without refund of any payments made hereunder at any time by providing written notice of such termination to Optionor.-
- 2.3 The Option Payment shall be deposited into an escrow account with Escrow Holder (as defined below) along with a signed copy of this Agreement. Within seventy-two (72) hours of Escrow Holder's (hereinafter defined) receipt thereof, the Deposit shall be released to Optionor. Nothing contained in this Section shall in any way limit or otherwise affect Optionee's right to terminate this Agreement at any time pursuant to this Section. Optionee's obligation to make the applicable Option Payment to Optionor shall be considered complete when such payment has been made to Escrow Holder. The "Escrow Holder" shall be First American Title Company, 4380 La Jolla Village Drive, Suite 100, La Jolla, California 92122, Attention: Amy Boyd, Email: aboyd@firstamerican.com, Phone: (858) 352-2076. Escrow Holder shall execute a joinder to this Agreement evidencing Escrow Holder's agreement to act as Escrow Holder in accordance with the provisions hereof.
- 2.4 Access for Due Diligence. During the entire Option Term, Optionee (and its agents, employees, contractors and representatives) shall be permitted access to the Property (except for existing buildings) at reasonable times and upon reasonable notice to Optionor for purposes of conducting (at Optionee's expense) any and all investigations or testing of the Property and the Easement Area as Optionee may deem necessary, appropriate or convenient, including without limitation, the surveying or investigation of environmental, biological, cultural, historical, boundary or geotechnical matters. The ninety (90) days of this

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Option Agreement, beginning on the Effective Date, shall be known as the "<u>Due Diligence Period.</u>" Optionee shall take care not to unreasonably interfere with Optionor's ongoing uses of the Property for during its due diligence activities listed in this Section herein. After making any tests and inspections of the Property or Easement Area, Optionee shall repair any damage to the Property or Easement Area caused by such tests or inspections, returning the Easement Area to the same or substantially similar condition that existed prior to any such tests and inspections (which obligation shall survive the expiration or earlier termination of this Option Agreement).

3. <u>Easement Agreement</u>. The form of agreement by which Optionee may obtain the Easement shall be in the form of <u>Exhibit C</u> attached hereto ("<u>Easement Agreement</u>").

4. Exercise; Remedies.

- 4.1 If Optionee exercises the Option, Optionee shall provide written notice of exercise to Optionor (an "Exercise Notice"). At any time after Optionee has delivered the Exercise Notice, Optionee shall complete any missing schedules and exhibits to be attached to the Easement Agreement and any other missing information therefrom and deliver to Optionor the final version of the Easement Agreement (the "Deed of Easement Agreement"). Within five (5) business days after receipt of the Deed of Easement Agreement, each party shall execute the Deed of Easement Agreement in front of a notary, Optionor will deliver its executed counterpart to Optionee, and Optionee shall combine Optionor's executed counterpart with Optionee's executed counterpart and submit the fully executed easement agreement for recordation in the land records of the county in which the Property is located. If the Easement Agreement is executed, then Optionee shall pay to Optionor an easement purchase amount of Four Hundred Thousand Dollars (\$400,000) ("Easement Consideration"). The Easement Consideration shall be deposited in escrow with the Escrow Holder five (5) days prior to the mutual execution of the Deed of Easement Agreement. Escrow Holder shall release and disburse the Easement Consideration to Optionor within three (3) days after the successful recording of the Deed of Easement Agreement. Optionor expressly acknowledges that any temporary easements for construction purposes provided in the easement agreement in Exhibit C herein shall be provided at no additional cost to Optionee, provided that Optionee or its successors and assigns restore any temporary easement areas disturbed by said construction activities as nearly as is commercially practicable, to the reasonably similar condition it was in prior to the commencement of construction.
- 4.2 If Optionor fails to timely deliver the executed originals of the Deed of Easement Agreement as set forth herein, or if Optionor breaches any other term, provision, representation or warranty contained in this Option Agreement, then, Optionee may seek the specific performance of this Option Agreement or pursue any other remedy available at law or in equity, which remedies shall include, without limitation, a refund of the Option Payment(s) paid by Optionee to Optionor.
- 4.3 <u>Costs.</u> All costs incurred for any due diligence activities, in recording the Deed of Easement Agreement (including the recordation tax or any grantor taxes), or in hiring a professional land surveyor pursuant to describing and measuring the Easement Area shall be born solely by Optionee.

5. Representations and Warranties.

- 5.1 Optionor hereby represents to Optionee the matters set forth below and states that these representations and warranties are true and correct as of the Effective Date and again as of the date that the Deed of Easement Agreement is executed:
 - (a) <u>Ownership</u>. Optionor is the sole owner of fee simple, marketable title to the Property. The signatory has authority to enter into this Option Agreement on behalf of Optionor.
 - (b) <u>No Bankruptcy Proceedings or Foreclosure</u>. Optionor is financially solvent and is not negotiating settlements with creditors and is not currently in receivership or involved in any other bankruptcy or foreclosure proceedings.
 - (c) <u>Violations of Laws</u>. Optionor has not received any written notices of any material violations of any laws, ordinances, orders, rules, regulations or requirements of any governmental authority, agency or officer having jurisdiction against or affecting the Property, which have not previously been complied with.
 - (d) <u>Litigation</u>. There are no actions, investigations, suits or proceedings pending against Optionor or threatened against Optionor that have or may have a material adverse effect on the Property, or the ownership or use thereof, and there are no judgments, orders, awards or decrees currently in effect against Optionor with respect to the ownership or use of the Property which have not been fully discharged prior to the Effective Date.
 - (e) <u>Non-Foreign Person</u>. Optionor is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code of 1986, as amended, and any related regulations.
- 6. Notices. Any notice required or permitted by this Option Agreement shall be given by: (i) hand delivery; (ii) certified mail, return receipt requested (which shall be deemed given as of the date deposited in the United States mail); or (iii) overnight delivery (which shall be deemed given as of the date deposited with the overnight delivery service) to the addresses below, or to such other address specified in writing by the Parties herein, and their respective successors and assigns:

Optionor:	GZ & VZ LLC	
	C/O Legal	
	950 Iron Point Road, Suite 210	
	Folsom, California 95630	
	Attention: Timothy A. Charshaf,	
	Esq.	
	Email: legal@zemogllc.com	
	1	
Optionee:	Double Butte Storage, LLC	

c/o AES Clean Energy 2180 South 1300 East, Suite 500 Salt Lake City, Utah 84106 Attn: Real Estate Manager Email: landlegalnotices@aes.com

- 7. <u>Memorandum of Option</u>. Concurrently with the execution of this Option Agreement, or within ten (10) days of Optionee's request, Optionor shall execute a memorandum of this Option Agreement substantially in the form attached hereto as <u>Exhibit D</u>, and Optionor hereby authorizes said memorandum it to be notarized and recorded in the land records of the County in which the Property is located.
- 8. <u>Covenants</u>; <u>Successors</u>. All provisions of this Option Agreement, including the benefits and burdens, shall touch, concern and run with the land and shall be binding upon and inure to the benefit of the Parties hereto, their respective successors and assigns.
- 9. <u>Modification</u>. This Option Agreement shall not be modified or amended except by an instrument duly executed by Optionor and Optionee.
- 10. <u>Governing Law.</u> This Option Agreement shall be governed by the laws of the State of California, without regard to its conflicts of law principles.
- Agreement and its rights hereunder (collectively, "Assignment") without the consent of Optionor. Any such Assignment by Optionee shall release Optionee from all obligations accruing after the date that liability for such obligations is assumed by the assignee.
- 12. <u>Severability</u>. If any provision is found to be invalid under the laws of the State of California, it shall be ineffective only to the extent of such invalidity and the remaining provisions of this Option Agreement shall remain in full force and effect.
- any mortgage, deed of trust, or is subject to any other lien, Optionor agrees to cooperate in good faith with Optionee in seeking a subordination or consent and non-disturbance agreement from such liens, if any. Notwithstanding anything to the contrary herein, Optionee's obligation to execute the Deed of Easement Agreement and deliver proceeds of purchase to Optionor is conditioned on receiving written approval from all lienholders on the Property, that any prior liens will be subordinated to the Deed of Easement Agreement or that lienholder(s) will not disturb the any of Optionee's proposed improvements to be located in the Easement Area.
- 14. <u>Confidentiality</u>. Optionor will (i) treat this Option Agreement and all oral discussions related hereto in strict confidence and (ii) except to the extent included in any memorandum recorded in the public records, shall not disclose any of the particulars hereof to any third parties without the prior written consent of Optionee; provided, however, that Optionor may disclose such information to (x) Optionor's lenders, attorneys, accountants and other

personal advisors, (y) any prospective purchaser of the Property, or (z) pursuant to lawful process, subpoena, or court order; provided, however, that Optionor, prior to making any disclosure of such confidential information, advises the person receiving the confidential information of the confidentiality thereof and obtains a written agreement of said person not to disclose such information, which said agreement shall run to the benefit of and be enforceable by Optionee and any assignee or transferee of Optionee. Excluded from the foregoing is any information that is in the public domain by reason of prior publication through no act or omission of Optionor. The provisions of this Section 14 shall survive the termination or expiration of this Option Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have executed this Option Agreement as of the date and year first above written.

OPTIONOR:

GZ & VZ LLC, a California limited liability company

OPTIONEE:

DOUBLE BUTTE STORAGE, LLC, a Delaware limited liability company

Name: Sean McBride

Title: General Counsel & Secretary

ESCROW AGENT ACCEPTANCE

The undersigned Escrow Agent accepts this Agreement and agrees to perform the acts applicable to Escrow Agent in accordance with the terms of this Agreement. Escrow Agent acknowledges its receipt of both of the Option Payment and a fully executed original or electronic copy of this Agreement as of the date set forth underneath its signature below.

First American Title Insurance Company

EXHIBIT A

Legal Description of the Property

Real property located in the Township of Menifee, County of Riverside, State of California, more particularly described as follows:

That portion of the Southwest quarter of the Northeast quarter of Section 14, Township 5 South, Range 3West, San Bernardino Base and Meridian, described as follows:

Beginning at the intersection of the northerly line of McLaughlin Road, 60 feet wide, with the easterly line of Palomar Road, 40 feet wide, said roads being shown on the Map of Romola Farms No. 10, recorded in Book 15, Page(s) 29, 30 and 31, of Maps, Records of Riverside County, California;

Thence North 0°10'38" West, on the northerly extension of the easterly line of Palomar Road to the Intersection with the southwesterly rights of way of A.T. and S.F. Railroad; Thence South 53°35'14" East, on said southwesterly rights of way line to a point on the northerly line of said McLaughlin Road; Thence South 89°55'40" West, on said northerly line to the Point of Beginning;

Except that portion lying easterly of the northerly prolongation of the easterly line of Lot 925 of said Romola Farms No. 10;

Also except the South 260 feet.

