

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 24, 2007

Advice Letter 2826-E

Rose de la Torre
Pacific Gas & Electric
77 Beale Street, Room 1088
Mail Code B10C
San Francisco, CA 94105

Subject: County of Yuba Public Road Easements – Request for Approval under Section 851

Dear Ms. de la Torre:

Advice Letter 2826-E is effective June 24, 2006. A copy of the advice letter and resolution are returned herewith for your records.

Sincerely,

Sean H. Gallagher, Director
Energy Division

REGULATORY RELATIONS	
M Brown	Tariffs Section
R De la Torre	D Poster
B Lam	S Ramaiya
JAN 30 2007	
Return to _____	Records _____
cc to _____	File _____



Brian K. Cherry
Director
Regulatory Relations

77 Beale Street, Room 1087
San Francisco, CA 94105

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

415.973.4977
Internal: 223.4977
Fax: 415.973.7226
Internet: BKC7@pge.com

May 10, 2006

Advice 2826-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: County of Yuba Public Road Easements – Request for Approval
under Section 851**

Purpose

Pacific Gas and Electric Company (“PG&E”) submits for filing seeking approval under Public Utilities Code § 851 to grant the County of Yuba (the “County”) three easements for public access over PG&E property.

Background

PG&E requests Commission approval under Public Utilities Code § 851 to grant to the County three easements to construct, maintain and use major public access roads for subdivision access across PG&E’s electric transmission fee strip property (the “Property”) as part of a subdivision improvement project located in the Olivehurst area of Yuba County (the “Project”) as more specifically provided in the Easement Agreement (“Agreement”) (See Attachment 1). The PG&E property consists of PG&E fee land and the PG&E facilities situated on that land.

In accordance with Resolution ALJ-186, Appendix B, Section III.B, PG&E provides the following information related to the proposed transaction:

(a) Identity of All Parties to the Proposed Transaction:

Pacific Gas and Electric Company
Andrew L. Niven
Peter Van Mieghem
Law Department
P.O. Box 7442
San Francisco, CA 94120

County of Yuba
Kevin Mallen, Director
County of Yuba
Department of Public Works
915 8th Street, Suite 125
Marysville, CA 95911

Telephone: (415) 973-2902
Facsimile: (415) 973-5520
Email: PPV1@pge.com

Telephone: (530) 749-5420
Facsimile: (530) 749-5424
Email: KMallen@co.yuba.ca.us

Ryland Homes
Kristina Davis or Chad Kiltz, Project
Manager
1755 Creekside Oaks Drive #240
Sacramento, CA 95833
Telephone: (916) 648-3100
Email: kdavis@ryland.com

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

The Property consists of approximately 3.7 acres located east of Arboga Road at Ella Road in the Olivehurst area of Yuba County, California and is currently dedicated to PG&E's Bogue Loop 115 kV transmission line corridor. The Property is designated as Assessors Parcel Number 13-370-039 as well as State Board of Equalization Number 135-58-024A, Parcel 2, and with the exception of PG&E's transmission line, is currently vacant and undeveloped.

(c) Intended Use of the Property:

As part of the Thoroughbred Estates residential subdivision project, the County has requested from PG&E three public road easements for the widening of Arboga Road and the construction of two new public roads within PG&E's transmission tower line right-of-way in conjunction with the Thoroughbred Acres Subdivision.

As provided in Exhibit "A" of Attachment 1, Parcel 1 is an easement for a small triangular-shaped parcel that will be used for widening an existing county road (Arboga Road). Parcel 2 is an easement for a public road measuring approximately 84 feet in width and crossing the Property at approximately 90 degrees for the future Eugene Road. Parcel 3 is an easement for a public road measuring approximately 42 feet in width and crossing the Property at approximately 90 degrees for the future Biglow Drive.

Once construction of the road is completed, the County will continue to repair, maintain and use the road for public access. One existing electric transmission tower is located in the easement area at Biglow Drive. A requirement in the easement grant calls for the installation of a flex-beam guardrail to protect the transmission tower from oncoming road traffic. The proposed public streets to be placed within the easement area will include

curbs, gutters, sidewalks, storm drains and water mains. The Project will not interfere with PG&E's existing facilities. Maps of the crossing areas are provided in Exhibit "B" of Attachment 1.

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

As provided for in the Agreement, the County has agreed to pay a one-time fee of Seven Thousand Five Hundred Dollars (\$7,500) for the three easements.

(e) Indication of How Financial Proceeds of the Transaction Will Be Distributed:

The Property in this application is non-depreciable land used for electric transmission service and is currently included in PG&E's rate base. The PG&E electric transmission system is within the control of the California Independent System Operator Corporation and is subject to Federal Energy Regulatory Commission ("FERC") jurisdiction for ratemaking. All costs for PG&E's electric transmission system are now part of FERC ratemaking for transmission service in PG&E's transmission owner cases. In consideration for the easements, the County has agreed to pay PG&E a one-time fee of Seven Thousand Five Hundred Dollars (\$7,500). PG&E will account for the one-time easement fee as Electric Other Operating Revenue. No PG&E property is being sold or disposed of, and as such, there are no changes to PG&E's rate base as a result of the proposed easement. The service provided under the Agreement is an existing service included under T.C.4 in the Company's Advice Letter 2063-G/1741-E.

(f) Sufficient Information and Documentation (Including Environmental Review Information) To Indicate that All Criteria Set Forth in Section II(A) of Resolution ALJ-186 Are Satisfied:

PG&E has provided information in this advice letter to meet the eligibility criteria under the advice letter pilot program. Under the CEQA Checklist, the activity proposed in the transaction will not require environmental review by the CPUC as a lead agency. The proposed transaction will not have an adverse effect on the public interest. In fact, the proposed transaction will serve the public interest because it is part of a larger residential subdivision project serving the housing needs of the County. Payment for the proposed easements is well below the \$5 million threshold set forth for fee property and lease equivalents. Finally, the transaction does not involve the transfer or change in ownership of facilities currently used in utility operations.

(g) Complete Description of any Recent Past (Within the Prior Two Years) or Anticipated Future Transactions that May Appear To Be Related to the Present Transaction:

Not applicable.

(h) For Sales of Real Property and Depreciable Assets, the Advice Letter Shall Include the Original Cost, Present Book Value, and Present Fair Market Value, and a Detailed Description of How the Fair Market Value Was Determined (e.g., Appraisal):

Not applicable.

(i) For Leases of Real Property, the Advice Letter Shall Include the Fair Market Rental Value, and a Detailed Description of How the Fair Market Rental Value Was Determined:

The fair market value for the easements was determined by an appraisal, details of which are provided in Attachment 2.

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

No additional information is readily available, other than what is already included with this filing.

(k) CEQA Checklist

Exemption

(1) Has the proposed transaction been found exempt from CEQA by a government agency?

The proposed transaction was not found exempt from CEQA by the County of Yuba.

(a) If yes, please attach notice of exemption. Please provide name of agency, date of exemption, and state clearinghouse number.

Not applicable.

(b) If no, does the applicant contend that the project is exempt from CEQA? If yes, please identify the specific exemption or exemptions that apply, citing to the applicable CEQA guideline(s).

The County does not contend that the project is exempt from CEQA.

Prior or Subsequent CEQA review

(1) Has the project undergone CEQA review by another government agency? If yes, please identify the agency, the CEQA document that was prepared (EIR, MND, etc.) and its date, and provide one copy of any and all CEQA documents to the Director of the relevant Industry Division with a copy of the advice letter. Be prepared to provide additional copies upon request.

The County has conducted a CEQA review and issued a Mitigated Negative Declaration ("MND"). (See Attachment 3) In the MND, the County concluded that the proposed housing development, and all activities associated with it, will not have any significant adverse impacts on the environment. The MND also identifies and addresses several non-significant impacts, including air quality, water, noise, and transportation and circulation, and determined appropriate mitigation measures. The County voted to adopt the MND and issued Resolution 2004-0007 on May 19, 2004 (See Attachment 4).

(2) Identify any aspects of the project or its environment that have changed since the issuance of the prior CEQA document.

PG&E is not aware of any changes that have occurred since the issuance of the MND and Initial Study.

(3) Identify and provide section and page numbers for the environmental impacts, mitigation measures, and findings in the prior CEQA document that relate to the approval sought from the CPUC.

- Section I: Aesthetics (p.12)
- Section II: Agricultural Resources (p.12)
- Section III Air Quality (p.13)
- Section IV: Biological Resources (p.13)
- Section V: Cultural Resources (p.15)
- Section VI: Geology & Soils (p.15)
- Section VII: Hazards and Hazardous Materials (p.16)
- Section VIII: Hydrology and Water Quality (p.17)
- Section IX: Land Use Planning (p.18)
- Section X: Mineral Resources (p.18)
- Section XI: Noise (p.18)
- Section XII: Population and Housing (p.19)
- Section XIII: Public Services (p.19)
- Section XIV: Recreation (p.20)

- Section XV: Transportation/Traffic (p.20)
- Section XVI: Utilities and Service Systems (p.21)

(4) Does the project require approval by governmental agencies other than the CPUC? If so, please identify all such agencies, and the type of approval that is required from each agency.

The County's environmental determination is final and conclusive on the Commission. (CEQA Guidelines, § 15050(c).) A duplicative environmental review by the Commission would be inconsistent with the CEQA's mandates, frustrate the goal of administrative efficiency, and thus fail to serve the public interest. Therefore, while the Commission, as a Responsible Agency, must review and consider the environmental documents prepared by the County, the Commission need not perform an independent CEQA review as part of this Section 851 review.

Need CEQA?

If no exemption is applicable, and no prior review has occurred, please identify what applicant believes is the correct level of CEQA review.

Not Applicable.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than 30 days after the date of this filing, which is **June 9, 2006**. Protests should be mailed to:

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

Facsimile: (415) 703-2200
E-mail: jjr@cpuc.ca.gov and jjn@cpuc.ca.gov

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

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

Pacific Gas and Electric Company
Attention: Brian Cherry
Director, Regulatory Relations

77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

Effective Date

Pursuant to the review process outlined in Resolution ALJ-186, PG&E requests that this advice filing become effective on **June 24, 2006**, which is 45 calendar days after the date of filing.

Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list. Address changes should be directed to Rose de la Torre at (415) 973-4716. Advice letter filings can also be accessed electronically at:

<http://www.pge.com/tariffs>



Director, Regulatory Relations

Attachments 1-4. (Note: Attachment 3, The County of Yuba "Mitigated Negative Declaration for Tentative Subdivision Tract Map TSTM2003-0037 (Lanza/MHM)," is being provided to Commission staff as hard copy only. It is also available online at: <http://www2.co.yuba.ca.us/Attachments/Projects/TSTM2003-0037/TSTM2003-041027.PDF>.)

cc: Service List - GO 96-A
ALJ Peter V. Allen, CPUC
ALJ Lynn Carew, CPUC
Andrew Barnsdale, CPUC – Energy Division
Junaid Rahman, CPUC – Energy Division
Brewster Fong, ORA
Kevin Mallen, County of Yuba
Kristina Davis, Ryland Homes

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Bernard Lam

Phone #: (415) 973-4878

E-mail: bxlc@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **2826-E**

Subject of AL: County of Yuba Public Road Easements – Request for Approval under Section 851

Keywords (choose from CPUC listing): Section 851

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

ALJ-186

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: N/A

Summarize differences between the AL and the prior withdrawn or rejected AL¹: _____

Resolution Required? Yes No

Requested effective date: **June 24, 2006**

No. of tariff sheets: N/A

Estimated system annual revenue effect: (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting). N/A

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests and all other correspondence regarding this AL are due no later than 30 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.,

San Francisco, CA 94102

jjr@cpuc.ca.gov and jnj@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Brian K. Cherry

Director, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

¹ Discuss in AL if more space is needed.

Advice 2826-E

Attachment 1

LD 2114-04-0455

Road Easement, Arboga Road area

RECORDING REQUESTED BY AND RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY

Attention: Land Agent

350 Salem Street

Chico, CA 95928

Location: City/Uninc _____

Recording Fee \$0.00 (Government Code Section 27383)

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

Signature of declarant or agent determining tax

(APN 13-37-39, being a portion of SBE Parcel No. 135-58-024A, Parcel 2)

EASEMENT AGREEMENT

(Road Easements to County of Yuba)

This Easement Agreement ("**Agreement**") is made and entered into this _____ day of _____, 200____ (the "**Effective Date**") by **PACIFIC GAS AND ELECTRIC COMPANY**, a California corporation, hereinafter called "**PG&E**", and **COUNTY OF YUBA**, a political subdivision of the State of California, hereinafter called "**Grantee**."

RECITALS

A. PG&E owns certain real property within the County of Yuba, State of California, (State Board of Equalization No. 135-58-024A, Parcel 2) and more particularly described as the parcel of land situate in the southwest quarter of Section 8, Township 14 North, Range 4 East, MDB&M (hereinafter, the "**Property**").

B. Ryland Homes, a Delaware corporation the ("**Developer**"), is currently constructing a residential development on real property located adjacent to the Property (the "**Development**"). In connection with the Development and Grantee's approval of the Development, Grantee desires easements across the Property for the purposes of installing roads for access to and from the Development and the widening of an existing County Road. Accordingly, the Developer and Grantee have requested that PG&E grant three easements for the grading, construction, installation, and maintenance of paved roadways, curbs, gutters, sidewalks, sewer mains, water lines, public utility easements and landscaping on a portion of the Property.

C. PG&E is willing to grant such easement on the terms and subject to the conditions set forth herein.

Now, therefore, in consideration of the Developer's agreement to pay the sum of Seven Thousand Five Hundred Dollars (\$7,500.00), and for other good and valuable consideration, PG&E and Grantee agree as follows:

1. Grant of Easement(s): PG&E hereby grants to Grantee, upon the terms and conditions set forth in this Agreement, the following easement(s):

Road Improvements, Grading and Support. A non-exclusive easement to excavate, install, construct, reconstruct, repair, replace, maintain and use roads and public improvements, public utility easements and landscaping easements, together with a right of use for associated grading, support, public utilities and landscaping of the road on and in a portion of the Property (the "**Easement Area**") described in **Exhibit A** and shown on and **Exhibits B-1 and B-2**, both attached hereto and made a part hereof.

2. Limitations on Use.

(a) The Easement Area, and any facilities permitted to be constructed thereon, are to be used by Grantee only for those uses permitted in Section 1 above, and for no other purpose.

(b) PG&E reserves the right to restrict access to the Easement Area or any portion or portions thereof in the event of fire, earthquake, storm, riot, civil disturbance, or other casualty or emergency, or in connection with PG&E's response thereto, or if emergency repairs or maintenance are required to PG&E facilities within or in the vicinity of the Easement Area, or otherwise when PG&E deems it advisable to do so, including in connection with events and emergencies occurring or affecting PG&E's business operations located elsewhere than in the immediate vicinity of the Property.

3. Condition of Easement Area. Grantee accepts the Easement Area in its existing physical condition, without warranty by PG&E or any duty or obligation on the part of PG&E to maintain the Easement Area. Grantee acknowledges that one or more of the following (collectively, "**Potential Environmental Hazards**") may be located in, on or underlying the Property and/or the Easement Area:

(a) electric fields, magnetic fields, electromagnetic fields, electromagnetic radiation, power frequency fields, and extremely low frequency fields, however designated, and whether emitted by electric transmission lines, other distribution equipment or otherwise ("**EMFs**");

(b) Hazardous Substances (as hereinafter defined). For purposes hereof, the term "**Hazardous Substances**" means any hazardous or toxic material or waste which is or becomes regulated by Legal Requirements (as hereinafter defined) relating to the protection of human health or safety, or regulating or relating to industrial hygiene or environmental conditions, or the protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, including, but not limited to, laws, requirements and regulations pertaining to

reporting, licensing, permitting, investigating and remediating emissions, discharges, releases or threatened releases of such substances into the air, surface water, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of such substances. Without limiting the generality of the foregoing, the term Hazardous Substances includes any material or substance:

(1) now or hereafter defined as a "hazardous substance," "hazardous waste," "hazardous material," "extremely hazardous waste," "restricted hazardous waste" or "toxic substance" or words of similar import under any applicable local, state or federal law or under the regulations adopted or promulgated pursuant thereto, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§9601 et seq. ("CERCLA"); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§6901 et seq.; the Clean Air Act, 42 U.S.C. §§7401 et seq.; the Clean Water Act, 33 U.S.C. §§1251 et seq.; the Toxic Substance Control Act, 15 U.S.C. §§2601 et seq.; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §§136 et seq.; the Atomic Energy Act of 1954, 42 U.S.C. §§2014 et seq.; the Nuclear Waste Policy Act of 1982, 42 U.S.C. §§10101 et seq.; the California Hazardous Waste Control Law, Cal. Health and Safety Code §§25100 et seq.; the Porter-Cologne Water Quality Control Act, Cal. Water Code §§13000 et seq.; the Carpenter-Presley-Tanner Hazardous Substance Account Act (Health and Safety Code §§25300 et seq.); and the Medical Waste Management Act (Health and Safety Code §§25015 et seq.); or

(2) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous, and is now or hereafter regulated as a Hazardous Substance by the United States, the State of California, any local governmental authority or any political subdivision thereof, or which cause, or are listed by the State of California as being known to the State of California to cause, cancer or reproductive toxicity; or

(3) the presence of which on the Property poses or threatens to pose a hazard to the health or safety of persons on or about the Property or to the environment; or

(4) which contains gasoline, diesel fuel or other petroleum hydrocarbons; or

(5) which contains lead-based paint or other lead contamination, polychlorinated biphenyls ("PCBs") or asbestos or asbestos-containing materials or urea formaldehyde foam insulation; or

(6) which contains radon gas;

(c) fuel or chemical storage tanks, energized electrical conductors or equipment, or natural gas transmission or distribution pipelines; and

(d) other potentially hazardous substances, materials, products or conditions.

Grantee shall take reasonable precautions to protect its employees, contractors, consultants, agents and invitees ("**Grantee's Representatives**") from risks of harm from Potential Environmental Hazards. Grantee acknowledges that it has previously evaluated the condition of the Easement Area and all matters affecting the suitability of the Easement Area for the uses

permitted by this Agreement, including, but not limited to, the Potential Environmental Hazards listed herein.

4. Grantee's Covenants. Grantee hereby covenants and agrees:

(a) Construction of Improvements. Grantee agrees to construct and install, or caused to be constructed and installed, at no cost to PG&E, such facilities and improvements (“**Improvements**”) as may be necessary and appropriate for Grantee’s permitted use, as specified in Section 1, and as shown on said **Exhibit A** and **Exhibits B-1 and B-2**. All such construction shall be performed in accordance with detailed plans and specifications (“**Plans**”) previously approved by PG&E, and shall comply with all Legal Requirements. Before commencing construction of any Improvements, Grantee shall obtain all permits, authorizations or other approvals, at Grantee’s sole cost and expense as may be necessary for such construction. Without limiting the generality of the foregoing, Grantee shall be responsible for complying with the requirements of the California Environmental Quality Act (“**CEQA**”) and satisfying, at Grantee’s sole expense, any and all mitigation measures under CEQA that may apply to Grantee’s proposed occupancy and use of the Easement Area, and to the construction, maintenance and use of Grantee’s proposed Improvements and facilities. Grantee shall promptly notify PG&E of any and all proposed mitigation measures that may affect PG&E or the Property. If PG&E determines in good faith that any such mitigation measures may adversely affect PG&E or the Property, or impose limitations on PG&E’s ability to use the Property as specified in Section 7, then PG&E shall have the right, without liability to Grantee, to give notice of termination of this Agreement to Grantee, whereupon this Agreement and the rights granted to Grantee shall terminate and revert in Grantor, unless within ten (10) days following delivery of such notice, Grantee gives notice to Grantor by which Grantee agrees to modify its proposed Project (as that term is defined under CEQA) so as to eliminate the necessity for such mitigation measures. In the event of such termination, PG&E and Grantee shall each be released from all obligations under this Agreement, except those which expressly survive termination. Grantee acknowledges and agrees that PG&E’s review of Grantee’s Plans is solely for the purpose of protecting PG&E’s interests, and shall not be deemed to create any liability of any kind on the part of PG&E, or to constitute a representation on the part of PG&E or any person consulted by PG&E in connection with such review that the Plans or the Improvements contemplated by such Plans are adequate or appropriate for any purpose, or comply with applicable Legal Requirements. Grantee shall not commence construction or installation of any Improvements (i) without the prior written consent of PG&E, which consent shall not be unreasonably withheld, conditioned or delayed, (ii) without the prior consent, to the extent required by applicable law or regulation, of the California Public Utilities Commission (hereinafter, “**CPUC**”), (iii) unless and until PG&E has received payment from the Developer of the Easement Fee (as defined and set forth in Section 10 below) and (iv) unless and until Grantee provides PG&E with satisfactory evidence of the insurance in Exhibit D for itself and any construction contractor;

(b) Compliance with Laws. Grantee shall, at its sole cost and expense, promptly comply with (a) all laws, statutes, ordinances, rules, regulations, requirements or orders of municipal, state, and federal authorities now in force or that may later be in force, including, but not limited to, those relating to the generation, use, storage, handling, treatment, transportation or disposal of Hazardous Substances, as defined herein, or to health, safety, noise, environmental protection, air quality or water quality; (b) the conditions of any permit, occupancy certificate,

license or other approval issued by public officers relating to Grantee's use or occupancy of the Easement Area; and (c) with any liens, encumbrances, easements, covenants, conditions, restrictions and servitudes (if any) or record, or of which Grantee has notice, which may be applicable to the Easement Area (collectively, "**Legal Requirements**"), regardless of when they become effective, insofar as they relate to the use or occupancy of the Easement Area by Grantee. Grantee shall furnish satisfactory evidence of such compliance upon request by PG&E. The judgment of any court of competent jurisdiction, or the admission of Grantee in any action or proceeding against Grantee, whether or not PG&E is a party in such action or proceeding, that Grantee has violated any Legal Requirement relating to the use or occupancy of the Easement Area, shall be conclusive of that fact as between PG&E and Grantee.;

(c) Notice of Enforcement Proceedings. Grantee agrees to notify PG&E in writing within three (3) business days of any investigation, order or enforcement proceeding which in any way relates to the Property, or to any suspected contamination on, within or underlying the Property. Such notice shall include a complete copy of any order, complaint, agreement, or other document which may have been issued, executed or proposed, whether draft or final;

(d) Non-Interference. Grantee agrees not to interfere in any way or permit any interference with the use by PG&E of the Property. Interference shall include, but not be limited to, any activity by Grantee that places any of PG&E's gas or electric facilities in violation of any of the provisions of General Order Nos. 95 (Overhead Electric), 112 (Gas), and 128 (Underground Electric) of the CPUC or to any other Legal Requirements under which the operations of utility facilities are controlled or regulated. Grantee shall not erect, handle, or operate any tools, machinery, apparatus, equipment, or materials closer to any of PG&E's high-voltage electric conductors than the minimum clearances set forth in the High-Voltage Electrical Safety Orders of the California Division of Industrial Safety; which minimum clearances are incorporated herein by reference; but in no event closer than ten (10) feet to any energized electric conductors or appliances. Grantee shall not drill, bore, or excavate within thirty (30) feet of any of PG&E's underground facilities, including, but not limited to, gas pipelines, valves, regulators or electric conduits. Grantee shall provide notice to Underground Service Alert at 1-800-227-2600 at least two (2) business days prior to commencing any drilling, boring or excavating permitted hereunder to assist Grantee with locating any and all underground facilities, including, but not limited to, gas pipelines, valves, regulators or electric conduits;

(e) Light Standards and Tree Planting. Grantee agrees not to install any light standards within the Easement Area, nor plant any trees, which at maturity will exceed 15 feet in height, within the Easement Area;

(f) Tower Protection. Grantee agrees to install and maintain at Grantee's sole cost and expense a flex beam guard rail, properly grounded, at the intersection of Arboga Road and Ella Avenue to protect PG&E's existing electric transmission tower;

(g) Avoiding Dangerous Activities. Grantee agrees to conduct its activities and operations within and on the Easement Area in such a manner so as not to endanger the Property, PG&E's utility facilities, the environment and human health and safety. In the event PG&E determines that Grantee's activities in any way endanger the Property, PG&E's utility facilities, the environment, or human health and safety, PG&E may, in PG&E's sole discretion, require that

Grantee halt such activities until appropriate protective measures are taken to PG&E's satisfaction. Grantee shall hold PG&E harmless from any claims for damages resulting from any delay under this paragraph. PG&E's right to halt activities under this paragraph shall not in any way affect or alter Grantee's insurance obligations under this Agreement, nor shall it relieve Grantee from any of its obligations hereunder that pertain to health, safety, or the protection of the environment;

(h) Maintenance. Grantee agrees to maintain its facilities and Improvements in good condition and repair, and be responsible for the security of, the facilities installed hereunder;

(i) Repairing Damage. Grantee agrees to repair any damage it may cause to PG&E's facilities and improvements in or around said Easement Area;

(j) Coordination. Grantee agrees to coordinate all activities regarding the easements granted herein to reasonably minimize any interference with the use by PG&E of the Easement Area and the Property; and,

(k) PG&E Right to Cure. Grantee agrees that if Grantee fails to perform any act or other obligation on its part to be performed hereunder, and such failure is not remedied within fifteen (15) days following notice from PG&E (or in the case of an emergency, following such notice, if any, as may be reasonably practicable under the existing circumstances), PG&E may (but without obligation to do so, and without waiving or releasing Grantee from any of its obligations) perform any such act or satisfy such obligation, or otherwise remedy such emergency or such failure on the part of Grantee. All costs incurred by PG&E in responding to or remedying such failure by Grantee shall be payable by Grantee to PG&E on demand.