APN: 331-220-043

EXHIBIT B Preliminary Depiction of Easement Area

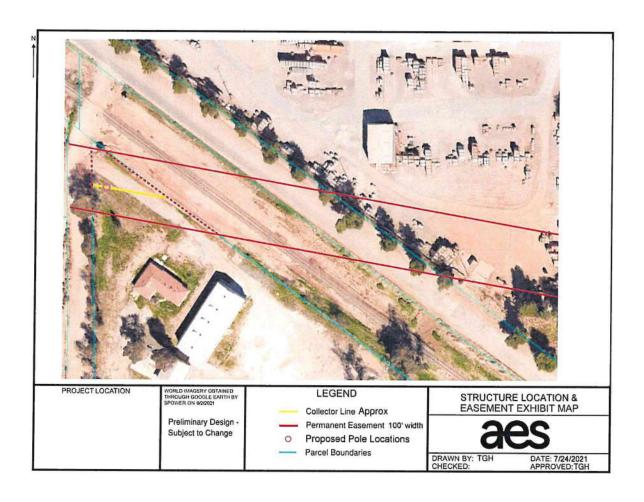


EXHIBIT C

FORM OF EASEMENT AGREEMENT

Prepared By and After Recording Return to:

Double Butte Storage, LLC c/o AES Clean Energy 2180 South 1300 East, Suite 500 Salt Lake City, UT 84106 Attn: Real Estate Manager

APN: 331-220-043

THE UNDERSIGNED OPTIONOR(s) DECLARE(s)

DOCUMENTARY TRANSFER TAX is \$ Section 8** CITY TAX \$ N/A □ computed on full value of property conveyed, or □ computed on full value less value of liens or encumbrances remaining at time of sale. ☐ Unincorporated area: ☐ City of Menifee

**This is a conveyance of an easement that is not perpetual, permanent, or for life.

GRANT OF EASEMENT FOR ACCESS AND UTILITY FACILITIES

THIS GRANT OF EASEMENT FOR ACCESS AND UTILITY FACILITIES (this "Agreement") is made as of the last date executed by a party hereto (the "Effective Date") between, GZ & VZ LLC, a California limited liability company ("Grantor"), and DOUBLE BUTTE STORAGE, LLC, a Delaware limited liability company, with an address of c/o AES Clean Energy, 2180 South 1300 East, Suite 500, Salt Lake City, Utah 84106 ("Grantee"). Grantor and Grantee are referred to individually herein as "Party" or collectively referred to herein as "Parties".

RECITALS

WHEREAS, Grantor is the sole owner of certain property located in the Township of Menifee, County of Riverside, State of California, as more particularly described or shown on Exhibit A attached hereto and made part hereof (the "Property"); and

WHEREAS, Grantee desires to receive, and Grantor is willing to grant, an access and utility easement on, over, and across that portion of the Property described and depicted on attached Exhibit B (the "Easement Area"), subject to the terms and conditions set forth below.

AGREEMENT

NOW, THEREFORE AND IN CONSIDERATION of the foregoing Recitals, the mutual benefits to be derived herefrom, and other good and valuable consideration including Ten

Dollars in hand paid to Grantor, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

- 1. Grant of Access and Utility Easement. Grantor hereby grants, conveys and warrants to Grantee and its successors and assigns, for the Easement Term (defined below) a non-exclusive one hundred (100) foot wide easement in gross on, along, over, across and through Easement Area for purposes of vehicular and pedestrian access for ingress and egress attendant to developing, installing, constructing, reconstructing, supplementing, augmenting, operating, maintaining, repairing, replacing, upgrading, relocating, inspecting, removing, and otherwise using any of the following at grade and/or overhead facilities for or in connection with one or more solar energy generation projects operated by Grantee and/or one or more of its Assignees (as defined below): (a) electrical transmission facilities including, without limitation, lines of wires, fibers, cables, conduits, tubing, housing, insulation, splice vaults, facilities, equipment, improvements and other appurtenances and elements necessary or desirable for the transmission. collection, storage or interconnection of electrical energy and communications signals and all ancillary and related uses thereto; (b) telecommunication equipment and apparatus, including, but not limited to, fiber optic cables, copper cables, coaxial or other cables through which voice, data, video and other signals are transmitted, and all conduits, inner ducts, splice vaults, optical or electronic equipment, guidewires related thereto; and (c) other appliances, signs, facilities, fixtures, equipment, or improvements used in connection with any of the foregoing, including, without limitation, other conductors and conduits, lines, pads, transformers, switches, cabinets, and vaults (collectively, the "Utility Facilities") on, across and through the Easement Area. Grantor agrees to execute any reasonable amendments to this Agreement or the Easement Area as may be reasonably requested by Grantee to the extent necessary to construct the Utility Facilities.
- 2. <u>Construction Activities</u>. Grantor grants to Grantee a temporary easement in gross on, over, and along the Property up to ten (10) feet on both sides of the Easement Area for the following: (1) to construct and install the Utility Facilities and any other improvements contemplated hereunder, and (2) to store material and equipment during such construction (the "<u>Temporary Construction Easement</u>"). Grantee shall also have the right to cut or take down any portion of any fence or other above-ground structures or vegetation as reasonably necessary to develop, erect, construct, reconstruct, replace, upgrade, remove, maintain, operate and use the Utility Facilities. Upon completion of construction, Grantee shall restore any areas of the Property outside the Easement Area that were disturbed by Grantee, as nearly as is commercially practicable, to the same condition it was in prior to the commencement of construction. Grantee shall notify Grantor of the commencement and completion of any construction.
- 3. <u>Location</u>. The location of the Easement Area and the Temporary Construction Easement shall be confined to specific portions of the Property as preliminarily depiction on <u>Exhibit A-1</u> attached hereto and made a part hereof. Prior to commencing the start of construction of the Utility Facilities, Grantee shall provide Grantor with a copy of the proposed site plan ("<u>Preliminary Site Plan</u>") showing the preliminary location of the Utility Facilities to be constructed within the Easement Area. Notwithstanding the foregoing, Grantee shall have the right to vary the location of any facilities, structures or improvements from the locations shown

on the Preliminary Site Pan as Grantee considers necessary or desirable, provided, however, that Grantee shall not vary the location of the Easement Area by more than fifty (50) feet outside of the Preliminary Site Plan without Grantor's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. Thereafter, Grantee shall, at Grantee's sole cost and expense, select and engage a professional land surveyor licensed in the State of California to prepare a legal description of the final Easement Area and a plat depicting the locations of the proposed Utility Facility (such legal description and plat hereafter, the "Final Site Plan"). Within ninety (90) days of the completion of construction of the Utility Facilities, Grantee shall update the Final Site Plan based on the as built location of the Utility Facilities along with the legal description for the Easement Area. Following the completion of construction and the updated Final Site Plan, Grantee shall prepare an executable amendment to this Agreement, which shall memorialize the final Easement Area, and Grantor shall review and approve the amendment within ten (10) business days from receipt of the executable amendment. The amendment shall be recorded in the Office of the Riverside County Clerk and Recorder for the County of Riverside, California, at Grantee's sole expense.

- 4. <u>Access</u>. Grantee shall also have the right of pedestrian and vehicular ingress and egress to and from Utility Facilities (whether located on the Property or elsewhere), over and along the Property by means of roads and lanes thereon if existing, or otherwise by such route or routes as Grantee may construct from time to time, as well as the right to maintain and improve such roads and lanes.
- 5. <u>Term and Termination</u>. The term of this Agreement (the "<u>Easement Term</u>") shall commence on the Effective Date and continue for so long as the Grantee, its successors or assigns, or any Assignees, utilize and maintain the Utility Facilities. Upon the expiration or earlier termination of this Agreement, Grantee shall, at Grantor's request, file a notice of termination in the real property records of the county in which the Property is located, and restore the surface of the Property, as nearly as is commercially practicable, to the same condition it was in prior to the commencement of construction. At the termination of this Agreement, and extending for a reasonable time thereafter, Grantee shall have the right to remove the Utility Facilities from the Property.
- 6. Assignment; Separate Grants. Grantee may sell, convey, lease or assign, in whole or in part, to one or more persons or entities (each, an "Assignee"), any or all of its rights under this Agreement in and to any portion or all of the Easement Area (collectively, "Easement Rights") (any sale, conveyance, lease or assignment of Easement Rights being referred to herein as an "Assignment"). Grantee also may duplicate any Easement Rights by granting to one or more persons or entities (each, an "Additional Grantee") any number of subeasements, coeasements, separate easements, licenses or similar rights with respect to the Easement Area and this Agreement (each, a "Duplicate Grant"). Grantee may make any Assignment or Duplicate Grant without the consent of Grantor and without any Assignee or Additional Grantee being required to obtain a separate grant of rights from Grantor, provided that (i) any such Assignment or Duplicate Grant shall be consistent with the types of uses permitted herein and shall be subject to the terms, conditions and obligations set forth in this Agreement, and (ii) promptly following the request of the Grantee, Grantor shall execute in favor of any Additional Grantee a Duplicate Grant so long as it complies with the terms of this Section. In furtherance of the foregoing.

Grantor hereby grants to Grantee a durable and irrevocable power of attorney coupled with an interest, for the sole purpose of executing and recording any such Duplicate Grant in the name of Grantor. Any such Assignment or Duplicate Grant may by its terms allow the construction, maintenance, and operation of additional Utility Facilities within the Easement Area. No Assignment or Duplicate Grant, nor the subsequent use of the Easement Area by Grantee and one or more Assignees or Additional Grantees, shall constitute an overburden of the Easement Area or the Easement Rights. In the event of a Duplicate Grant, Grantee shall have no liability with respect to any default by the Additional Grantee(s) thereunder. Any total Assignment by Grantee of all of its interests in this Agreement shall release Grantee from all obligations accruing under this Agreement after the date that liability for such obligations is assumed by the Assignee. This Agreement and the rights created herein with respect to Assignments and Duplicate Grants shall inure to the benefit of, and be binding upon, Grantor and Grantee and their respective transferees, legal representatives, heirs, successors and assigns and all persons claiming under them. For the avoidance of doubt, any lien encumbering the Property and arising after the date of this Agreement (each, a "Subsequent Lien") shall be subject not only to this Agreement but also to the Easement Rights of both any Assignees pursuant to one or more Assignments and any Additional Grantees pursuant to one or more Duplicate Grants, regardless of whether such Assignments or Duplicate Grants are executed and recorded before or after such Subsequent Lien.