5. Indemnification.

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

any work of improvement constructed or installed at or on, labor performed on, or materials delivered to, or incorporated in any improvements constructed on, the Easement Area by, or at the request or for the benefit of, Grantee. In the event any action or proceeding is brought against any Indemnitee for any Claim against which Grantee is obligated to indemnify or provide a defense hereunder, Grantee upon written notice from PG&E shall defend such action or proceeding at Grantee's sole expense by counsel approved by PG&E, which approval shall not be unreasonably withheld, conditioned or delayed.

(b) Grantee acknowledges that all Claims arising out of or in any way connected with releases or discharges of Hazardous Substance occurring as a result of or in connection with Grantee's use or occupancy of the Easement Area or the surrounding Property, or any of the activities of Grantee and Grantee's Representatives, and all costs, expenses and liabilities for environmental investigations, monitoring, containment, abatement, removal, repair, cleanup, restoration, remediation and other response costs, including reasonable attorneys' fees and disbursements and any fines and penalties imposed for the violation of Legal Requirements relating to the environment or human health, are expressly within the scope of the indemnity set forth above.

(c) Grantee accepts all risk relating to its occupancy and use of the Easement Area. PG&E shall not be liable to Grantee for, and Grantee hereby waives and releases PG&E and the other Indemnitees from, any and all liability, whether in contract, tort or on any other basis, for any injury, damage, or loss resulting from or attributable to any occurrence on or about the Easement Area, the condition of Easement Area, or the use or occupancy of the Easement Area, except in the case of any Indemnitee, to the extent that such injury, damage, or loss was proximately caused by the sole negligence or willful misconduct of such Indemnitee.

(d) Grantee shall, to the maximum extent permitted by law, indemnify, protect, defend and hold Indemnitees harmless against claims, losses, costs (including, but not limited to, attorneys' fees and costs), liabilities and damages resulting from the failure of Grantee, or any of its contractors or subcontractors, to comply with the insurance requirements set forth in **Exhibit C**, attached hereto and made a part hereof. If Grantee fails to so indemnify, protect, defend or hold harmless any Indemnitee, then at PG&E's option, this Easement shall terminate, and the estate and interest herein granted to Grantee shall revert to and revest in PG&E, if such failure continues for five (5) days following the giving of written notice of termination to Grantee, unless within such time such failure is cured to the reasonable satisfaction of PG&E.

(e) The provisions of this Section 5 shall survive the termination of this Agreement.

6. Additional Facilities. Grantee shall not install any additional facilities or improvements in, on, under or over the Easement Area without the prior written consent of PG&E, which consent may be granted or withheld in PG&E's sole and absolute discretion, and the prior consent, to the extent required by applicable law or regulation, of the CPUC. Grantee shall submit plans for installation of any proposed additional facilities within the Easement Area to PG&E for its written approval at the address specified in Section 13.

7. Abandonment; Termination. In the event Grantee abandons the facilities installed hereunder, this Agreement shall terminate and all of the easements and other rights of Grantee hereunder shall revert to PG&E. The non-use of such facilities for a continuous period of two (2) years, unless such non-use is due to factors outside Grantee's reasonable control, in which case such period is extended to four (4) years, shall be conclusive evidence of such abandonment. Upon any termination of this Agreement, Grantee shall remove, at no cost to PG&E such of Grantee's facilities and equipment installed pursuant to this Agreement as PG&E may specify. Upon any termination of this Agreement, Grantee shall execute, acknowledge and deliver to PG&E a quitclaim deed or such other document or instruments, in a form reasonably acceptable to PG&E, as may be reasonably necessary to eliminate this Agreement as an encumbrance on the title to the Easement Area or any larger parcel of property containing the Easement Area.

8. Reserved Rights. PG&E reserves the right to use the Easement Area for any and all purposes which will not unreasonably interfere with Grantee's Improvements and related facilities. Without limiting the generality of the foregoing:

(a) PG&E reserves the right to make use the Easement Area for such purposes as it may deem necessary or appropriate if, and whenever, in the interest of its service to its patrons or consumers or the public, it shall appear necessary or desirable to do so. Under no circumstances whatsoever, will PG&E be required to relocate any of PG&E's facilities, including, without limitation, the electric tower, due to the use of the Easement Area by Grantee.

(b) Grantee acknowledges and agrees that should any tree or trees planted by the Grantee hereunder exceed at any time said 15 foot height limitation, the Grantee shall have the duty, and PG&E shall have the right, at the Grantee's own sole risk and expense, to trim or cut down such trees to the extent necessary, in the judgment of PG&E, for the protection of PG&E's electric transmission facilities.

(c) Grantee acknowledges that PG&E may have previously granted, and may in the future grant, certain rights in and across the Easement Area to others, and the use of the word "grant" in this Agreement shall not be construed as a warranty or covenant by PG&E that there are no such other rights.

(d) Grantee shall not make use of the Easement Area in any way which will endanger human health or the environment, create a nuisance or otherwise be incompatible with the use of the Easement Area, the Property, or PG&E's adjacent property, by PG&E or others entitled to use such property.

(e) This grant is made subject to all applicable provisions of General Order No. 95 (Overhead Electric), General Order 112 (Gas) and General Order No. 128 (Underground Electric) of the CPUC, in like manner as though said provisions were set forth herein.

9. Governmental Approvals. This Agreement shall not become effective, notwithstanding that it may have been executed and delivered by the parties, and Grantee shall not commence construction or other activities hereunder, unless and until the CPUC approves this Agreement and the easements granted and other transactions contemplated hereby (including the

adequacy of the compensation to be paid by Grantee), by an order which is final, unconditional and unappealable (including exhaustion of all administrative appeals or remedies before the CPUC). Grantee further acknowledges and agrees that PG&E makes no representation or warranty regarding the prospects for CPUC approval, and Grantee hereby waives all Claims against PG&E which may arise out of the need for such CPUC approval or the failure of the CPUC to grant such approval. This Agreement is made subject to all the provisions of such approval, as more particularly set forth in CPUC Decision D _____ (Application No. _____), in like manner as though said provisions were set forth in full herein.

10. Easement Fees. Grantee acknowledges that the Developer has agreed to pay PG&E the sum of Seven Thousand Five Hundred Dollars (\$7,500.00) as a part of the consideration for PG&E entering into this Agreement with Grantee (the "Easement Fee"). Consequently, in addition to the condition set forth in Section 9 above and as otherwise set forth in this Agreement, this Agreement shall not become effective or be recorded, notwithstanding that it may have been executed and delivered by the parties, and Grantee shall not commence construction or other activities hereunder, unless and until PG&E receives payment in full of the Easement Fee from the Developer.

11. Compliance; Insurance. PG&E shall have a right to access and inspect the Easement Area at any time to confirm Grantee's compliance with Legal Requirements and the provisions of this Agreement. Prior to the Effective Date of this Agreement, Grantee shall procure, and thereafter Grantee shall carry and maintain in effect at all times during the term of the Agreement, the insurance specified in **Exhibit C**, attached hereto and made a part hereof by this reference, provided that PG&E reserves the right to review and modify from time to time the coverages and limits of coverage required hereunder, as well as the deductibles and/or self-insurance retentions in effect from time to time (but PG&E agrees that it will not increase required coverage limits more often than once in any five-year period). All insurance shall be written on forms and with insurance carriers acceptable to PG&E. Grantee is also responsible for causing its agents, contractors and subcontractors to comply with the insurance requirements of this Agreement at all relevant times.

12. Mechanics' Liens. Grantee shall keep the Property free and clear of all mechanics', material suppliers' or similar liens, or claims thereof, arising or alleged to arise in connection with any work performed, labor or materials supplied or delivered, or similar activities performed by Grantee or at its request or for its benefit. If any mechanics' liens are placed on the Property in connection with the activities or facilities set forth in this Agreement, Grantee shall promptly cause such liens to be released and removed from title, either by payment or by recording a lien release bond in the manner specified in California Civil Code Section 3143 or any successor statute.

13. Notice. Any notices or communications hereunder shall be in writing and shall be personally delivered or sent by first class mail, certified or registered, postage prepaid, or sent by national overnight courier, with charges prepaid for next business day delivery, addressed to the addressee party at its address or addresses listed below, or to such other address or addresses for a party as such party may from time to time designate by notice given to the other party. Notices shall be deemed received upon actual receipt by the party being sent the notice, or on the following business day if sent by overnight courier, or on the expiration of three (3) business days after the date of mailing.

If to PG&E:

Pacific Gas and Electric Company
Attention: Land Agent
350 Salem Street
Chico, CA 95928

With a copy to:

Pacific Gas and Electric Company
Attention: Wendy Coleman, Esq.
P.O. Box 7442, Mail Code B3OA
San Francisco, CA 94120

If to Grantee:

County of Yuba
Attention: Director of Public Works
915 8th Street, Suite 125
Marysville, CA 95911

14. Governing Law. This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of the State of California.

15. Entire Agreement. This Agreement supersedes all previous oral and written agreements between and representations by or on behalf of the parties and constitutes the entire agreement of the parties with respect to the subject matter hereof. This Agreement may not be amended except by a written agreement executed by both parties.

16. Binding Effect. This Agreement and the covenants and agreements contained herein shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, successors and assigns (subject to the provisions of Section 18). No assignment or delegation by Grantee, whether by operation of law or otherwise, shall relieve Grantee of any of its duties, obligations or liabilities hereunder, in whole or in part. The covenants of PG&E hereunder shall run with the land.

17. Assignment. Grantee shall not assign, convey or otherwise transfer the easements and other rights herein conveyed, or any portion thereof or interest herein, without the prior written consent of PG&E. Such consent may be given or withheld by PG&E for any reason or for no reason.

18. Attorneys' Fees. Should either party bring an action against the other party, by reason of or alleging the failure of the other party with respect to any or all of its obligations hereunder, whether for declaratory or other relief, then the party which prevails in such action shall be entitled to its reasonable attorneys' fees (of both in-house and outside counsel) and expenses related to such action, in addition to all other recovery or relief. A party shall be deemed to have prevailed in any such action (without limiting the generality of the foregoing) if such action is

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

19. No Waiver. No waiver with respect to any provision of this Agreement shall be effective unless in writing and signed by the party against whom it is asserted. No waiver of any provision of this Agreement by a party shall be construed as a waiver of any subsequent breach or failure of the same term or condition, or as a waiver of any other provision of this Agreement.

20. No Offsets. Grantee acknowledges that PG&E is executing this Agreement in its capacity as the owner of the Easement Area, and not in its capacity as a public utility company or provider of electricity and natural gas. Notwithstanding anything to the contrary contained herein, no act or omission of Pacific Gas and Electric Company or its employees, agents or contractors as a provider of electricity and natural gas shall abrogate, diminish, or otherwise affect the respective rights, obligations and liabilities of PG&E and Grantee under this Agreement. Further, Grantee covenants not to raise as a defense to its obligations under this Agreement, or assert as a counterclaim or cross-claim in any litigation or arbitration between PG&E and Grantee relating to this Agreement, any claim, loss, damage, cause of action, liability, cost or expense (including, but not limited to, attorneys' fees) arising from or in connection with Pacific Gas and Electric Company's provision of (or failure to provide) electricity and natural gas.

21. No Dedication. Nothing contained in this Agreement shall be deemed to be a gift or dedication of land or rights to the general public. The right of the public or any person, including Grantee, to make any use whatsoever of the Easement Area(s) or any portion thereof, other than as expressly permitted herein or as expressly allowed by a recorded map, agreement, deed or dedication, is by permission and is subject to the control of PG&E in its sole discretion.

22. No Third Party Beneficiary. This Agreement is solely for the benefit of the parties hereto and their respective successors and permitted assigns, and, except as expressly provided herein, does not confer any rights or remedies on any other person or entity.

23. Captions. The captions in this Agreement are for reference only and shall in no way define or interpret any provision hereof.