- 7. <u>Costs</u>. All costs and expenses incident to the development, erection, construction, reconstruction, replacement, upgrade, removal, maintenance, operation and use of the Utility Facilities shall be borne by Grantee.
- 8. <u>Interference</u>. Grantor shall not construct or place any buildings, structures, plants, or other obstructions on the Property which would result in the violation of the minimum clearance requirements of the National Electric Safety Code (the "<u>Code</u>") or would interfere with the operation and maintenance of the Utility Facilities. Grantor shall not excavate within fifty (50) feet of any portion of the Utility Facilities under the surface, including but not limited to, wires, cables, guys, anchors, poles, towers, foundations, and footings or undertake or permit any action near or underneath the Utility Facilities that undermines or otherwise adversely affects their stability, operation and usability. Grantee shall have the right, without compensation to Grantor, to cut, prune and remove or otherwise dispose of any foliage or vegetation on or near the Easement Area that Grantee deems a threat or potential threat to the Utility Facilities. Grantor shall retain the right to practice normal and customary agriculture and commercial uses of the Property, so long as the activities do not undermine or adversely affect Grantee's rights under this Agreement.
- 9. <u>Grantor's Representations and Warranties</u>. The Grantor hereby represents, warrants and covenants to the Grantee:
- a. <u>Environmental Matters</u>. The Grantor represents and warrants to the Grantee that, to the Grantor's actual knowledge, and except as disclosed to the Grantee in writing, that the Easement Area is (a) not subject to, and the Grantor has no notice of, any judicial or administrative action, investigation or order under any "<u>Environmental Law</u>" (as defined below), (b) free of all reportable levels of "<u>Hazardous Materials</u>" (as defined below), (c)

free of any abandoned wells, solid waste disposal sites and underground storage tanks, and (d) not in violation of any Environmental Law. For purposes hereof, the term "Environmental Law" means all state, federal, or local laws, statutes, ordinances, rules, regulations or orders pertaining to health or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA") and the Resource Conservation and Recovery Act of 1976 ("RCRA"), as each may be amended, supplemented, expanded or replaced from time to time; and the term "Hazardous Material" means (1) any substance, the presence of which requires investigation, remediation, or other response or corrective action under Environmental Law, or (2) any substance which is or hereafter becomes defined as a hazardous waste, hazardous substance, extremely hazardous substance, hazardous material, hazardous matter, hazardous chemical, toxic substance, toxic chemical, pollutant or contaminant, or other similar term, in or pursuant to any Environmental Law, or (3) any asbestos or asbestos-containing material, PCBs or equipment or articles containing PCBs, petroleum, diesel fuel, gasoline or other petroleum hydrocarbons.

b. Indemnification. If the Grantor or its successors and assigns breaches a warranty or representation herein, or if a release of a Hazardous Material is caused, exacerbated, or permitted by the Grantor or the Grantor's agent, employee or contractor and results in contamination of the Easement Area, and except to the extent such release is caused or exacerbated by the Grantee or its agents, employees or contractors, then the Grantor shall, and hereby agrees to, indemnify, defend, protect and hold the Grantee, and the Grantee's employees, agents, partners, members, officers and directors, harmless from and against any and all claims, actions, suits, proceedings, losses, costs, damages, liabilities (including, without limitation, sums paid in settlement of claims), deficiencies, fines, penalties or expenses (including, without limitation, reasonable attorneys' fees and consultants' fees, investigation and laboratory fees, court costs and litigation expenses) which arise during or after and as a result of such breach or contamination. This indemnity shall include, without limitation, and the Grantor shall pay all costs and expenses relating to, (a) any claim, action, suit or proceeding for personal injury (including sickness, disease or death), property damage, nuisance, pollution, contamination, spill or other effect on the environment, (b) any investigation, monitoring, repair, clean-up, treatment or detoxification of the Easement Area, which may be required by law; and (c) the preparation and implementation of any closure plan, remediation plan or other required action in connection with the Easement Area. In the event there is more than one Grantor under this Agreement, any and all obligations of each Grantor hereunder shall be joint and several for any and all obligations of the Grantor, and the Grantee may seek redress from any one Grantor for the full amount of indemnification set forth hereunder.

c. <u>Cooperation</u>. Grantor shall cooperate with Grantee, but at no out-of-pocket expense to the Grantor, in obtaining permits, signing documents requested by the Grantee, helping the Grantee with obtaining signatures of any of the Grantor's grantees, and lenders, and any other documents or agreements reasonably required to protect the Grantee's rights under this Agreement. In the event the Property is subject any mortgage, deed of trust, or is subject to any other lien which is monetary in nature, Grantor agrees to obtain, in collaboration with and at no cost to Optionee, a subordination of such liens to this Agreement or a consent and non-disturbance agreement establishing that such lienholders have agreed not to disturb the Utility Facilities and that the rights of Grantee or any other Assignees shall not be extinguished.

terminated, or otherwise adversely impacted by such lienholder's exercise of any rights it may have in and to the Property.

- 10. <u>Grantee's Representations and Warranties.</u> Grantee hereby represents, warrants and covenants to the Grantor:
- a. <u>Indemnification</u>: Grantee shall save and hold harmless and indemnify Grantor, its officers, partners, agents, contractors and employees, from and against all losses, damages, expenses, claims, demands, suits and actions for all claims for personal injuries and property damage on the Property caused by the negligence or willful misconduct of Grantee, its officers, partners, agents, contractors and employees.
- b. <u>Insurance</u>. At all times during the term of this Agreement, Grantee shall obtain, maintain and keep in full force and effect, commercial general liability insurance covering the exercise of Grantee's rights hereunder with a limit of at least \$1,000,000 for each occurrence.
- c. <u>Hazardous Materials</u>. Subject to Section 6 herein, Grantee covenants and agrees that it (a) shall not use, store, dispose of or release on the Property or (b) cause or permit to exist or be used, stored, disposed of or released on the Property as a result of the Grantee's operations, any Hazardous Material, except in such quantities as may be required in its normal business operations and only if such use is in full compliance with all Environmental Laws applicable at the time of use.
- d. <u>Hazardous Materials Indemnification</u>. If Grantee breaches its warranty or representation in Section 10(c) above, or if a release of a Hazardous Material is caused, exacerbated, or permitted by the Grantee or its agents, employees or contractors and results in contamination of the Property, and except to the extent such release is caused or exacerbated by the Grantor or its agents, employees or contractors, then the Grantee shall indemnify, defend, protect and hold the Grantor, and the Grantor's employees, agents, partners, members, officers and directors, harmless from and against any and all claims, actions, suits, proceedings, losses, costs, damages, liabilities (including, without limitation, sums paid in settlement of claims), deficiencies, fines, penalties or expenses (including, without limitation, reasonable attorneys' fees and consultants' fees, investigation and laboratory fees, court costs and litigation expenses) which arise during or after and as a result of such breach or contamination. This indemnity shall include, without limitation, and the Grantee shall pay all costs and expenses relating to, (a) any claim, action, suit or proceeding for personal injury (including sickness, disease or death), property damage, nuisance, pollution, contamination, spill or other effect on the environment, (b) any investigation, monitoring, repair, clean-up, treatment or detoxification of the Property which may be required by law; and (c) the preparation and implementation of any closure plan, remediation plan or other required action in connection with the release of a Hazardous Material by the Grantee, or a Grantee agent, employee or contractor on the Property.
- 11. Requirements of Governmental Agencies. Grantor and Grantee shall comply in all material respects with all valid laws applicable to their activities on the Easement Area, but shall have the right, in their sole discretion and at their sole expense, to contest the validity or

applicability of any law, ordinance, order, rule, request or regulation of any governmental agency or entity that is applicable to their activities. The contesting Party shall control any such contest and the non-contesting Party shall cooperate with the contesting Party in every reasonable way in such contest, at no out-of-pocket expense to the non-contesting Party, provided however that the Grantor hereby agrees and covenants not to take any action which would impair, impede or diminish the Grantee's use of the rights granted to the Grantee hereunder.

- 12. Mechanics' and Construction Liens. Neither the Grantor nor the Grantee shall permit any mechanics' or construction liens to be filed against the Property or the Grantee's interest in the Property. The Party whose actions resulted in the lien may contest such lien, so long as within sixty (60) days after it receives notice of the lien, that Party shall provide a bond or other security as the other Party may reasonably request, or otherwise remove such lien from the Property pursuant to applicable law.
- 13. <u>Taxes</u>. The Grantor shall pay all real property taxes applicable to the Property. The Grantee shall pay any personal property taxes, if any, directly attributable to the Utility Facilities installed by the Grantee within the Easement Area._
- 14. <u>Notices</u>. Any notice required or permitted by this Agreement shall be given by: (i) hand delivery; (ii) certified mail, return receipt requested (which shall be deemed given as of the date deposited in the United States mail); or (iii) overnight delivery (which shall be deemed given as of the date deposited with the overnight delivery service) to the addresses below, or to such other address specified in writing by the Parties herein, and their respective successors and assigns:

If to Grantor:

GZ & VZ LLC C/O Legal 950 Iron Point Road, Suite 210 Folsom, California 95630 Attention: Legal

Email: legal@zemogllc.com

If to Grantee:

Double Butte Storage, LLC c/o AES Clean Energy Attn: Real Estate Manager 2180 South 1300 East, Suite 500 Salt Lake City, UT 84106

Email: landlegalnotices@aes.com

15. <u>Modification</u>. This Agreement shall not be modified or amended except in writing by an instrument duly executed by Grantor and Grantee.

- 16. Estoppel Certificate. Within ten (10) days from receiving written notice from Grantee or any Assignee, Grantor shall execute, acknowledge and deliver a statement in writing (i) certifying that this Agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Agreement, as so modified, is in full force and effect) and the date to which any payment hereunder has been paid (ii) acknowledging that there are not, to Grantor's knowledge, any uncured events of default on the part of Grantee hereunder, or specifying such uncured events of default if any are claimed, and (iii) containing any other certifications as may be reasonably requested. Any such statement may be conclusively relied upon by any lending party or any prospective purchaser or encumbrancer of the Easement Area and/or the Utility Facilities. The failure of Grantor to deliver such statement within such time shall be conclusive upon Grantor that (i) this Agreement is in full force and effect and has not been modified, (ii) there are no uncured events of default, and (iii) the other certifications so requested are in fact true and correct.
- 17. <u>Improvements</u>. Any Utility Facilities and other improvements (collectively "<u>Improvements</u>") constructed or placed on, over, under or within the Easement Area by Grantee or and Assignee shall be owned and remain the sole property of Grantee and/or any Assignees. To the extent permitted by law, Grantor hereby waives any statutory or common law lien that it might otherwise have in or to all Improvements or any part thereof and if such waiver is not enforceable or permitted by law, then Grantor hereby subordinates each such statutory or common law lien to any mortgage from time to time existing against such Improvements or any portion thereof.
- 18. Remedies. Unless the timing of delivery of any obligation is expressly stated herein, default shall occur under this Agreement if the non-performance of any obligation required hereunder remains uncured for more than thirty (30) days after the other Party's written notice thereof is delivered to the non-performing Party; provided, however, that if the obligation cannot reasonably be performed within thirty (30) days after said notice, and the non-performing Party has commenced and diligently pursued performance of its obligation, then the non-performing Party shall have such additional period of time as may be reasonably required to fulfill its obligation but not exceeding one hundred and eighty (180) days after the first notice thereof from the other Party. In the event of default, the non-defaulting Party may, as its sole remedy, prosecute proceedings at law against such defaulting Party to recover damages or court order for the performance of any such default.
- 19. <u>Condemnation</u>. Should title or possession of any of the Easement Area be taken in condemnation proceedings by a government agency or governmental body under the exercise of the right of eminent domain, rendering the remaining portion of either unsuitable for Grantee's use, then the Easement Area shall be relocated to locations to be mutually agreed upon by the Parties and any Assignees (if applicable), provided that the effect on then-existing uses of the Property by Grantor shall be minimized or mitigated to the extent practical. All payments made on account of any taking by eminent domain shall be shared on the basis of the value of the Parties' respective interests and rights in the Property and the use thereof as the Parties shall at that time agree. It is agreed that Grantee and any Assignee(s) shall have the right to participate in any settlement proceedings with the taking agency.

- 20. <u>Controlling Law</u>. This Agreement shall be construed, performed and enforced in accordance with the laws of the State of California, without regard to its conflicts of law principles.
- 21. <u>Severability.</u> Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under the laws of the State of California. If any provision is found to be invalid under the laws of the State of California, it shall be ineffective only to the extent of such invalidity and the remaining provisions of this Agreement shall remain in full force and effect.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the undersigned hereby executes this Agreement under seal the day and year first above written.

GRANTOR:

GZ & VZ LLC, a California limited liability

By:
Name: Title:
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached and not the truthfulness, accuracy, or validity of that document.
STATE OF CALIFORNIA
COUNTY OF
On
Signature
(Seal)

IN WITNESS WHEREOF, the undersigned hereby executes this Agreement under seal the day and year first above written.

the day and year mist above written.	
	GRANTEE:
	DOUBLE BUTTE STORAGE, LLC, a Delaware limited liability company
	By:Name:Title:
STATE OF UTAH	
COUNTY OF SALT LAKE	
The foregoing instrument was ackn , 2022 byauthorized person) of Double Butte Storage, LLC, said company.	owledged before me this day of (name of a Delaware limited liability company, on behalf of
N P. I.V.	
Notary Public Print Name:	
Print Name:My Commission Expires:	

(Official Seal)

Exhibit A

Legal Description of the Property

Real property located in the Township of Menifee, County of Riverside, State of California, more particularly described as follows:

That portion of the Southwest quarter of the Northeast quarter of Section 14, Township 5 South, Range 3West, San Bernardino Base and Meridian, described as follows:

Beginning at the intersection of the northerly line of McLaughlin Road, 60 feet wide, with the easterly line of Palomar Road, 40 feet wide, said roads being shown on the Map of Romola Farms No. 10, recorded in Book 15, Page(s) 29, 30 and 31, of Maps, Records of Riverside County, California;

Thence North 0°10'38" West, on the northerly extension of the easterly line of Palomar Road to the Intersection with the southwesterly rights of way of A.T. and S.F. Railroad; Thence South 53°35'14" East, on said southwesterly rights of way line to a point on the northerly line of said McLaughlin Road; Thence South 89°55'40" West, on said northerly line to the Point of Beginning;

Except that portion lying easterly of the northerly prolongation of the easterly line of Lot 925 of said Romola Farms No. 10;

Also except the South 260 feet.

APN: 331-220-043

Exhibit A-1

Preliminary Depiction of the Easement Area

[DEPICTION TO BE ATTACHED]

Exhibit B

Legal Description of the Easement Area

[LEGAL DESCRIPTION TO BE ATTACHED]

Exhibit B (continued)

Depiction of the Easement Area

[DEPICTION TO BE ATTACHED]

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EXHIBIT D

FORM MEMORANDUM OF OPTION AGREEMENT

[Memorandum follows on next page]

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<u>Prepared By and After Recording Return</u> <u>to</u>:

Double Butte Storage, LLC c/o AES Clean Energy 2180 South 1300 East, Ste 500 Salt Lake City, Utah 84106 Attn: Real Estate Manager

APN 331-220-043

MEMORANDUM OF ACCESS AND UTILITY EASEMENT OPTION AGREEMENT

THIS MEMORANDUM OF ACCESS AND UTILITY EASEMENT OPTION AGREEMENT (this "Memorandum") is made and entered into as of December 7, 20223 ("Effective Date"), by and between GZ & VZ LLC, a California limited liability company ("Optionor") and DOUBLE BUTTE STORAGE, LLC, a Delaware limited liability company ("Optionee"), with an address of c/o AES Clean Energy, 2180 South 1300 East, Suite 500, Salt Lake City, Utah 84106.

WITNESSETH:

WHEREAS, Optionor is the sole owner of that certain real property in Township of Menifee, County of Riverside, State of California, identified by APN 331-220-043 (the "Property"), more particularly described on Exhibit A attached hereto;

WHEREAS, Optionor and Optionee entered into that certain Access and Utility Easement Option Agreement dated <u>December 7</u>, 20223 (the "Option Agreement") whereby Optionor granted Optionee an option to acquire an easement on the Property on the terms and conditions set forth in the Option Agreement (the "Option");

WHEREAS, Optionor and Optionee desire to evidence the Option Agreement in the official records maintained by the Office of the Riverside County Clerk and Recorder for the County of Riverside, California by this Memorandum.

NOW, THEREFORE, for good and sufficient consideration acknowledged in the Option Agreement, Optionor has granted Optionee an option to acquire an easement for purposes of ingress and egress, and for installing, operating and maintaining electrical transmission and telecommunication facilities on the Property, with more particular details surrounding the option being as follows:

Section 1. <u>Term</u>. The initial term of the Option Agreement commenced on the Effective Date and expires at 11:59 PM Pacific Time on the first (1st) anniversary of the Effective Date (the "<u>Initial Option Term</u>"). Optionee shall have a single election to extend the Initial Option Term for an additional twelve (12) months (the "<u>Extended Option Term</u>", and together with the Initial Option Term, the "<u>Option Term</u>") by

providing written notice to Optionor at any time prior to the expiration of the Initial Option Term. If Optionee exercises the Option during the Option Term, at any time thereafter, Optionee shall deliver the Deed of Easement Agreement to Optionor, which shall be executed by Optionor and Optionee and recorded in the land records of the county in which the Property is located, and upon such recordation this Memorandum shall automatically terminate and be released from the land records without any further action from Optionor or Optionee.

- Section 2. Option Agreement Incorporation; Purpose of Memorandum. This Memorandum is subject to all conditions, terms and provisions of the Option Agreement, which agreement is hereby adopted and made a part hereof by reference to the same, in the same manner as if all the provisions thereof were set forth herein in full. This Memorandum has been executed for the purpose of recordation in order to give notice of all of the terms, provisions and conditions of the Option Agreement, and is not intended, and shall not be construed, to define, limit, or modify the Option Agreement. This Memorandum is not a complete summary of the Option Agreement, nor shall any provisions of this Memorandum be used in interpreting the provisions of the Option Agreement.
- Section 3. <u>Conflict</u>. In the event of a conflict between the terms of the Option Agreement and this Memorandum, the Option Agreement shall prevail. Reference should be made to the Option Agreement for a more detailed description of all matters contained in this Memorandum.
- Section 4. <u>Counterparts</u>. This Memorandum may be executed in as many counterparts as may be deemed necessary and convenient, and by the different Parties hereto on separate counterparts, each of which, when so executed; shall be deemed an original, but all such counterparts shall constitute one and the same instrument.
- Section 5. <u>Defined Terms</u>. Initially capitalized terms used but not defined herein shall have the meanings set forth in the Option Agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the undersigned hereby executes this Memorandum under seal the day and year in the acknowledgment below.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached and not the truthfulness, accuracy, or validity of that document.

OPTIONOR:

GZ & VZ LLC, a California limited liability company

	By: Name: Marcos Gonez Title: Manager/Member
	Title: Manager/Member
-	 1

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

County of Sacraminto	
On December 7, 2023 before me, Anna Logg and (insert name and title personally appeared Marcos Grows	
who proved to me on the basis of satisfactory evidence to be the person subscribed to the within instrument and acknowledged to me that he/she his/her/their authorized capacity(ies), and that by his/her/their signature(sperson(s), or the entity upon behalf of which the person(s) acted, execute	/they executed the same in s) on the instrument the
I certify under PENALTY OF PERJURY under the laws of the State of Caparagraph is true and correct.	alifornia that the foregoing
WITNESS my hand and official seal.	ANNA LOPEZ Notary Public - California Sacramento County Commission # 2404257 My Comm. Expires May 13, 2026
Signature (Seal)	my semin separately and

IN WITNESS WHEREOF, the undersigned hereby executes this Memorandum under seal the day and year first above written.

OPTIONEE:

DOUBLE BUTTE STORAGE, LLC, a Delaware limited liability company

By:
STATE OF UTAH COUNTY OF SALT LAKE
The foregoing instrument was acknowledged before me this day of, 2022 by (name of authorized person) of Double Butte Storage, LLC a Delaware limited liability company, on behalf of said company.
Notary Public Print Name: My Commission Expires:
(Official Seal)

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Real property located in the Township of Menifee, County of Riverside, State of California, more particularly described as the following:

That portion of the Southwest quarter of the Northeast quarter of Section 14, Township 5 South, Range 3West, San Bernardino Base and Meridian, described as follows:

Beginning at the intersection of the northerly line of McLaughlin Road, 60 feet wide, with the easterly line of Palomar Road, 40 feet wide, said roads being shown on the Map of Romola Farms No. 10, recorded in Book 15, Page(s) 29, 30 and 31, of Maps, Records of Riverside County, California;

Thence North 0°10'38" West, on the northerly extension of the easterly line of Palomar Road to the intersection with the southwesterly rights of way of A.T. and S.F. Railroad; Thence South 53°35'14" East, on said southwesterly rights of way line to a point on the northerly line of said McLaughlin Road; Thence South 89°55'40" West, on said northerly line to the Point of Beginning;

Except that portion lying easterly of the northerly prolongation of the easterly line of Lot 925 of said Romola Farms No. 10;

Also except the South 260 feet.

APN: 331-220-043

EXHIBIT C

FORM OF EASEMENT AGREEMENT

Prepared By and After Recording Return to:

Double Butte Storage, LLC c/o AES Clean Energy 2180 South 1300 East, Suite 500 Salt Lake City, UT 84106 Attn: Real Estate Manager

APN: 331-220-043

THE UNDERSIGNED OPTIONOR(s) DECLARE(s)

DOCUMENTARY TRANSFER TAX is \$_____ Section 8** CITY TAX \$ N/A

□ computed on full value of property conveyed, or □ computed on full value less value of liens or encumbrances remaining at time of sale.

□ Unincorporated area: □ City of Menifee

**This is a conveyance of an easement that is not perpetual, permanent, or for life.

GRANT OF EASEMENT FOR ACCESS AND UTILITY FACILITIES

THIS GRANT OF EASEMENT FOR ACCESS AND UTILITY FACILITIES (this "Agreement") is made as of the last date executed by a party hereto (the "Effective Date") between, GZ & VZ LLC, a California limited liability company ("Grantor"), and DOUBLE BUTTE STORAGE, LLC, a Delaware limited liability company, with an address of c/o AES Clean Energy, 2180 South 1300 East, Suite 500, Salt Lake City, Utah 84106 ("Grantee"). Grantor and Grantee are referred to individually herein as "Party" or collectively referred to herein as "Parties".

RECITALS

WHEREAS, Grantor is the sole owner of certain property located in the Township of Menifee, County of Riverside, State of California, as more particularly described or shown on <u>Exhibit A</u> attached hereto and made part hereof (the "<u>Property</u>"); and

WHEREAS, Grantee desires to receive, and Grantor is willing to grant, an access and utility easement on, over, and across that portion of the Property described and depicted on attached <u>Exhibit B</u> (the "<u>Easement Area</u>"), subject to the terms and conditions set forth below.