24. Time. Except as otherwise expressly provided herein, the parties agree that as to any obligation or action to be performed hereunder, time is of the essence.

25. Severability. If any provision of this Agreement shall be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each provision of this Agreement shall be valid and enforced to the full extent permitted by law, provided the material provisions of this Agreement can be determined and effectuated.

26. Counterparts. This Agreement may be executed in identical counterpart copies, each of which shall be an original, but all of which taken together shall constitute one and the same agreement.

27. **VENUE. PG&E AND GRANTEE AGREE THAT THE VENUE OF ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, INCLUDING ANY CLAIM OF INJURY OR DAMAGE, SHALL BE IN THE COUNTY OF SAN FRANCISCO, CALIFORNIA. THE COVENANTS OF THE PARTIES CONTAINED IN THIS SECTION 27 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.**

28. Other Documents. Each party agrees to sign any additional documents or permit applications which may be reasonably required to effectuate the purpose of this Agreement. Provided, however, that PG&E will not be required to take any action or execute any document that would result in any cost, expense or liability to PG&E.

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

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

COUNTY OF YUBA,
a political subdivision of the State of
California

By: _____
Karen D. Cochran
Its: Manager, Corporate Real Estate

By: _____
Its: _____

Exhibits A, B and C attached

North Valley Area
Chico Land Service Office
Operating Department: Electric Transmission
T. 14 N., R. 4 E., MDB&M
Sec. 8, SW4
FERC License Number: N/A
PG&E Drawing Number: N/A
LD of any affected documents: N/A
LD of any Cross-referenced documents: N/A
Type of Interest: 11C, 42
SBE Parcel Number: 135-58-024A, Parcel 2
(For Quitclaims, % being quitclaimed): N/A
Order# 40248720
JCN: N/A
County: Yuba
Utility Notice Numbers: N/A
Prepared By: JMC
Checked By:
Revision Number: N/A

EXHIBITS A & B
LEGAL DESCRIPTION AND MAP OF
EASEMENT AREA

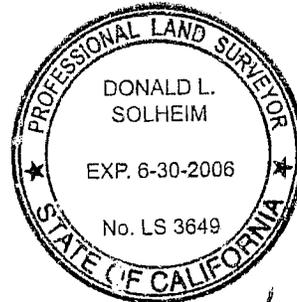
EXHIBIT "A"

03-179A

PARCEL 1

All that certain real property situate in the County of Yuba, State of California, being a portion of the Southwest one-quarter of Section 8, Township 14 North, Range 3 East, M.D.M., described as follows:

Beginning at the Southwest corner of said Section 8, thence North $00^{\circ}36'12''$ East along the West line of said Section 8 and the West line of the Pacific Gas and Electric Company property as described as SBE 135-58-24-01, recorded in deed to Pacific Gas and Electric Company on February 16, 1971 in Book 510 Official Records at Page 496, in the office of Recorder of Yuba County, a distance of 80.04 feet; to the Northwest corner of said P.G.&E. property; thence North $88^{\circ}51'30''$ East along the north line of said P.G. & E. property a distance of 7.11 feet to the beginning of a non-tangent curve concave Easterly, having a radius 943.50 feet, through a central angle of $01^{\circ}32'38''$, the chord of which bears South $07^{\circ}50'35''$ East 25.42 feet; thence on the arc of said curve a distance of 25.43 feet; thence South $08^{\circ}36'54''$ East 55.22 feet to a point on the South line of said Section 8; thence South $88^{\circ}51'30''$ West along said section line a distance of 19.70 feet to the point of beginning, containing 1062 square feet.



Donald L. Solheim
3-18-2005

EXHIBIT "A"

PARCEL 2

All that certain real property situate in the County of Yuba, State of California, being a portion of the Southwest one-quarter of Section 8, Township 14 North, Range 4 East, M.D.M., described as follows:

Commencing at the Southwest corner of said Section 8, thence North $88^{\circ}51'30''$ East along the South line of said Section 8, and the south line of a strip of land described as SBE 135-58-24-01, recorded in deed to Pacific Gas and Electric Company on February 16, 1971 in Book 510 Official Records at Page 496, in the Office of Recorder of Yuba County, a distance of 152.99 feet to the TRUE POINT OF BEGINNING of the herein described strip of land; thence from said True Point of Beginning along a non-tangent curve concave easterly having a radius of 520.00 feet, through a central angle of $08^{\circ}49'51''$, the chord of which bears North $01^{\circ}10'05''$ East 80.07 feet; thence on the arc of said curve a distance of 80.15 feet to a point on the North line of said Pacific Gas and Electric Company strip of land; thence along said North line, North $88^{\circ}51'30''$ East 40.30 feet to the beginning of a non-tangent curve concave Easterly having a radius of 480.00 feet, through a central angle of $09^{\circ}34'12''$, the chord of which bears South $01^{\circ}21'43''$ West 80.08 feet; thence on the arc of said curve a distance of 80.17 feet to a point on the South line of said Section 8; thence South $88^{\circ}51'30''$ West along said Section line a distance of 40.03 feet to the point of beginning, containing 3206 square feet.

TOGETHER WITH two strips of land having parallel sides and a uniform width of 22.0 feet coincident with the westerly and easterly right-of-way lines of said strip of land, said strips of land are for a 22.0 foot P.U.E. (Public Utility Easement) and a 12.0 foot PE&LE (Pedestrian Easements and Landscape Easements), said 12.0 foot PE&LE easement lying within the 22.0 foot P.U.E. easement and being coincident with the westerly and the easterly right-of-way lines of the herein above described road right-of-way.



Donald L. Solheim
7-13-2005

EXHIBIT "A"

03-179B

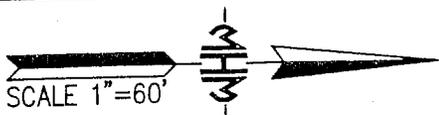
PARCEL 3

All that certain real property situate in the County of Yuba, State of California, being a portion of the Southwest one-quarter of Section 8, Township 14 North, Range 3 East, M.D.M., described as follows:

Commencing at the Southwest corner of said Section 8, thence North 88°51'30" East along the South line of said Section 8, and the South line of a strip of land described as SBE 135-58-24-01, recorded in deed to Pacific Gas and Electric Company on February 16, 1971 in Book 510 Official Records at Page 496, in the Office of Recorder of Yuba County, a distance of 1982.26 feet to the TRUE POINT OF BEGINNING of the herein described strip of land; thence from said True Point of Beginning, North 08°35'43" West 80.68 feet to a point on the North line of said PG&E property; thence North 88°51'30" East along said North line a distance of 42.36 feet; thence leaving said North line, South 08°35'43" East 80.68 feet to a point on the South line of said Section 8; thence South 88°51'30" West along said South line of Section 8 a distance of 42.36 feet to the point of beginning, containing 3389 square feet.

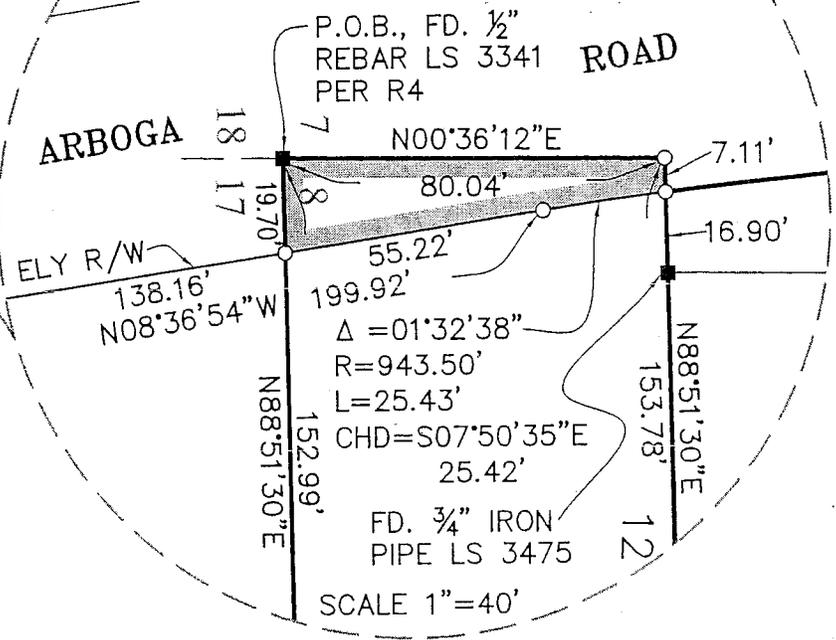
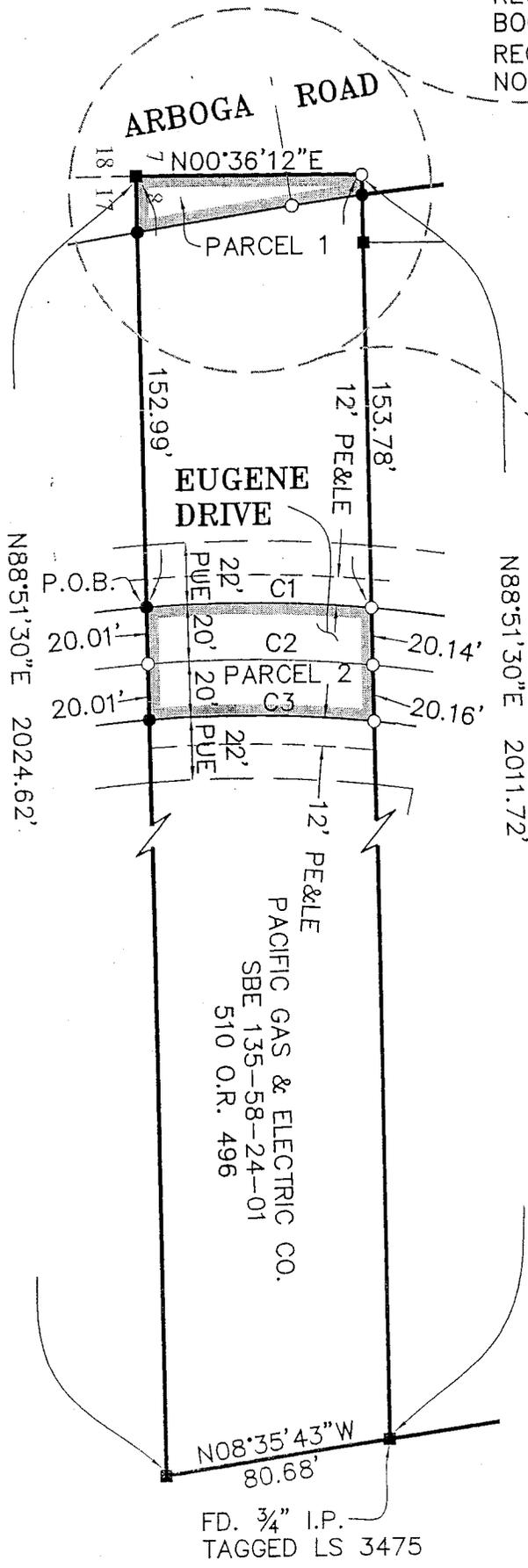


Donald L. Solheim
3-18-2005



BASIS OF BEARINGS

BEARINGS SHOWN HEREON ARE IDENTICAL TO A RECORD OF SURVEY FOR RAYMOND VAIL FILED IN BOOK 6 OF MAPS AT PAGE 44, YUBA COUNTY RECORDER. BEARING BEING N88°51'30"E ALONG THE NORTH LINE OF SECTION 17, T14N, R4E, M.D.M.