AGREEMENT

NOW, THEREFORE AND IN CONSIDERATION of the foregoing Recitals, the mutual benefits to be derived herefrom, and other good and valuable consideration including Ten Dollars in hand paid to Grantor, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

- 1. Grant of Access and Utility Easement. Grantor hereby grants, conveys and warrants to Grantee and its successors and assigns, for the Easement Term (defined below) a nonexclusive one hundred (100) foot wide easement in gross on, along, over, across and through Easement Area for purposes of vehicular and pedestrian access for ingress and egress attendant to developing, installing, constructing, reconstructing, supplementing, augmenting, operating, maintaining, repairing, replacing, upgrading, relocating, inspecting, removing, and otherwise using any of the following at grade and/or overhead facilities for or in connection with one or more solar energy generation projects operated by Grantee and/or one or more of its Assignees (as defined below): (a) electrical transmission facilities including, without limitation, lines of wires, fibers, cables, conduits, tubing, housing, insulation, splice vaults, facilities, equipment, improvements and other appurtenances and elements necessary or desirable for the transmission, collection, storage or interconnection of electrical energy and communications signals and all ancillary and related uses thereto; (b) telecommunication equipment and apparatus, including, but not limited to, fiber optic cables, copper cables, coaxial or other cables through which voice, data, video and other signals are transmitted, and all conduits, inner ducts, splice vaults, optical or electronic equipment, guidewires related thereto; and (c) other appliances, signs, facilities, fixtures, equipment, or improvements used in connection with any of the foregoing, including, without limitation, other conductors and conduits, lines, pads, transformers, switches, cabinets, and vaults (collectively, the "Utility Facilities") on, across and through the Easement Area. Grantor agrees to execute any reasonable amendments to this Agreement or the Easement Area as may be reasonably requested by Grantee to the extent necessary to construct the Utility Facilities.
- 2. <u>Construction Activities</u>. Grantor grants to Grantee a temporary easement in gross on, over, and along the Property up to ten (10) feet on both sides of the Easement Area for the following: (1) to construct and install the Utility Facilities and any other improvements contemplated hereunder, and (2) to store material and equipment during such construction (the "<u>Temporary Construction Easement</u>"). Grantee shall also have the right to cut or take down any portion of any fence or other above-ground structures or vegetation as reasonably necessary to develop, erect, construct, reconstruct, replace, upgrade, remove, maintain, operate and use the Utility Facilities. Upon completion of construction, Grantee shall restore any areas of the Property outside the Easement Area that were disturbed by Grantee, as nearly as is commercially practicable, to the same condition it was in prior to the commencement of construction. Grantee shall notify Grantor of the commencement and completion of any construction.
- 3. <u>Location</u>. The location of the Easement Area and the Temporary Construction Easement shall be confined to specific portions of the Property as preliminarily depiction on Exhibit A-1 attached hereto and made a part hereof. Prior to commencing the start of construction of the Utility Facilities, Grantee shall provide Grantor with a copy of the proposed site plan ("Preliminary Site Plan") showing the preliminary location of the Utility Facilities to be constructed within the Easement Area. Notwithstanding the foregoing, Grantee shall have the right to vary the location of any facilities, structures or improvements from the locations shown on the Preliminary Site Pan as Grantee considers necessary or desirable, provided, however, that Grantee shall not vary the location of the Easement Area by more than fifty (50) feet outside of the Preliminary Site Plan without Grantor's prior written consent, which shall not be unreasonably

withheld, conditioned or delayed. Thereafter, Grantee shall, at Grantee's sole cost and expense, select and engage a professional land surveyor licensed in the State of California to prepare a legal description of the final Easement Area and a plat depicting the locations of the proposed Utility Facility (such legal description and plat hereafter, the "Final Site Plan"). Within ninety (90) days of the completion of construction of the Utility Facilities, Grantee shall update the Final Site Plan based on the as built location of the Utility Facilities along with the legal description for the Easement Area. Following the completion of construction and the updated Final Site Plan, Grantee shall prepare an executable amendment to this Agreement, which shall memorialize the final Easement Area, and Grantor shall review and approve the amendment within ten (10) business days from receipt of the executable amendment. The amendment shall be recorded in the Office of the Riverside County Clerk and Recorder for the County of Riverside, California, at Grantee's sole expense.

- 4. Access. Grantee shall also have the right of pedestrian and vehicular ingress and egress to and from Utility Facilities (whether located on the Property or elsewhere), over and along the Property by means of roads and lanes thereon if existing, or otherwise by such route or routes as Grantee may construct from time to time, as well as the right to maintain and improve such roads and lanes.
- 5. <u>Term and Termination</u>. The term of this Agreement (the "<u>Easement Term</u>") shall commence on the Effective Date and continue for so long as the Grantee, its successors or assigns, or any Assignees, utilize and maintain the Utility Facilities. Upon the expiration or earlier termination of this Agreement, Grantee shall, at Grantor's request, file a notice of termination in the real property records of the county in which the Property is located, and restore the surface of the Property, as nearly as is commercially practicable, to the same condition it was in prior to the commencement of construction. At the termination of this Agreement, and extending for a reasonable time thereafter, Grantee shall have the right to remove the Utility Facilities from the Property.
- 6. Assignment; Separate Grants. Grantee may sell, convey, lease or assign, in whole or in part, to one or more persons or entities (each, an "Assignee"), any or all of its rights under this Agreement in and to any portion or all of the Easement Area (collectively, "Easement Rights") (any sale, conveyance, lease or assignment of Easement Rights being referred to herein as an "Assignment"). Grantee also may duplicate any Easement Rights by granting to one or more persons or entities (each, an "Additional Grantee") any number of subeasements, co-easements, separate easements, licenses or similar rights with respect to the Easement Area and this Agreement (each, a "Duplicate Grant"). Grantee may make any Assignment or Duplicate Grant without the consent of Grantor and without any Assignee or Additional Grantee being required to obtain a separate grant of rights from Grantor, provided that (i) any such Assignment or Duplicate Grant shall be consistent with the types of uses permitted herein and shall be subject to the terms, conditions and obligations set forth in this Agreement, and (ii) promptly following the request of the Grantee, Grantor shall execute in favor of any Additional Grantee a Duplicate Grant so long as it complies with the terms of this Section. In furtherance of the foregoing, Grantor hereby grants to Grantee a durable and irrevocable power of attorney coupled with an interest, for the sole purpose of executing and recording any such Duplicate Grant in the name of Grantor. Any such Assignment or Duplicate Grant may by its terms allow the construction, maintenance, and

operation of additional Utility Facilities within the Easement Area. No Assignment or Duplicate Grant, nor the subsequent use of the Easement Area by Grantee and one or more Assignees or Additional Grantees, shall constitute an overburden of the Easement Area or the Easement Rights. In the event of a Duplicate Grant, Grantee shall have no liability with respect to any default by the Additional Grantee(s) thereunder. Any total Assignment by Grantee of all of its interests in this Agreement shall release Grantee from all obligations accruing under this Agreement after the date that liability for such obligations is assumed by the Assignee. This Agreement and the rights created herein with respect to Assignments and Duplicate Grants shall inure to the benefit of, and be binding upon, Grantor and Grantee and their respective transferees, legal representatives, heirs, successors and assigns and all persons claiming under them. For the avoidance of doubt, any lien encumbering the Property and arising after the date of this Agreement (each, a "Subsequent Lien") shall be subject not only to this Agreement but also to the Easement Rights of both any Assignees pursuant to one or more Assignments and any Additional Grantees pursuant to one or more Duplicate Grants, regardless of whether such Assignments or Duplicate Grants are executed and recorded before or after such Subsequent Lien.

- 7. <u>Costs</u>. All costs and expenses incident to the development, erection, construction, reconstruction, replacement, upgrade, removal, maintenance, operation and use of the Utility Facilities shall be borne by Grantee.
- 8. <u>Interference</u>. Grantor shall not construct or place any buildings, structures, plants, or other obstructions on the Property which would result in the violation of the minimum clearance requirements of the National Electric Safety Code (the "Code") or would interfere with the operation and maintenance of the Utility Facilities. Grantor shall not excavate within fifty (50) feet of any portion of the Utility Facilities under the surface, including but not limited to, wires, cables, guys, anchors, poles, towers, foundations, and footings or undertake or permit any action near or underneath the Utility Facilities that undermines or otherwise adversely affects their stability, operation and usability. Grantee shall have the right, without compensation to Grantor, to cut, prune and remove or otherwise dispose of any foliage or vegetation on or near the Easement Area that Grantee deems a threat or potential threat to the Utility Facilities. Grantor shall retain the right to practice normal and customary agriculture and commercial uses of the Property, so long as the activities do not undermine or adversely affect Grantee's rights under this Agreement.
- 9. <u>Grantor's Representations and Warranties</u>. The Grantor hereby represents, warrants and covenants to the Grantee:
- a. Environmental Matters. The Grantor represents and warrants to the Grantee that, to the Grantor's actual knowledge, and except as disclosed to the Grantee in writing, that the Easement Area is (a) not subject to, and the Grantor has no notice of, any judicial or administrative action, investigation or order under any "Environmental Law" (as defined below), (b) free of all reportable levels of "Hazardous Materials" (as defined below), (c) free of any abandoned wells, solid waste disposal sites and underground storage tanks, and (d) not in violation of any Environmental Law. For purposes hereof, the term "Environmental Law" means all state, federal, or local laws, statutes, ordinances, rules, regulations or orders pertaining to health or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA") and the Resource Conservation and

Recovery Act of 1976 ("RCRA"), as each may be amended, supplemented, expanded or replaced from time to time; and the term "Hazardous Material" means (1) any substance, the presence of which requires investigation, remediation, or other response or corrective action under Environmental Law, or (2) any substance which is or hereafter becomes defined as a hazardous waste, hazardous substance, extremely hazardous substance, hazardous material, hazardous matter, hazardous chemical, toxic substance, toxic chemical, pollutant or contaminant, or other similar term, in or pursuant to any Environmental Law, or (3) any asbestos or asbestos-containing material, PCBs or equipment or articles containing PCBs, petroleum, diesel fuel, gasoline or other petroleum hydrocarbons.

b. Indemnification. If the Grantor or its successors and assigns breaches a warranty or representation herein, or if a release of a Hazardous Material is caused, exacerbated, or permitted by the Grantor or the Grantor's agent, employee or contractor and results in contamination of the Easement Area, and except to the extent such release is caused or exacerbated by the Grantee or its agents, employees or contractors, then the Grantor shall, and hereby agrees to, indemnify, defend, protect and hold the Grantee, and the Grantee's employees, agents, partners, members, officers and directors, harmless from and against any and all claims, actions, suits, proceedings, losses, costs, damages, liabilities (including, without limitation, sums paid in settlement of claims), deficiencies, fines, penalties or expenses (including, without limitation, reasonable attorneys' fees and consultants' fees, investigation and laboratory fees, court costs and litigation expenses) which arise during or after and as a result of such breach or contamination. This indemnity shall include, without limitation, and the Grantor shall pay all costs and expenses relating to, (a) any claim, action, suit or proceeding for personal injury (including sickness, disease or death), property damage, nuisance, pollution, contamination, spill or other effect on the environment, (b) any investigation, monitoring, repair, clean-up, treatment or detoxification of the Easement Area, which may be required by law; and (c) the preparation and implementation of any closure plan, remediation plan or other required action in connection with the Easement Area. In the event there is more than one Grantor under this Agreement, any and all obligations of each Grantor hereunder shall be joint and several for any and all obligations of the Grantor, and the Grantee may seek redress from any one Grantor for the full amount of indemnification set forth hereunder.

c. <u>Cooperation</u>. Grantor shall cooperate with Grantee, but at no out-of-pocket expense to the Grantor, in obtaining permits, signing documents requested by the Grantee, helping the Grantee with obtaining signatures of any of the Grantor's grantees, and lenders, and any other documents or agreements reasonably required to protect the Grantee's rights under this Agreement. In the event the Property is subject any mortgage, deed of trust, or is subject to any other lien which is monetary in nature, Grantor agrees to obtain, in collaboration with and at no cost to Optionee, a subordination of such liens to this Agreement or a consent and non-disturbance agreement establishing that such lienholders have agreed not to disturb the Utility Facilities and that the rights of Grantee or any other Assignees shall not be extinguished, terminated, or otherwise adversely impacted by such lienholder's exercise of any rights it may have in and to the Property.