CURVE TABLE			
CURVE	DELTA	LENGTH	RADIUS
C1	8°49'51"	80.15	520.00
C2	9°11'08"	80.16	500.00
C3	9°34'12"	80.17	480.00

AREA

PARCEL 1 - 1,062 SQUARE FEET
 PARCEL 2 - 3,206 SQUARE FEET

REFERENCES

R4 BOOK 62 MAPS PAGE 26
 YUBA COUNTY RECORDS

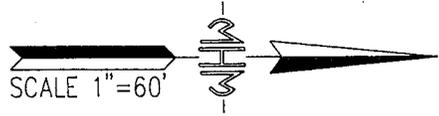
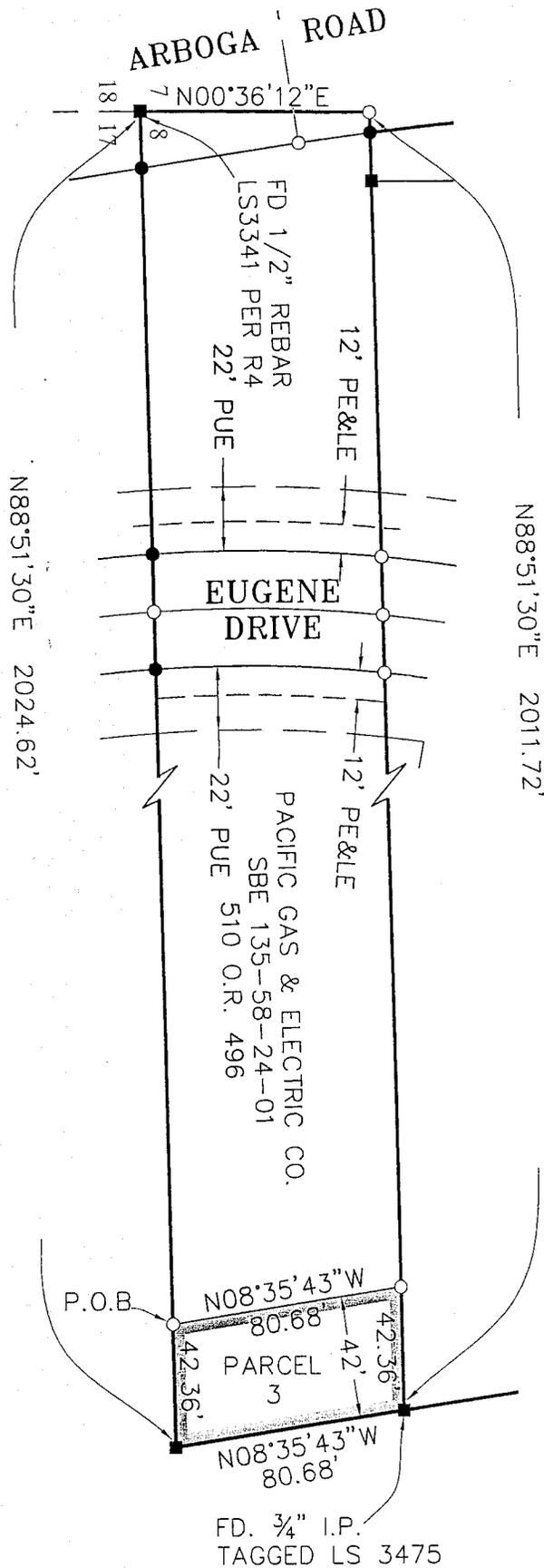


EXHIBIT "B-1" 7-13-2005
RIGHT OF WAY ACQUISITION TO
THE COUNTY OF YUBA

BEING A PORTION OF SECTION 8, TOWNSHIP 14 NORTH, RANGE 4 EAST, M.D.M.

YUBA COUNTY CALIFORNIA

FEBRUARY 2005
 SCALE 1"=60'



BASIS OF BEARINGS

BEARINGS SHOWN HEREON ARE IDENTICAL TO A RECORD OF SURVEY FOR RAYMOND VAIL FILED IN BOOK 6 OF MAPS AT PAGE 44, YUBA COUNTY RECORDER. BEARING BEING N88°51'30"E ALONG THE NORTH LINE OF SECTION 17, T14N, R4E, M.D.M.

AREA

PARCEL 3 - 3,389 SQUARE FEET

REFERENCES

R4 BOOK 62 MAPS PAGE 26
YUBA COUNTY RECORDS



Donald L. Solheim

EXHIBIT "B-2" 9-27-2005
RIGHT OF WAY ACQUISITION TO
THE COUNTY OF YUBA

BEING A PORTION OF SECTION 8, TOWNSHIP 14 NORTH, RANGE 4 EAST, M.D.M.

YUBA COUNTY
CALIFORNIA

FEBRUARY 2005
SCALE 1"=60'

PREPARED BY: MHM INC., 523 J STREET, MARYSVILLE, CA 95901
03179 Exhibit B-2 SHEET 1 OF 1

EXHIBIT C

INSURANCE REQUIREMENTS

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

A. Workers' Compensation and Employers' Liability

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

B. Commercial General Liability

1. Coverage shall be at least as broad as the Insurance Services Office (ISO) Commercial General Liability "occurrence" form with no additional coverage alterations. The limits shall not be less than One Million Dollars (\$1,000,000) each occurrence and Two Million (\$2,000,000) aggregate for bodily injury, property damage and products and completed operations. Defense costs are to be provided outside of limits.
2. Coverage shall include: an "Additional Insured" endorsement (ISO Additional Insured form CG 2010 or equivalent coverage) adding as additional insureds PG&E, its affiliates, subsidiaries and parent company, and PG&E's directors, officers, agents and employees with respect to liability arising out of work performed by or for Grantee or the use of the Easement Area (if the policy includes "blanket endorsement by contract," the following language added to the certificate of insurance will satisfy PG&E's requirement: "by blanket endorsement, PG&E, its affiliates, subsidiaries and parent company, and PG&E's directors, officers, agents and employees with respect to liability arising out of work performed by or for Grantee or the use of the Easement Area are included as additional insured").

C. Business Auto

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

D. Additional Insurance Provisions

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

Pacific Gas and Electric Company
Insurance Department
One Market, Spear Tower, Suite 2400
San Francisco, California 94105

Pacific Gas and Electric Company
Attention: Land Agent
350 Salem Street
Chico, CA 95928

4. Upon request, Grantee shall furnish PG&E evidence of insurance for its agents or contractors.
5. PG&E may inspect the original policies or require complete certified copies at any time.

State of California

County of _____

On _____ before me, _____, a Notary Public, personally appeared **Karen D. Cochran, Manager, Corporate Real Estate**, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary's Signature

Advice 2826-E

Attachment 2



ADMINISTRATIVE APPRAISAL REVIEW

REV. 04/2004

PROJECT NAME: Thoroughbred Acres Road Easement

County: Yuba

Parcel No.: SBE 135 58 24 01

Appraiser: Cydney G. Bender-Reents, MAI

Date of Appraisal: September 15, 2005

Property Owner: Pacific Gas and Electric Company Inc.

Property Type: Electric Transmission Fee Corridor

Acquisition: Partial

Fair Market Value: \$7,500 (easement)

- 1. Statement of Purpose - Rights Appraised Yes No N/A
- 2. Notice to Owner Yes No N/A
- 3. Certificate of Appraiser Yes No N/A
- 4. Legal Description Yes No N/A
- 5. Transfers Within Past 5 Years - Sales Data Page Yes No N/A
- 6. Area Trend Yes No N/A
- 7. Description of Realty Prior to Acquisition - Larger Parcel Yes No N/A
 - a. Zoning Yes No N/A
 - b. Land Yes No N/A
 - c. Encumbrances Yes No N/A
 - d. Improvements Yes No N/A
 - e. Items Pertaining to Realty Yes No N/A
 - f. Hazardous Waste/Materials Identified Yes No N/A
- 8. Highest and Best Use Before Acquisition Yes No N/A
- 9. Valuation Before Acquisition Yes No N/A
 - a. Sales Comparison Approach Yes No N/A
 - b. Cost Less Depreciation Approach Yes No N/A
 - c. Income Approach Yes No N/A
 - d. Project Influence Yes No N/A
 - e. Items Pertaining to Realty Yes No N/A
 - f. Hazardous Waste/Materials Identified Yes No N/A
- 10. Correlation of Before Values Yes No N/A
- 11. Description of Realty after the Acquisition Yes No N/A
- 12. Highest and Best Use of Remaining Realty Yes No N/A
- 13. Valuation After the Acquisition Yes No N/A
 - a. Sales Comparison Approach Yes No N/A
 - b. Cost Approach Yes No N/A
 - c. Income Approach Yes No N/A
 - d. Damage/Benefits Analysis Yes No N/A
 - e. Items Pertaining to Realty Yes No N/A
- 14. Correlation of After Values Yes No N/A
- 15. Estimate of Total Compensation Yes No N/A
- 16. Allocation of Compensation - R/W vs. Excess Yes No N/A
- 17. Conclusion Appropriately Supported Yes No N/A
- 18. Complies with Civil Code & Government Code Yes No N/A
- 19. Meets the Uniform Standards of Professional Appraisal Practice Yes No N/A



ADMINISTRATIVE APPRAISAL REVIEW

REV. 04/2004

Comments

APPRAISAL OPINION RATING	HIGH		AVERAGE		LOW
	5	4	3	2	1
Completeness of the Report	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Apparent accuracy, relevance & adjustment propriety of data	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Appropriate appraisal methods & techniques	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Analysis, opinions & conclusions appropriate & reasonable	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	YES	NO			
Market Value Conclusion Reasonable	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
Report Viable for decision making	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
RECOMMENDATION: (Accept)					

REVIEW COMMITTEE CERTIFICATE OF APPROVAL

Executed this 21st day of October, 2005

Keith J. Lamb
 Senior Land Project Specialist/Appraisal Administrator

**SUMMARY REPORT OF
A COMPLETE APPRAISAL**

October 10, 2005

Ms. Vianey Contreras
Ryland Homes of California, Inc.
1755 Creekside Oaks Drive, Suite 240
Sacramento, CA 95833

Re: Appraisal of Thoroughbred Estates for a roadway and public utility easements across
Pacific Gas and Electric Land
Portion of Assessor Parcel No. 13-370-039
East of Abroga Road at Ella Road,
Olivehurst, Yuba County, California

Dear Mr. Contreras:

As provided for by contract Ryland Homes of California, Inc., we have completed the appraisal of three potential acquisitions [1,062 SF (parcel 1), 3,206 SF (parcel 2) and 3,389 SF (parcel 3)] which are portions of parcel 13-370-039. As currently configured, the entire legal parcel contains about 3.701 acres. The parcel is currently used for Pacific Gas and Electric overhead power lines. The proposed acquisitions are for a planned roadway, public utility, pedestrian and landscape easements. We have also been requested to value this property as a fee acquisition.

The purpose of this appraisal is to establish the fair market value of the proposed acquisitions.

As mentioned above, the parcel is located east of Arboga Road at Ella Road in the Olivehurst area. The property is zoned R1 (residential), an approved zoning consistent with the surrounded land use. The site also has good highway access via the Highway 70/McGowan Parkway interchange situated about 1 mile to the northeast of the property. There is an overhead electrical facility within this PG&E corridor.

It is our opinion that the fair market value of the proposed acquisition, and the recommended just compensation, as of September 15, 2005, subject to the Extraordinary and General Assumptions and Limiting Conditions included in this report, is:

**SEVEN THOUSAND FIVE HUNDRED DOLLARS
(\$7,500)**

**PROPERTY FOR THOROUGHbred ESTATES FOR A ROADWAY AND PUBLIC
UTILITY EASEMENTS ACROSS PORTIONS OF PACIFIC GAS AND ELECTRIC
PROPERTY WEST OF ABROGA ROAD AT ELLA ROAD
PORTION OF APN: 13-370-039
OLIVEHURST, YUBA COUNTY, CALIFORNIA**

FOR

**MS. VIANEY CONTRERAS
RYLAND HOMES OF CALIFORNIA, INC.
1755 CREEKSIDE OAKS DRIVE, SUITE 240
SACRAMENTO, CA 95833**

**BENDER ROSENTHAL, INC.
3650-C AUBURN BOULEVARD SUITE 206
SACRAMENTO, CALIFORNIA**

**DATE OF VALUE
SEPTEMBER 15, 2005**

BRI 05073

If this were to be a fee acquisition the total would be:

THIRTEEN THOUSAND TWO HUNDRED DOLLARS
(\$13,200)

The following report contains the descriptive information, factual data, appraisal assumptions and conditions, and the findings and analysis that lead to and support our value conclusions. We have made every effort to conform to the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute, which fully incorporate the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation¹. The appraisal is a *complete* appraisal, presented in the attached *summary* report. Please refer also to the General Assumptions and Limiting Conditions contained in the report.

We are pleased to have this opportunity to provide you with professional appraisal services.

BENDER ROSENTHAL, INC.



Cydney Bender Reents, MAI

¹ The Appraisal Institute is a national (USA) organization of professional appraisers that self-regulates its members, and the undersigned is a designated Member of the Appraisal Institute (MAI). A Member must at all times adhere to the Institute's ethics code and standards. The Appraisal Foundation has been tasked by the U. S. Congress to set standards and procedures with which state certified appraisers must comply when appraising any property interest involved in a federally regulated transaction.