10. <u>Grantee's Representations and Warranties</u>. Grantee hereby represents, warrants and covenants to the Grantor:

- a. <u>Indemnification</u>: Grantee shall save and hold harmless and indemnify Grantor, its officers, partners, agents, contractors and employees, from and against all losses, damages, expenses, claims, demands, suits and actions for all claims for personal injuries and property damage on the Property caused by the negligence or willful misconduct of Grantee, its officers, partners, agents, contractors and employees.
- b. <u>Insurance</u>. At all times during the term of this Agreement, Grantee shall obtain, maintain and keep in full force and effect, commercial general liability insurance covering the exercise of Grantee's rights hereunder with a limit of at least \$1,000,000 for each occurrence.
- c. <u>Hazardous Materials</u>. Subject to Section 6 herein, Grantee covenants and agrees that it (a) shall not use, store, dispose of or release on the Property or (b) cause or permit to exist or be used, stored, disposed of or released on the Property as a result of the Grantee's operations, any Hazardous Material, except in such quantities as may be required in its normal business operations and only if such use is in full compliance with all Environmental Laws applicable at the time of use.
- d. Hazardous Materials Indemnification. If Grantee breaches its warranty or representation in Section 10(c) above, or if a release of a Hazardous Material is caused. exacerbated, or permitted by the Grantee or its agents, employees or contractors and results in contamination of the Property, and except to the extent such release is caused or exacerbated by the Grantor or its agents, employees or contractors, then the Grantee shall indemnify, defend, protect and hold the Grantor, and the Grantor's employees, agents, partners, members, officers and directors, harmless from and against any and all claims, actions, suits, proceedings, losses, costs, damages, liabilities (including, without limitation, sums paid in settlement of claims), deficiencies, fines, penalties or expenses (including, without limitation, reasonable attorneys' fees and consultants' fees, investigation and laboratory fees, court costs and litigation expenses) which arise during or after and as a result of such breach or contamination. This indemnity shall include, without limitation, and the Grantee shall pay all costs and expenses relating to, (a) any claim, action, suit or proceeding for personal injury (including sickness, disease or death), property damage, nuisance, pollution, contamination, spill or other effect on the environment, (b) any investigation, monitoring, repair, clean-up, treatment or detoxification of the Property which may be required by law; and (c) the preparation and implementation of any closure plan, remediation plan or other required action in connection with the release of a Hazardous Material by the Grantee, or a Grantee agent, employee or contractor on the Property.
- 11. Requirements of Governmental Agencies. Grantor and Grantee shall comply in all material respects with all valid laws applicable to their activities on the Easement Area, but shall have the right, in their sole discretion and at their sole expense, to contest the validity or applicability of any law, ordinance, order, rule, request or regulation of any governmental agency or entity that is applicable to their activities. The contesting Party shall control any such contest and the non-contesting Party shall cooperate with the contesting Party in every reasonable way in such contest, at no out-of-pocket expense to the non-contesting Party, provided however that the Grantor hereby agrees and covenants not to take any action which would impair, impede or diminish the Grantee's use of the rights granted to the Grantee hereunder.

- 12. <u>Mechanics' and Construction Liens</u>. Neither the Grantor nor the Grantee shall permit any mechanics' or construction liens to be filed against the Property or the Grantee's interest in the Property. The Party whose actions resulted in the lien may contest such lien, so long as within sixty (60) days after it receives notice of the lien, that Party shall provide a bond or other security as the other Party may reasonably request, or otherwise remove such lien from the Property pursuant to applicable law.
- 13. <u>Taxes</u>. The Grantor shall pay all real property taxes applicable to the Property. The Grantee shall pay any personal property taxes, if any, directly attributable to the Utility Facilities installed by the Grantee within the Easement Area.
- 14. <u>Notices</u>. Any notice required or permitted by this Agreement shall be given by: (i) hand delivery; (ii) certified mail, return receipt requested (which shall be deemed given as of the date deposited in the United States mail); or (iii) overnight delivery (which shall be deemed given as of the date deposited with the overnight delivery service) to the addresses below, or to such other address specified in writing by the Parties herein, and their respective successors and assigns:

If to Grantor:

GZ & VZ LLC C/O Legal 950 Iron Point Road, Suite 210 Folsom, California 95630

Attention: Legal____

Email: legal@zemogllc.com

If to Grantee:

Double Butte Storage, LLC c/o AES Clean Energy
Attn: Real Estate Manager
2180 South 1300 East, Suite 500
Salt Lake City, UT 84106
Email: landlegalnotices@aes.com

- 15. <u>Modification</u>. This Agreement shall not be modified or amended except in writing by an instrument duly executed by Grantor and Grantee.
- 16. Estoppel Certificate. Within ten (10) days from receiving written notice from Grantee or any Assignee, Grantor shall execute, acknowledge and deliver a statement in writing (i) certifying that this Agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Agreement, as so modified, is in full force and effect) and the date to which any payment hereunder has been paid (ii) acknowledging that there are not, to Grantor's knowledge, any uncured events of default on the part of Grantee hereunder, or specifying such uncured events of default if any are claimed, and (iii) containing any other certifications as may be reasonably requested. Any such statement may be conclusively

relied upon by any lending party or any prospective purchaser or encumbrancer of the Easement Area and/or the Utility Facilities. The failure of Grantor to deliver such statement within such time shall be conclusive upon Grantor that (i) this Agreement is in full force and effect and has not been modified, (ii) there are no uncured events of default, and (iii) the other certifications so requested are in fact true and correct.

- 17. <u>Improvements</u>. Any Utility Facilities and other improvements (collectively "<u>Improvements</u>") constructed or placed on, over, under or within the Easement Area by Grantee or and Assignee shall be owned and remain the sole property of Grantee and/or any Assignees. To the extent permitted by law, Grantor hereby waives any statutory or common law lien that it might otherwise have in or to all Improvements or any part thereof and if such waiver is not enforceable or permitted by law, then Grantor hereby subordinates each such statutory or common law lien to any mortgage from time to time existing against such Improvements or any portion thereof.
- 18. Remedies. Unless the timing of delivery of any obligation is expressly stated herein, default shall occur under this Agreement if the non-performance of any obligation required hereunder remains uncured for more than thirty (30) days after the other Party's written notice thereof is delivered to the non-performing Party; provided, however, that if the obligation cannot reasonably be performed within thirty (30) days after said notice, and the non-performing Party has commenced and diligently pursued performance of its obligation, then the non-performing Party shall have such additional period of time as may be reasonably required to fulfill its obligation but not exceeding one hundred and eighty (180) days after the first notice thereof from the other Party. In the event of default, the non-defaulting Party may, as its sole remedy, prosecute proceedings at law against such defaulting Party to recover damages or court order for the performance of any such default.
- 19. <u>Condemnation</u>. Should title or possession of any of the Easement Area be taken in condemnation proceedings by a government agency or governmental body under the exercise of the right of eminent domain, rendering the remaining portion of either unsuitable for Grantee's use, then the Easement Area shall be relocated to locations to be mutually agreed upon by the Parties and any Assignees (if applicable), provided that the effect on then-existing uses of the Property by Grantor shall be minimized or mitigated to the extent practical. All payments made on account of any taking by eminent domain shall be shared on the basis of the value of the Parties' respective interests and rights in the Property and the use thereof as the Parties shall at that time agree. It is agreed that Grantee and any Assignee(s) shall have the right to participate in any settlement proceedings with the taking agency.
- 20. <u>Controlling Law</u>. This Agreement shall be construed, performed and enforced in accordance with the laws of the State of California, without regard to its conflicts of law principles.
- 21. Severability. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under the laws of the State of California. If any provision is found to be invalid under the laws of the State of California, it shall be ineffective only to the extent of such invalidity and the remaining provisions of this Agreement shall remain in full force and effect.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the undersigned hereby executes this Agreement under seal the day and year first above written.

GRANTOR:

GZ & VZ LLC, a California limited liability

				By:		- Interior	
				Name:			
				Title:			
A notary public or overifies only the ider document to which the truthfulness, accuracy,	ntity of the his certification or validity of the ORNIA	individual te is attacl f that docur	who sign	rtificate			
COUNTY OF							
On		befo	ore me				
(insert name	and	title	of			personally	
basis of satisfactory instrument and ackn capacity(ies), and the upon behalf of whice PERJURY under the WITNESS my hand	owledged at by his/ h the person laws of the	to me that her/their son(s) acted te State of	t he/she/ signature d, execu	s) whose they exec e(s) on th ted the in	name(s) is/ cuted the san e instrumen strument. I	ne in his/her/thei t the person(s), opertify under PE	o the within r authorized or the entity NALTY OF
Signature					(S	eal)	

IN WITNESS WHEREOF, the undersigned hereby executes this Agreement under seal the day and year first above written.

the day and	year first above written.	
		<u>GRANTEE</u> :
		DOUBLE BUTTE STORAGE, LLC, a Delaware limited liability company
		By: Name: Title:
STATE OF	UTAH	
COUNTY	OF SALT LAKE	
The authorized posaid company	, 2022 by erson) of Double Butte Stor	was acknowledged before me this day of (name of rage, LLC, a Delaware limited liability company, on behalf of
Notary Publ	ic	·
Print Name:		
My Commis	sion Expires:	

(Official Seal)

Exhibit A

Legal Description of the Property

Real property located in the Township of Menifee, County of Riverside, State of California, more particularly described as follows:

That portion of the Southwest quarter of the Northeast quarter of Section 14, Township 5 South, Range 3West, San Bernardino Base and Meridian, described as follows:

Beginning at the intersection of the northerly line of McLaughlin Road, 60 feet wide, with the easterly line of Palomar Road, 40 feet wide, said roads being shown on the Map of Romola Farms No. 10, recorded in Book 15, Page(s) 29, 30 and 31, of Maps, Records of Riverside County, California;

Thence North 0°10'38" West, on the northerly extension of the easterly line of Palomar Road to the Intersection with the southwesterly rights of way of A.T. and S.F. Railroad; Thence South 53°35'14" East, on said southwesterly rights of way line to a point on the northerly line of said McLaughlin Road; Thence South 89°55'40" West, on said northerly line to the Point of Beginning;

Except that portion lying easterly of the northerly prolongation of the easterly line of Lot 925 of said Romola Farms No. 10;

Also except the South 260 feet.