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- ADDENDUM A APPRAISER'S CERTIFICATION
- ADDENDUM B SUBJECT PROPERTY PHOTOGRAPHS
- ADDENDUM C COMPARABLE SALE PROPERTIES DATA SHEETS
- ADDENDUM D PROFESSIONAL QUALIFICATIONS

STATEMENT OF AND SUMMARY OF THE BASIS FOR APPRAISAL

The following is a summary of the basis for the amount established as just compensation by an appraisal prepared in compliance with section 1255.010 Code of Civil Procedure and section 7267.2 of the Government Code. The appraisal was made in accordance with accepted appraisal principles, consistent with California valuation law. A statement of the appraisal process, which was the basis for the valuation conclusions, follows.

BASIC PROPERTY DATA

OWNER: Pacific Gas and Electric

PROJECT: Thoroughbred Estates – Ryland Homes of California, Inc.

PROPERTY ADDRESS: *No address assigned*
SBE 135 58 24 01
A strip of land 80 feet wide located east of Arboga Road, County of Yuba, Olivehurst, California

DATE PROPERTY ACQUIRED BY OWNER: 1971

ZONING: R-1

PRESENT USE: Level, 80 foot strip of land improved with PG & E overhead electrical lines.

HIGHEST AND BEST USE: As if Vacant: Assemblage with the adjacent vacant, single-family land.

As improved: Continue as a utility corridor.

TOTAL PROPERTY AREA: 3.701 acres (161,216 SF)

PROPERTY RIGHTS PROPOSED TO BE ACQUIRED:

Parcel 1	
SBE: 135-58-24-01	
Proposed Easement	0.24 Acres (1,062 SF)
MHM Inc., February 2005	

Parcel 2	
SBE: 135-58-24-01	
Proposed PUE, PE & LE	0.074 Acres (3,206 SF)
MHM Inc., February 2005	

Parcel 3	
SBE: 135-58-24-01	
Proposed Easement	0.078 Acres (3,389 SF)
MHM Inc., February 2005	

INCLUDING ACCESS RIGHTS YES NO

DATE OF THIS VALUATION: September 15, 2005

VALUE

The three approaches to value, which are in accordance with accepted principles and consistent with California valuation law are: 1) the sales comparison approach; 2) the cost approach; and 3) the income capitalization approach. One or more of these approaches was used:

SALES COMPARISON APPROACH

The sales comparison approach was was not used.

The sales comparison approach is used to derive a value indication by comparing the property being appraised to similar properties that have sold recently, applying appropriate units of comparison, and making adjustments to the comparables based on the elements of comparison. This is usually the preferred method of valuation when comparable sales data are available. The sales comparison approach was based on the consideration of comparable sales, which sold within a reasonable time of the date of valuation.

Principal transactions supporting the determination of value are listed within this report.

REPRODUCTION OR REPLACEMENT COST ANALYSIS

The reproduction or replacement cost analysis method was was not used.

The cost approach is a set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost replacement new for the existing structure; deducting accrued depreciation from the replacement cost; and adding the estimated land value. Cost information was obtained from cost service publications and/or knowledgeable vendors.

Total Replacement Cost New	\$ <u>N/A</u>
Depreciation from all causes	\$ (<u>N/A</u>)
Value of Improvements in Place	\$ <u>N/A</u>
Land (estimated by Sales Comparison)	\$ <u>N/A</u>

(See Attachment "A" for principal transactions)

Indicated Value of the larger parcel by Cost Approach \$ N/A

THE INCOME APPROACH

The income approach was was not used.

The income capitalization approach is a set of procedures through which a value indication for income-producing property is derived. The income capitalization approach converts the anticipated net income (rent) into an indication of property value. The income approach is based on a consideration of comparable rents, a capitalization rate, and expenses to the property.

Overall Capitalization Rate %

Net Operating Income \$

Indicated value of the larger parcel by Income Approach \$ N/A

Reconciliation (if more than one method was used)

SEVERANCE DAMAGES

Severance damages were were not determined.

Severance damage is the damage, if any, caused to the remainder by (a) the severance of the remainder from the part taken, and/or (b) the construction and use of the project for which the property is taken in the manner proposed by the plaintiff whether or not the damage is caused by a portion of the project located on the part taken.

Severance damages are determined by ascertaining the market value of the remainder as of the date of valuation and by deducting therefrom the market value of the remainder after the severance of the part being taken and the construction of the project in the manner proposed by the plaintiff. Compensation for severance damages is based on the project as proposed.

TOTAL COMPENSATION

Value of portion to be acquired:

A. Fee Taking	\$0	
B. Permanent Easements	\$7,499	
C. Access Easement	\$0	
D. Temporary Construction Easement:	\$0	
E. Improvements	\$0	
F. Crop Loss	\$0	
Total Compensation for portion to be acquired:		\$7,499

Permanent Easement:

Value of the Remainder before taking:	\$269,631	
Value of the Remainder after taking:	\$269,631	
Severance Damages:	\$-0-	
Cost to Cure Damages:	N/A	
Total Damages:		\$-0-
(Describe curative measures, if any)		N/A
Less Benefits		\$-0-
Total Compensation (Rounded)		\$ 7,500

Note: If this were to be a fee acquisition the total would be \$13,170 (7,657 SF X \$1.72).

NARRATIVE SUMMARY OF THE VALUATION PROCESS

Highest and Best use as if Vacant:

The larger parcel is defined by APN 13-370-039. This 3.701-acre, 80 foot wide, 2,015-foot long corridor most likely was created by condemning the fee interest in 1971 for an overhead power line. The property is zoned R-1 according to Yuba County. While it can not be developed independently, the most likely use would be assemblage with the property directly north and developed into a single-family residential development (as is currently planned for the northern parcel.)

Highest and Best use as Improved:

The parcel is currently improved with a PG & E overhead line. The highest and best use, as improved is continued use as an electrical corridor.

Highest and Best use of the Remainder after the Part Take:

This section of the report considers the highest and best use, after construction of the roadway, public utility, pedestrian and landscape easements. This 3.701-acre site is adjacent to future single family development. The imposition of the overhead line limits this property's future assemblage

value. One could argue that a portion of the property could easily be assembled with the subdivision to the north, and still leave the electrical corridor viable. Overall, the proposed easement does not affect the electrical corridor's utility, but does limit assemblage of any excess corridor lands.

DAMAGE / BENEFIT ANALYSIS

In order to evaluate potential severance damages, we considered what we believe to be an all inclusive list of potential damage issues that should be studied, including changes in access, land use, construction impacts, and environmental and safety factors. We have not reviewed the Final Environmental Impact Report, developed for the proposed project.

Given the subject's current use as an electrical utility corridor, there does not appear to be any severance damages, to the larger parcel. We have concluded the remainder parcel is not proportionately impacted to a degree that requires consideration of severance damages. The Remainder Parcel will still contain fee simple ownership after completion of the proposed easements.

VALUATION DISCUSSION AND ANALYSIS

Valuation in the "Before" Condition.

The most common method of estimating land value is the sales comparison approach. The **sales comparison approach** is based on the premise that the values can be determined by comparing the subject property to similar properties that have sold and that the sale prices of these properties, based on their comparability, will indicate a range in value for the subject property. The reliable application of this approach depends on 1) availability of comparable land sales; 2) degree of comparability that the sales have to the property being appraised; and, 3) the verification and accuracy of the sales data. We have relied upon only the closed, verified sales to make our final value conclusions. Our determination of value is not influenced by and does not reflect an opinion of value, which incorporate the proposed sewer easement as a factor in our concluded land values

We have selected the most similar sale properties for use in this analysis from the summary of sales presented. Comparable property sales of residential properties are used in this analysis. Sales have been chosen that have similar highest and best use, size, topography, and locations relative to the subject properties.

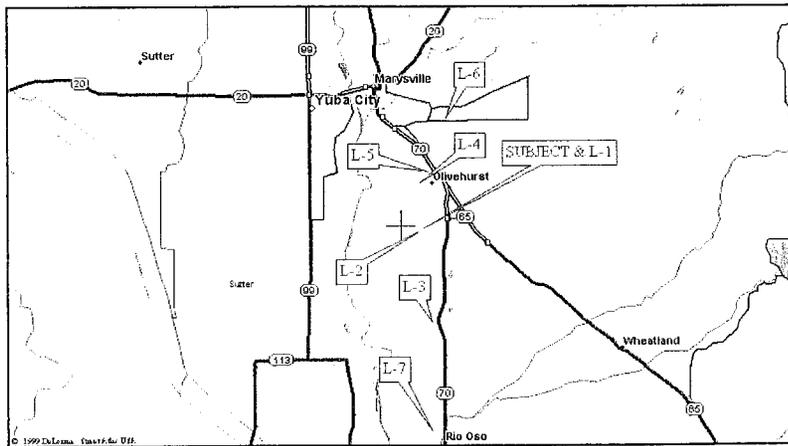
We have analyzed this parcel "as improved" with the imposition of the existing overhead lines which renders the parcel with few economic uses. Per the Pacific Gas and Electric Company the uses that would be allowed include landscaped areas as long as California Gas Transmission (CGT) is notified of development plans and approves all proposed work prior to construction. Trees and large plants are permitted within the right of way provided they are not within 10 feet of the overhead lines. Lawn and agricultural crops within the right of way do not require approval. Driveways and roads are generally permitted but must be approved by CGT. Asphalt is not permitted within the right of way without prior written consent of CGT.

Due to this imposition of the existing improvements, the fee ownership is diminished.

Land Value Conclusion.

We have valued this parcel based on the theory that a portion of the corridor could be assembled with the lands to the north. If the subject was vacant the most likely use would be assemblage to the northern property and then developed as single family residences. Later, we will address the impact of the existing improvements on the subject. The property to the north is a 110.58 acre parcel (assemblage of three separate assessor parcel numbers), with an application to map 416 single family residences.

COMPARABLE SALES MAP



Unit of Comparison

Entitled residential land is typically valued using a price per acre as this best reflects the behavior of buyers and sellers in this market. The following introduces the Land Sales Comparison chart.

COMPARABLE LAND SALES							
NO.	IDENTIFICATION/ LOCATION	SALE DATE/ ZONING	ACRES SIZE (SF)	SALE PRICE	PRICE PER ACRE	BONDS/ COSTS SF	TOTAL PRICE/ ACRE
L-1	No Situs Address E side of Arboga Road, S side of McGowan Parkway Marysville, CA 95901 APN: 13-370-049 & 050, 14-260-004	11/17/04 RRE	110.58 4,816,865	\$13,695,000	\$123,847	\$0.00	\$123,847
Comments: The sale price was based on lot finishing costs of \$38,000 per lot and fees of \$27,000 per lot.							
L-2	4128 Arboga Road Marysville, CA 95901 APN: 13-370-019 & 14-260-003	8/5/04 M-1	156 6,795,360	\$11,300,000	\$72,436	\$0.00	\$72,436
Comments: Lot finishing costs were estimated to be \$42,000 per lot and the property is located in an area that requires residential developers to address a local drainage issue and is subject to an additional drainage fee of roughly \$30,000 per acre.							
L-3	No Situs address N of Feather River Boulevard and W of Highway 70 Marysville, CA 95901 APN: 22-020-005 & 007, 22-030-001 & 005	2/2/04 AE-40	206 8,973,360	\$18,868,500	\$91,595	\$0.00	\$91,595
Comments: The sales price is based on lot finishing costs of \$33,000 per lot and fees of \$34,000 per lot.							
L-4	1567 7 th Avenue Olivehurst, CA APN: 13-060-003	8/6/04 R-03	4* 3 174,240* 130,680	\$325,000	\$81,250* \$108,333	\$0.00	\$108,333*
Comments: The comparable consists of a parcel of land that totals 4 gross acres but due to a 60 foot drainage easement along the western edge of the property that is situated considerably below the grade of the remainder of the property, the developable or usable area is approximately 3 acres.							
L-5	1690 4 th Avenue Olivehurst, CA APN: 13-480-053	8/6/04 R-02	2.39 104,108	\$225,000	\$94,090	\$0.00	\$94,090
Comments: This property was acquired to develop multiple townhomes.							
L-6	1973 Linda Avenue Marysville, CA APN: 21-113-004	7/30/04 R-03	4.56 198,634	\$550,000	\$120,614	\$0.00	\$120,614
Comments: This property sold with an approved tentative map for 23 single family residential lots.							
L-7	695 County Road 512 Marysville, CA APN: 16-130-012 & 014	In Contract Planning Reserve	53.38 2,325,233	\$6,800,000	\$127,389	\$0.00	\$127,389
Comments: This property is under contract.							

Comments, L-1. This comparable is generally located south of McGowan Parkway, east of Arboga Road, and west of the Union Pacific Railroad in the North Arboga Study area in the community of Olivehurst. This comparable is the sale of three parcels that are adjacent to the subject property and located within the Yuba County Airport Approach/Departure and Overflight Zones. The total parcel size is 110.58 acres. The development of this proposed residential subdivision, known as Thoroughbred Estates, requires the Three Rivers Levee Improvement Project. The sale price was agreed to approximately 8 months prior to closing according to the broker. The buyer paid an additional \$2,000,000 to escape the Mello-Roos District applicable to the property. The total sales price for the three parcels was \$13,695,000 or \$123,847 per acre in November 2004. This land sale is a good indicator of value as it is adjacent to the subject property.

Comments, L-2. This land sale is of two parcels consisting of vacant land with a tentative map approval located at 4128 Arboga Road. 102 acres of the 156 acres are located on the north side of Ella Avenue and the remaining 54 acres are located on the south side of Ella Avenue directly across the street from the subject property. The Union Pacific Railroad sets the westerly boundary of both parcels and both are located in within the Yuba County Airport Approach/Departure and Overflight Zones. The sellers had received approval of 583 lots in June 2004. The sales price was set by an agreement in January 2004. The buyer was proposing to re-map the project for 538 lots to allow the development of some large lots. This property is located in an area that requires residential developers to address a local drainage issue and is subject to an additional drainage fee of roughly \$30,000 per acre. These properties have good frontage and access on Arboga Road. The total sales price for this parcel was \$11,300,000 or \$72,436 per acre in August 2004. Overall, due to the additional drainage fee that may be incurred and the price being set in January 2004, the subject property should sell for a higher price per acre than this transaction.

Comments, L-3. This comparable has no site address but is located north of Feather River Boulevard and west of Highway 70. This is the sale of four parcels totaling 206 acres. This sales transaction was based on an agreement date of January 2004. The comparable was previously approved for 588 lots but the sellers received approval for 599 lots and the buyer acquired the property with approval for 599 lots. The buyers are planning a 7-phase project with a four year build-out. The land area will be devoted to the following: 6.11 acres of open space, 10 acre elementary school site, 4.8 acres for neighborhood parks, 2.55 acres for roadway landscaping, 8.86 acres for drainage facility, and 4.45 acres for major roads. The total sales price for this parcel was \$18,868,500 or \$91,595 per acre in February 2004. This comparable does not have as convenient of access as the subject property and abuts to Highway 70. This land sale is inferior to the subject property and should sell for a higher price per acre.

Comments, L-4. This comparable is located at 1567 7th Avenue in Olivehurst, California. It consists of a parcel of land that is 4 gross acres but due to a 60 foot drainage easement along the western edge of the property that is situated considerably below the grade of the remainder of the property, the developable or usable area is approximately 3 acres per the broker. The buyer acquired the property as an investment. The total sales price for this parcel was \$325,000 or \$108,333 per acre in August 2004 based on this parcel now being 3 acres in size. This comparable is located in an older residential area close to the Yuba County Airport with railroad tracks

running to the west of this property. This comparable is inferior to the subject property and the subject property should sell for a higher price per acre than this transaction.

Note: The property is currently under contract for \$596,000. The pending buyer wants to construct high quality, low income housing. The due diligence condition was removed July 29, 2005 and the tax credit contingency will be removed September 30, 2005.

Comments, L-5. This comparable is 2.39 acres and is located at 1690 4th Avenue in Olivehurst, California. Access to this comparable is via the eastern terminus of 4th Avenue. The surrounding land uses consist of older single-family homes along 4th Avenue. A new apartment complex is located to the east of the comparable. The property was acquired to develop multiple townhomes. The total sales price for this parcel was \$225,000 or \$94,090 per acre in August 2004. This comparable has inferior access and location compared to the subject and should sell for a higher price per acre than this transaction.

Note: The property is currently under contract for \$442,500. The pending buyer wants to construct high quality, low income housing. The due diligence condition was removed July 29, 2005 and the tax credit contingency will be removed September 30, 2005.

Comments, L-6. This sales is located at 1973 Linda Avenue, Linda, California. This 4.56 acre site is located in an older area of Linda, relatively close to Yuba Community College. The irregular shaped site is surrounded by older, single and multi-family residential properties, and extends around two parcels currently improved with older apartment buildings. High power lines extend along the eastern portion of the site. The property sold with an approved tentative map for 23 single-family residential lots. The site had all utilities at the frontage and the property was not encumbered with any bonds. The total sales price for this property was \$550,000 or \$120,614 per acre in July 2004. Although this property is located in the Linda area close to the Yuba Community College, this comparable is a good indicator of value for the subject property.

Comments, L-7. This comparable is located at 695 County Road 512, Marysville, California. This comparable is currently under contract since January 2005. The sale was contingent upon the approval of the tentative map and the completion of the Three Rivers Levee Improvement Project. \$400,000 was payable upon approval of the tentative map and the balance due upon completion of the Three Rivers Levee Improvement Project. The buyers intend to complete the in-tract infrastructure and then sell the property as "finished lots" to a residential developer. Overall, this comparable is a good indicator of value considering the size of the parcel and date of the transaction.

The following table presents the array of comparable sales on a price per acre basis. Parcel sizes and total sale price data is also provided for informational purposes.

7	\$127,389	In Contract	53.38	\$6,800,000
1	\$123,847	11/04	110.58	\$13,695,000
6	\$120,614	7/04	4.56	\$ 550,000
<i>Subject property is estimated to be between \$108,333 and \$120,614</i>				
4	\$108,333	8/04	3.00	\$ 325,000
5	\$94,090	8/04	2.39	\$ 225,000
3	\$91,595	2/04	206	\$18,868,500
2	\$72,436	8/04	156	\$11,300,000

Due to the long, narrow configuration of the subject, it would be reasonable to say that a buyer would purchase the subject property at a discounted rate to incorporate this parcel into their adjacent parcels. Taking this into consideration and based on the information and analysis contained within this appraisal, it is our opinion that the price per acre for entitled residential land is:

\$115,000/acre

We have analyzed this parcel "as improved" with the imposition of the existing overhead lines which renders the parcel with few economic uses. Per the Pacific Gas and Electric Company the uses that would be allowed include landscaped areas as long as California Gas Transmission (CGT) is notified of development plans and approves all proposed work prior to construction. Trees and large plants are permitted within the right of way provided they are not within 10 feet of the overhead lines. Lawn and agricultural crops within the right of way do not require approval. Driveways and roads are generally permitted but must be approved by CGT. Asphalt is not permitted within the right of way without prior written consent of CGT.

Due to this imposition of the improvements, this represents a 50% to 75% discount due to existing improvements. We have concluded a 65% discount to the land value or:

$$\text{\$115,000/acre} \times 65\% = \text{\$74,750}$$

SUMMARY OF VALUE CONCLUSIONS

Fair Market Value of the Whole (Land Only). Based on the analysis of the sale data properties, our opinion of the fair market value of the subject property as of September 15, 2005 is **\$74,750 per acre (\$1.72 per sq. ft.)** or:

$$\text{Land: } \$1.72 \text{ per square foot} \times 161,122 \text{ SF} = \$277,130$$

The Value of the Permanent Easement Take (Land Parcel Only). The portion of the property being taken must be valued as part of the whole. The easement portion of the property taken is valued as a portion of the whole commensurate with the rights remaining. The easements are for a roadway, public utility, pedestrian and landscape easements and normally the owner will have a permissive right to use the surface. The owner (or subsequent owner) will have the right of access across the easement. Access across the take area, for all practical purposes, is not being restricted. Subsurface use and access rights are being secured as part of the permanent easement interest. Also, construction within the easement area is being secured.

As stated above, the permanent easements are valued as a portion of the whole commensurate with the rights remaining. We conclude that these easements result in a taking of a relatively significant proportion of the fee estate rights and constitutes a 100% taking of the underlying fee value for the roadway and 50% taking of the underlying fee value for the public utility, pedestrian and landscape easements. The calculations are presented below.

PARCEL 1:	1,062 SF x \$1.72/SF x 100%	\$1,827
PARCEL 2:	3,206 SF x \$1.72/SF x 50%	\$2,757
PARCEL 3:	3,389 SF x \$1.72/SF x 50%	\$2,915
TOTAL:	7,657 SF	\$7,499

If this were to be a fee acquisition the total would be \$13,170 (7,657 SF x \$1.72).

The Value of the Remainder, as Part of the Whole (Land Only). The just compensation process also calls for valuing the remainder parcel. The value of the remainder, before taking is a mathematical calculation arrived by subtracting the allocation of value attributable to the taking area from the value of the larger parcel. The value of the remainder, before the taking is:

Land:	\$1.72 square foot x 161,122 SF = \$277,130
Less the Proposed Take, Parcel 1	\$-1,827
Less the Proposed Take, Parcel 2	\$-2,757
Less the Proposed Take, Parcel 3	\$-2,915
Value of the Remainder:	\$269,631

Improvements Subject to Compensation. No improvements are affected.

The Value of the Remainder Area Appraised After the Take (Land Parcel Only; the Servient Estate Interest). The just compensation process also calls for valuing the remainder parcel. To accomplish this, consideration must be given as to whether the remainder property has been damaged, and whether the highest and best use has changed.

Construction impacts. There would be no construction impacts from the easements.

Impacts to the Utility of the Property (permanent easement area). Impacts to the Utility of the Property: The permanent easement use that Ryland Homes of California, Inc. intends to acquire does not significantly effect the utility of the property. The possible future configuration of the corridor is not significantly altered or limited as a result of the roadway, public utility, pedestrian and landscape easements. The subject's current use is as an electrical utility corridor. The present use would not be significantly affected as a result of the proposed easements.

Given the subject's size, utility, and configuration, a value of \$1.72/SF is concluded for the subject's remainder.

Land:

Value of the Whole:

\$1.72/SF x 153,465 SF	=	\$263,960
\$1.72/SF x 1,062 SF x 100%	=	\$ -0-
\$1.72/SF x 3,206 SF x 50%	=	\$ 2,757
\$1.72/SF x 3,389 SF x 50%	=	\$ 2,915

Value of the Remainder, as Part of the Whole: \$269,631

There are no damages.

Project Benefits. Land is being taken for a roadway, public utility, pedestrian and landscape easements. The easements may provide future general benefits to all the properties in the area by improving access. However, there are no significant immediate benefits accruing to the property as a result of the intended roadway, public utility, pedestrian and landscape easements.

Fair Market Value of the Roadway, Public Utility, Pedestrian and Landscape Easements.

Since there are no offsetting benefits, the estimated value of just compensation is equal to the value of the permanent easement acquisitions. Our opinion of the fair market value of the take and corresponding estimated value of just compensation for the permanent easement acquisitions, as of September 15, 2005 and subject to all of the extraordinary and general assumptions contained in this report, is as follows:

PARCEL 1:	1,062 SF x \$1.72/SF x 100%	\$1,827
PARCEL 2:	3,206 SF x \$1.72/SF x 50%	\$2,757
PARCEL 3:	3,389 SF x \$1.72/SF x 50%	\$2,915
TOTAL:	7,657 SF	\$7,499

If this were to be a fee acquisition the total would be \$13,170 (7,657 SF x \$1.72).

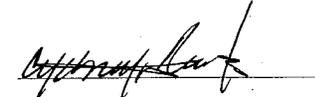
In our opinion, this is the value that should be considered for just compensation purposes.

NOTICE:

California Government Code §7267.2(a) provides that where the property is Owner occupied residential property and contains no more than four residential units, the homeowner shall, upon request, be allowed to review a copy of the appraisal from which the amount established as just compensation was derived.

Upon written request by a Owner-occupant of residential property which contains no more than four residential units, the homeowner will be provided with an opportunity to review said appraisal.

Signature of Appraiser:



I. INTRODUCTION

PROPERTY IDENTIFICATION

The property being appraised is a proposed easement area including 0.024-acre (1,062 SF) (parcel 1), 0.074-acre (3,206 SF) (parcel 2) and 0.078-acre (3,389 SF) (parcel 3) that will run east/west on the southern section of parcel 13-370-039, east of Abroga Road, in Olivehurst, California. Additional identification and description are provided in the Description section of this report.

CLIENT AND INTENDED USE

The client and intended user of this report is Ryland Homes of California, Inc. The intended use of the report is to assist Ryland Homes of California, Inc. in establishing just compensation for the owner whose property will be taken.

PURPOSE AND FUNCTION OF THE APPRAISAL

The purpose of the appraisal is to estimate the fair market value of the proposed property acquisition. The function of the report is to provide information on the value of the subject property being acquired for a roadway, public utility, pedestrian and landscape easements. The report will be used to establish Fair Market Value for the proposed acquisition, including any damages to property not taken, and for negotiations to acquire the property needed by Ryland Homes of California, Inc. We have also been requested to value this property as a fee acquisition.