APN: 331-220-043

Exhibit A-1

Preliminary Depiction of the Easement Area

[DEPICTION TO BE ATTACHED]

$\underline{\textbf{EXHIBIT B}}$ Preliminary Depiction of Easement Area

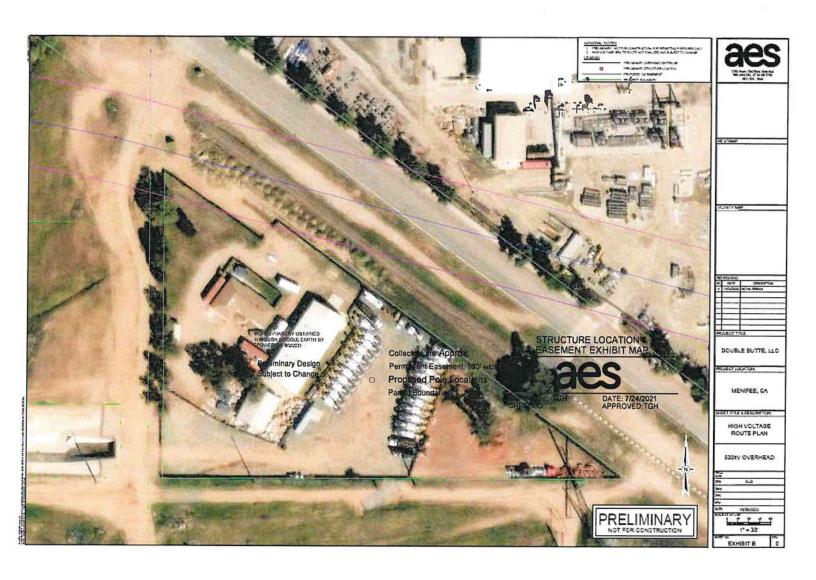


Exhibit B

Legal Description of the Easement Area

[LEGAL DESCRIPTION TO BE ATTACHED]

EXHIBIT 'A' 120' GEN-TIE EASEMENT OVER DOC. NO. 2022-0342651 O.R.

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN SECTION 14, TOWNSHIP 5 SOUTH, RANGE 3 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF MENIFEE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEING A PORTION OF THAT PARCEL OF LAND DESCRIBED IN THE GRANT DEED, RECORDED AUGUST 2, 2022 AS DOCUMENT NUMBER 2022-0342651, RIVERSIDE COUNTY OFFICIAL RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHWESTERLY RIGHT OF WAY OF THE LANDS OF RIVERSIDE COUNTY TRANSPORTATION COMMISSION, DESCRIBED AS PARCEL 41 IN THAT GRANT DEED RECORDED FEBRUARY 4, 2015 AS DOCUMENT NUMBER 2015-0044007, RIVERSIDE COUNTY OFFICIAL RECORDS, WITH THE EASTERLY RIGHT OF WAY OF PALOMAR ROAD;

THENCE ALONG SAID SOUTHWESTERLY RIGHT OF WAY, SOUTH 53° 35' 10" EAST, 224.50 FEET;

THENCE LEAVING SAID SOUTHWESTERLY RIGHT OF WAY, NORTH 75° 23' 41" WEST, 186.44 FEET TO A POINT ON THE EASTERLY LINE OF PALOMAR ROAD;

THENCE ALONG THE EASTERLY LINE OF PALOMAR ROAD, NORTH 0° 10' 00" WEST, 86.26 FEET TO THE **POINT OF BEGINNING**.

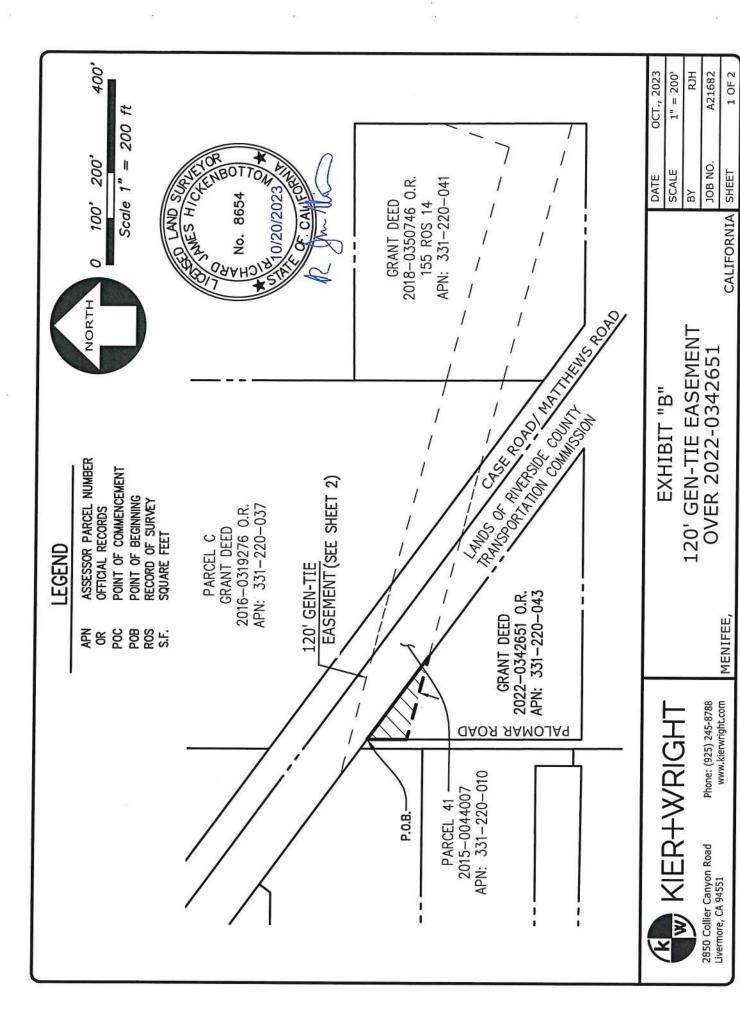
CONTAINING 7,775 SQUARE FEET OR 0.1785 ACRES OF LAND, MORE OR LESS.

KIER & WRIGHT CIVIL ENGINEERS & SURVEYORS, INC.

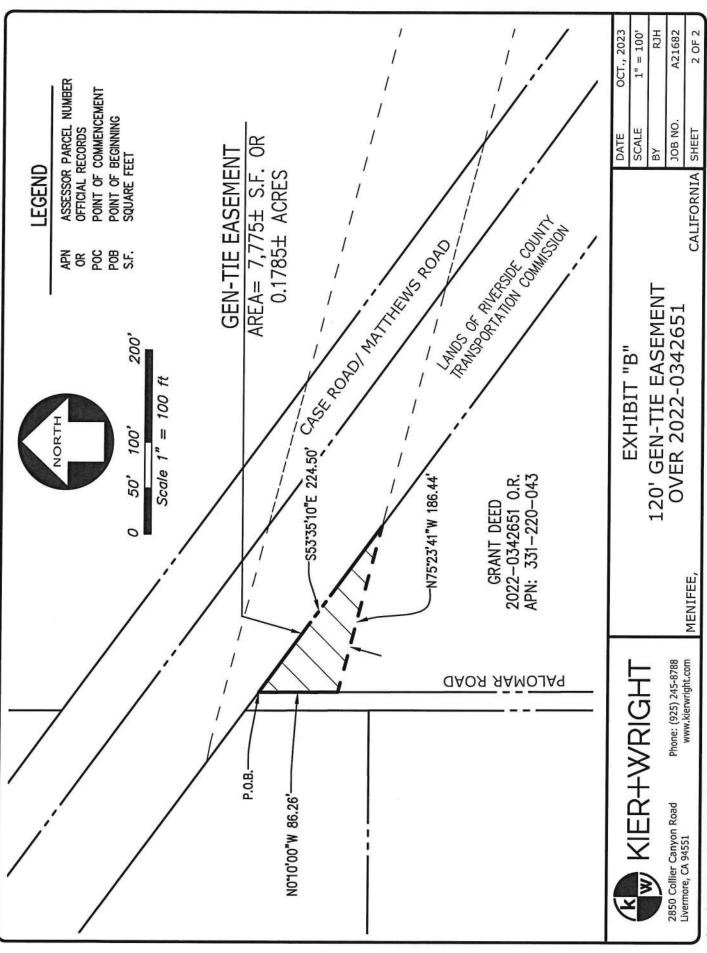
RICHARD JAMES HICKENBOTTOM, P.L.S. 8654

10/20/2023

DATE



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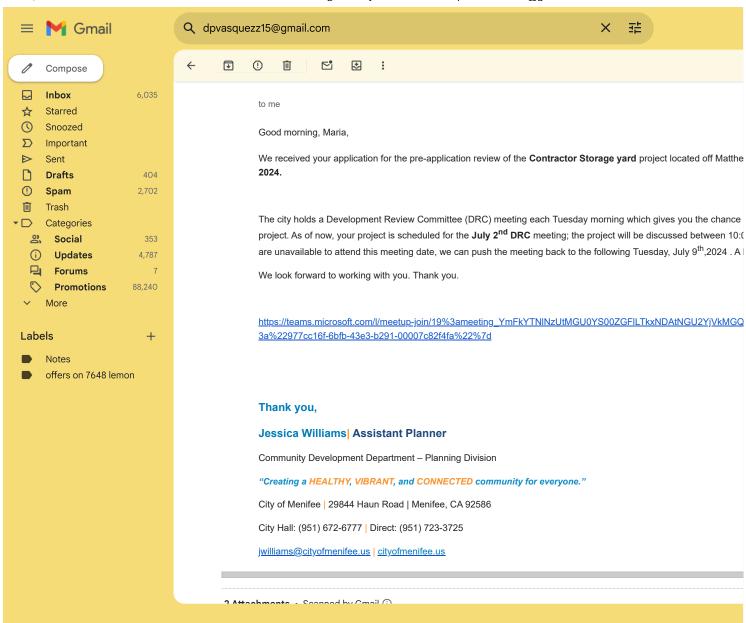


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-2-CITY VIOLATIONS

Including a notice sent by the city of Menifee's code enforcement.

Note that the city has allowed tenants to continue operations as long as ownership started the entitlement process.





Chris Karrer, Chief of Police

NOTICE OF VIOLATION CONFIDENTIAL

March 21, 2024

GZ & VZ 401 W FOURTH ST SAN BERNARDINO, CA 92401 RE:

26420 PALOMAR RD

APN:

331-220-043 CE-24-0227

Officer:

Officer Diaz

To Whom It May Concern:

An inspection of the above referenced property was conducted on **March 20, 2024**. In an effort to improve and restore the community, the City of Menifee is actively enforcing the Menifee Municipal Codes. According to available records, you are listed as an owner or other interested party regarding this property. This Notice of Violation is submitted to you, requesting your cooperation in correcting the violations below.

The following violations were observed during the property inspection, it is necessary to perform the corrective action(s) before the Compliance Date. Another inspection will be conducted on or immediately after the compliance date to verify compliance.

Code Section	Violation Detail & Corrective Action Needed	Compliance Date
MMC § 9.135.030 ; BP (Business Park/Light Industrial) - Illegal Land Use	APPROVAL REQUIREMENTS REQUIRED. MENIFEE CITY PLANNING DEPARTMENT APPROVAL AND COMPLETED CONDITIONS ARE NECESSARY PRIOR TO CONDUCTING THIS USE. CONTACT THE PLANNING DEPARTMENT AT 951-672-6777 FOR FURTHER INFORMATION.	April 3, 2024
	NOT AN ALLOWED USE. THIS USE IS PROHIBITED WITHIN THE ZONE.	
MMC § 5.01.030 - Business Registration or Business License Required	(A) Unless otherwise exempt, every person conducting or carrying on a business as defined in this chapter anywhere in the city shall conform to all provisions of this code, including without limitation conformity with the Menifee General Plan and zoning ordinance and do one of the following: (1) If the business is a home occupation, register with the city; or (2) If the business is not a home occupation or is a home occupation subject to additional licensing as specified in this chapter, obtain a business license. (B) File the appropriate forms with the city, pay the applicable fee (including an inspection fee where required). (C) A separate business license shall be obtained for each physical location (including branch establishments) of a business.	April 3, 2024
MMC § 5.01.200 - Unlawful Business	No business license issued pursuant to this chapter shall be construed as authorizing the conduct of or continuance of any occupation, use or activity of any kind which is prohibited by this municipal code, state or federal law or regulation. - The city business license or registration issued for this property is invalid IMMEDIATELY CEASE conducting a business within the City of Menifee, until all applications, permits, and licenses or registrations are approved.	April 3, 2024
MMC § 11.20.020(A)31 Commercial Vehicle Parking	It hereby is declared to be a PUBLIC NUISANCE for any person owning, leasing, occupying or having charge or possession of any premises in the city to maintain the premises in a manner that any of the following conditions exist in, on or around the premises: (31) Except as otherwise provided for in Chapter 12.20, any commercial or construction vehicle, or towed commercial or construction equipment, parked on private property or on public right-of-way. The term	April 3, 2024

	commercial or construction vehicle and/or equipment includes, but is not necessarily limited to, utility body trucks, farming and construction tractors, construction vehicles and towed equipment, semi-truck tractors, semi-truck trailers, dump trucks, step van delivery trucks or any parts or apparatus of any of the above. This section shall not apply when the vehicle or equipment is actively being used under an active building permit for the property upon which the vehicle or equipment is found.	
MMC § 9.185.040 § 9.185.040 - General Development Standards.	A. Architectural Compatibility. Walls, fences, and architectural screening elements shall be compatible with the architectural treatment of the primary building on the parcel and shall meet all standards applicable to the Zone unless otherwise modified by this chapter.	April 3, 2024
	B. Visibility. No wall, fence, or landscaping element shall interfere with intersection visibility or line of sight or other safety issue.	
	C. Blank Walls Prohibited. Blank walls are prohibited. Where screening or security walls (excluding wrought iron fences) are located within 10 feet of a public ROW, landscaping shall be provided between the wall and the ROW to a minimum height of 42 inches to minimize opportunities for crime and unsafe conditions.	
	D. Permitted Materials. Approved materials include wood, plexi-glass, vinyl, stone, masonry, brick, block, stucco, wrought iron, and concrete. Where opaque walls are required, they shall be constructed of brick, split-face block, stone, or frame-stucco.	
	E. Prohibited Materials.	
	1. Barbed, razor, concertina, corrugated metal and plastic, tarps, and electrified wire of any kind or configuration is prohibited in all Zones, except as modified by section 9.185.040.E.2 below.	
	2. Woven wire, barbed wire, or electrified fencing may be permitted in the front and side yards of all Agricultural (A) zones only if needed to secure livestock and/or horses; maximum height not to exceed six feet.	
	3. Chain-link fencing and similar materials are prohibited along any public ROW regardless of setback, except for temporary construction fencing (9.185.040.C). Where chain-link fencing is used, it shall not be visible from the public ROW. This standard shall apply to all zones except Agricultural (A) zones.	
	F. Maintenance. Fences and walls shall be constructed of new material and shall be maintained in a state of good repair. Any dilapidated, dangerous, or unsightly fences or walls shall be repaired or removed.	
	G. Maximum Height. The height of all walls, fences, and architectural screening elements shall be measured from the finished grade of the property to the highest point of the element.	
	1. Table 9.185.040-1 establishes the maximum wall/fence heights by Zone.	
	2. Where additional height is needed based on security or specific site operating requirements, additional wall/fence height may be approved by the Community Development Director, subject to evaluation of adjacencies and necessity.	
	3. Hedges or other screening vegetation, excluding trees, shall not exceed the maximum height of walls permitted in the zone.	
CBC § 105.1 Permit(s) Permits Required	No person shall construct, erect, enlarge, alter, repair, move, improve, demolish, or change the occupancy of a building or structure, or to erect, install, connect, enlarge, alter, repair, remove, convert, or replace any electrical, gas, mechanical or plumbing system, the installation of which is regulated by this code, or to cause, permit, or suffer any such work to be done, without having first obtained a separate and valid for each such building, structure, or system from the building official.	April 3, 2024
	- The property owner shall take immediate action to correct the substandard condition. If necessary, the property owner shall obtain	

permits to rehabilitate the structure(s) and make all necessary corrections. If permits or plans are required, please contact Planning or Building & Safety at (951) 672-6777 for information on obtaining building permits and permitting requirements. All required permits must be obtained, inspected and approved by Building & Safety.

Failure to correct the violations above may result in fines and criminal prosecution, the issuance of a misdemeanor citation, administrative citations, and/or other legal action including abatement proceedings being taken to ensure compliance with the applicable codes. If the city is forced to proceed with abatement proceedings, the owner(s) of record may incur direct costs plus an administrative fee. Any unpaid fines and/or costs will be placed as a lien upon the property or sent to an authorized collection agency.

The City would like to avoid taking any further actions and requests your cooperation in this matter. By acting immediately to correct the violation(s) referenced, you will avoid further action by the city. If you have any questions, please contact Officer Diaz at 951-723-3759 or jodiaz@menifeepolice.org. Please provide the case number CE-24-0227 and the property address. We appreciate your cooperation in this matter.

CORRECTION & ENTITLEMENT ESTIMATES

An estimate done by a local entitlement consultant regarding the actual Cost to remediate all violations and get the site fully entitled to operate as a Contractor's yard along with other uses.

CONFIDENTIAL

Entitlement and Development Process List

July 1, 2024

GZ&VZ LLC

Contact person: Timothy Charshaf

Subject Property: 26420 Palomar Menifee, CA. 92585

APN # 331220020

950 Iron Point Rd. Folsom, CA. 95630 530-903-4255 tac@zmogllc.com

City	of Menifee Jurisdiction Record #:	Application type: (CUP and Major Plot Plar

1st Phase Entitlement

Item	Document type/Plan	Comments	Estimated architect or engineer fee	Estimated completion of report or plan ready for submission review	City fee
1.	Permit consultant	Maria Estrada If the review phase is prolonged for more than 2 years new fees will be assessed.	4,000.00		
2.	CUP Conditional use permit review	Application to be submitted by Maria			16,473.49
3.	Major plot plan	Application to be submitted by Maria			33,932.25
4.	Prelim. Detailed site Plan	Architect needed	14,000.00	30 to 40 working days	
5.	No rise railroad certification	Will request clarification on this item from the city of Menifee			

6.	Preliminary title report	Report needs to be no older than 3 months I can request this from a title company if one is not on hand	400.00		
7.	Topo Boundary	Engineer needed. To be added to the site plan when completed.	3,000.00	15 days	
8.	Edison application for service	Application to be submitted by Maria			
9.	Parcel map	I will request clarification on this. Why is it needed?			
10.	Preliminary landscape plan	A landscaping architect needed. To be added to the site plan when completed.	3,000.00	15 to 30 days	
11.	Preliminary grading	An engineer needed A separate Application submission to be done by Maria Estrada	Between 4,000.00 and 6,000.00	15 to 30 days	2,000.00
12.	Preliminary WQMP	An engineer needed A separate Application submission to be done by Maria Estrada	Between 6,000.00 and 8,000.00	30 to 40 days	4,265.00
13.	Preliminary Hydrology	An engineer is needed A separate Application submission to be done by Maria Estrada	Between 6,000.00 and 8,000.00	30 to 40 days	2,500.00
14.	Preliminary Utility Plan	An engineer is needed. This will be done on the 1 st phase or 2 nd phase if needed.	Between 4,000.00 and 5,000.00	30 to 40 days	

15.	Preliminary fire hydrant plan	An engineer is needed. This will be done on the 1 st or 2 nd phase if needed.	Between 4,000.00 to 6,000.00	30 to 40 working days	
16.	Goe/Soil & infiltration report	An engineer is needed.	Between 3,000.00 and 6,000.00	30 days	
17.	Water will serve letter	Maria will request from the water department			Water dept. fee unknown
18.	Sewer will serve letter	Maria will request from the water department			Water dept. fee unknown
19.	Fire flow letter	Maria will request from water department			
20.	Preliminary Noise study			Between 40 to 60 days	
21.	Tip generation report		Between 3,000.00 and 4,000.00	30 to 40 days	
22.	Traffic study VMT		Between 6,000.00 and 7,000.00	30 to 40 days	
23.	Cultural Resources Report	To be determined by the city during the review if this study is needed.	Between 4,000.00 and 7,000.00	Between 40 to 60 days	
24.	Phase one Environmental		1,600.00	15 days	1,124.00
25.	Air quality report	To be determined by the city during the review if this study is needed.	Between 4,000.00 and 6,000.00		
26.	Air Quality/Greenhou se gas Report	To be determined by the city during the review if this study is needed.	Between 5,000.00 and 7,000.00	30 to 40 days	

					1
27.	Biological Resources Assessment	To be determined by the city during the review if this study is needed.			
28.	MSHCP Consistency Analysis	I will request more information on this. I am not sure what this is. To be determined by the city during the review if this study is needed.			
29.	Paleontological Report	I will request more information on this. I am not sure what this is. To be determined by the city during the review if this study is needed.			
30.	Initial Study	A CEQA consultants to review all studies and reports. To determine if the project will cause adverse environmental effects (EIR). The city will determine if this is needed during the review.	Between 20,000.00 and 29,000	60 to 80 days	
31.	Sprinkler system plans for office and manufactured building	Will be needed at some point. We can wait on this until it is requested.			
32.					
33.					
34.					
35.					

As the review is being done by the city more items will be requested.

2nd Phase Development Construction all preliminary studies and plans will need to be finalized (this will require an additional fee to finalize) and permits pulled (city fees will be determined at the time of permit request).

Item	Document Type/Plan	Comments	Type of consultant needed	Estimated completion time ready for submission for review	Estimated fee Roughly
1.	Permit consultant	New agreement will be submitted for the development phase.			
2.	Final landscape plan				
3.	Final WQMP				
4.	Final Hydrology				
5.	Road dedication and improvement plans	14-foot grant of easement is required to provide a half-width right-of-way of 44 feet at Locust Avenue.			
6.	Development impact fees				

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CURRENT TENANT LEASES

Total rent: \$11,152

• Tenant 1: \$8,652 (lease expires/up for renewal on 6/1/2026)

• Tenant 2: \$2,500 Month to Month

Leases will be provided once escrow opens.