APPRAISER'S CERTIFICATION

An Appraiser's Certification is included in the report. A Statement and Summary of the Basis for Appraisal, with certification, precedes the report document.

PROPERTY RIGHTS APPRAISED

In accordance with our engagement letter we have appraised the fair market value of the permanent easement interest being acquired, and valued each of the proposed acquisitions as a "fee" interest.

COMPETENCY

The appraiser has completed numerous formal appraisal education courses and has appraised many other whole and partial eminent domain acquisitions. The appraiser is based in Sacramento and is familiar with the area within which the appraised property is located. The appraiser has the knowledge and experience to complete this assignment competently.

TERMS OF THE VALUE ESTIMATES

The value estimates are stated in terms of cash.

SALE HISTORY

BRI 05073

BENDER ROSENTHAL, INC.

1

The subject property, as part of a larger, 3.701-acre parcel zoned R-1 (Residential), was transferred to Pacific Gas and Electric, the current owner, in 1971.

SCOPE OF THE INVESTIGATION

The valuation of the property involved an investigation and an analysis of the Olivehurst area, as well as the entire regional area, for social, economic, governmental, and environmental forces and trends that affect or could influence property values.

Listed below are contacts, documents and information sources used in preparation of the report:

- Discussions with representatives of Ryland Homes of California, Inc.;
- Review of proposed easements;
- Zoning received from Yuba County;
- Review of applicable flood maps.

Real estate brokers were interviewed to obtain information on sales of parcels, and on the supply of properties in the western Yuba County area, as well as competing markets in the Yuba City/Marysville region. Our investigation of vacant land sales extended throughout the greater area. Developers, builders and real estate agents active in the market were interviewed to obtain information pertaining to sales activity involving similar properties. Transactions involving comparable properties were verified with the buyer, seller, or agent directly involved in, or knowledgeable about, the transaction. Sales, listings and current escrows of land were considered in this analysis.

DEFINITIONS USED IN THE REPORT

Fair Market Value².

- A) Fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purpose for which the property is reasonably adaptable and available.
- B) The fair market value of a property taken for which there is no relevant market is its value on the date of valuation as determined by any method of valuation that is just and equitable.

The Code goes on to say that:

The fair market value of the property taken shall not include any increase or decrease in the value of the property that is attributable to any of the following:

- A) The project for which the property is taken.

² Section 1263.320 of the Code of Civil Procedure.

BRI 05073

BENDER ROSENTHAL, INC.

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- B) The eminent domain proceeding in which the property is taken.
- C) Any preliminary actions of the plaintiff relating to the taking of the property.

Just Compensation³

The amount of loss for which a property owner is compensated when his or her property is taken.

Larger Parcel⁴

In condemnation, that portion of a property which has unity of ownership, contiguity, and unity of use. These are the three conditions that must be presented in order to establish the larger parcel for the purpose of considering the extent of severance damage in most states.

Severance Damage⁵

The diminution of the market value of the remainder area in the case of a partial taking that arises (a) by reason of the taking (severance), and/or (b) the construction of the improvement in the manner proposed.

General Benefits⁶

In eminent domain takings, the benefits that accrue to the community at large, to the area adjacent to the improvement, or to the property situated near the property taken.

Special Benefit⁷

Value accruing to the remainder of a property by reason of acquisition and use by the state of a portion of such property where such value is special to said remainder and not enjoyed by the general public. Benefits may be special although other owners of the facility receive similar benefits.

On August 25, 1997, the California Supreme Court ended the rule that only benefits deemed "special" could be off set against severance damages in determining compensation in condemnation actions. Under its decision in the *Continental Development* case, all benefits, general and special can reduce an award of severance damage. California's benefit offset rule is based on Rule 3, where general benefits, and special benefits offset damages.

³ The Dictionary of Real Estate Appraisal, 3rd ed. (Chicago: Appraisal Institute, 1993), p. 194

⁴ Real Estate Valuation in Litigation, 2nd ed. (Chicago: Appraisal Institute, 1995), p. 351.

⁵ The Dictionary of Real Estate Appraisal, 3^d. ed. (Chicago: Appraisal Institute, 1993), p 218

⁶ *ibid.* p. 323.

⁷ Real Estate Valuation in Litigation, 2nd ed. (Chicago: Appraisal Institute, 1995), p. 324.

Easement(s)⁸

An interest in real property that transfers use, but not ownership, of a portion of an owner's property.

Permanent, or perpetual, easements are generally acquired for electrical transmission lines; sewer, water, and other utility lines; highways; and other public facilities.

Exposure Time⁹

The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.

DATE OF THE APPRAISAL AND DATE OF THE REPORT

The date to which the value estimates apply is the last date of inspection, September 15, 2005. The date of the report is the date of the letter of transmittal.

Hypothetical and Extraordinary Assumptions

1. The appraiser relied on property area estimates provided by the project engineers. Should any of these area calculations be revised, the appraiser's value opinions could change.

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report and the value estimates it contains are expressly subject to the following "general" assumptions and/or limiting conditions. These are assumptions and conditions that are typically found in all reports produced by us.

1. We assume that property lines as depicted in material provided to the appraiser by the client (directly or indirectly), or as they appear on the ground, are correct. We have not commissioned any surveys of the property.
2. We assume that data, maps, and descriptive data furnished by the client or his representatives are accurate and correct.
3. We do not assume any responsibility for matters of law or legal interpretation. The appraisers are not lawyers and cannot give legal advice.
4. We assume that any conditions that might exist that would affect the use and value of the property are discoverable through normal, diligent investigation.

⁸ The Appraisal of Real Estate (Twelfth Edition). Appraisal Institute, Chicago, Ill. 2001 p. 71.

⁹ Statement of Appraisal Standards No. 6 (SMT-6) Appraisal Standards Board of the Appraisal Foundation

5. The valuation is based on information from sources believed reliable, and we assume that such information is correct and accurately reported.
6. The value estimate(s) are subject to the purpose, date, and definition of value stated in the report.
7. The report is to be considered in its entirety and use of only a portion will invalidate the appraisal.
8. The appraisal is made based on the premise that there are no encumbrances prohibiting utilization of the property under the appraisers' estimate of highest and best use.
9. Possession of this report does not carry with it the right of publication. No part of it may be reproduced by any means nor disseminated to the public in any way without the prior written consent of the appraiser. Nor may it be used for any purpose or function other than those stated in the report, or by anyone other than the client without the prior written consent of the appraiser and the appraisal firm. Such consent will only be granted subject to proper qualifications and arrangements, possibly including the payment of an additional fee to the appraisal firm.
10. The report is subject to review by duly authorized representatives of the Appraisal Institute for the purpose of upholding ethics and standards. This means that the appraisers must supply a copy of the report to the Appraisal Institute, if requested.
11. The liability of the appraisers, the appraisal firm and its employees and associates is limited to the client only and to the fee actually received by the appraisal firm. There shall be no accountability, obligation, or liability to any third party. If the appraisal report is disseminated to anyone other than the client, the client shall make such party or parties aware of all limiting conditions and assumptions affecting the appraisal assignment. Any person or entity who obtains or reads this report, other than the client, expressly assumes all risk of damages to himself or third persons arising out of reliance on this report, and waives the right to bring any action based on the appraisal. Neither the appraisers nor the firm of Bender Rosenthal, Inc. shall have any liability to any such person or entity.
12. Neither the appraisers nor the appraisal firm shall be in any way responsible for any costs incurred to discover or correct any physical, financial, and/or legal deficiencies of any type present in the subject property.
13. In the event of a lawsuit brought by a lender, a partner or part owner, a tenant or any other party, the client will hold the appraisers and the appraisal firm completely harmless in such action with respect to any and all awards or settlements of any type in such lawsuits.
14. The appraisers shall not be required to give testimony or appear in court by reason of this appraisal with reference to the property described in this report unless prior arrangements are made.

15. No responsibility is assumed for building permits, zone changes, engineering, or any other services or duty connected with legally utilizing the subject property.
16. Unless otherwise stated in this report, hazardous material was not observed by the appraisers at the property. The appraisers, however, are not qualified to detect such substances. The appraisers have no knowledge of the existence of such materials on or in the property, except as discussed in the report. The presence of such substances as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. The client should secure proper professional investigation of such matters.
17. With referenced to improved properties: The property appraised may or may not be subject to the Americans with Disabilities Act of 1990 (ADA). Title III of this act provides for penalties for discrimination in failing "... to remove architectural barriers ... in existing facilities [unless] an entity can demonstrate that the removal ... is not readily achievable. ..." Unless otherwise noted in this appraisal, it is assumed that the property appraised is not substantially impacted by this law. However, the appraisers have not undertaken any detailed compliance review, nor are the appraisers experts in ADA matters.
18. We assume that the property would be competently managed.
19. We assume that the property would have been competently marketed during the exposure period.
20. Unless otherwise stated in the report, we assume that the property value has not been directly affected by any recent terrorist activities perpetrated on a national scale in the United States.

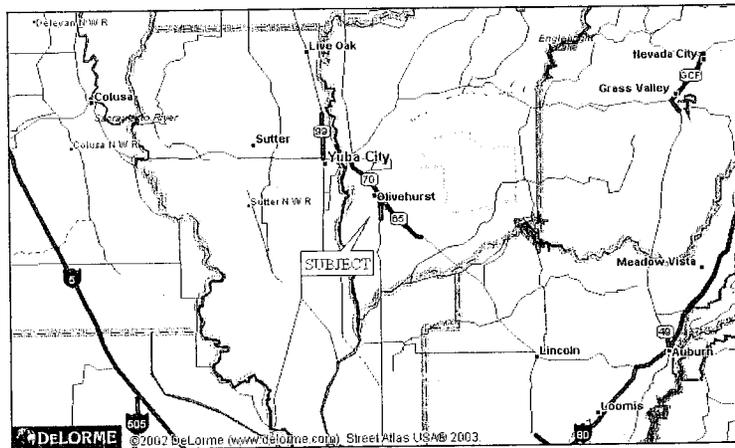
Additional Matters

1. The appraiser uses the first person singular and plural pronoun forms interchangeably.
2. Since the English language does not include a gender-neutral personal pronoun in the third person singular case, the appraiser uses the pronoun "he", even if the unnamed party could be a "she".
3. Appraisal competency: the appraiser(s) have completed numerous formal appraisal education courses and have appraised properties for acquisitions and other purposes. The appraisers have the requisite knowledge and experience to complete this assignment competently.

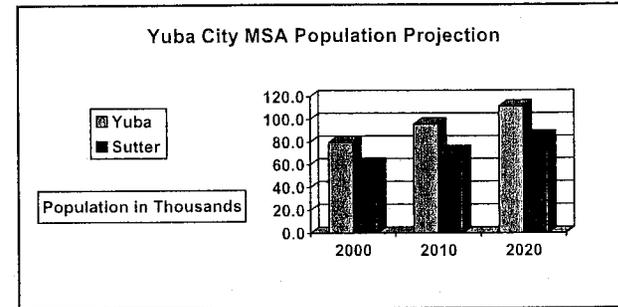
II. SUTTER/YUBA REGIONAL OVERVIEW

The subject property is located in the City of Olivehurst and the County of Yuba. The imedite area area is generally characterized as a mixed commercial and residential area located on the outskirts of the central business district. The Yuba City Metropolitan Statistical Area (YCMSA), consisting Yuba and Sutter counties, is located in north central California, between two large rivers, the Sacramento and the Feather. Sutter County occupies an area of 607 square miles and Yuba County occupies some 639 square miles. The community's area of influence extends from the Sacramento River east into the foothills of the Sierra Nevada Mountains, and lies midway between the cities of Chico to the north and Sacramento to the south. The area is located between two of California's major freeways, Interstate 5 and Interstate 80. These thoroughfares offer access to recreational mountain areas on the east, farming areas to the north and provide access to the areas largest city, Sacramento, 27 miles to the south. Sacramento is the state capital and the cultural, communications, financial, employment, and transportation hub of the Sacramento Valley and adjacent mountain county regions.

REGIONAL LOCATION MAP (N1)



According to Department of Finance estimates, Sutter County is home to 83,200 residents. Over 58 percent of county residents reside in Yuba City, the largest city and the county seat. With a current population of over 48,000, the city serves as the center of shopping and business for both Sutter and Yuba counties. By the year 2020, the population in Sutter County is projected to reach 115,600. Yuba County's current population is 62,800; Marysville's, population is 12,500, and is the county's largest city. One of California's historic cities, Marysville dates back to the early Gold Rush era. Today, commercial, agricultural, recreational, educational, and industrial activities for the Yuba/Sutter area center around Marysville. Yuba County's population is projected to reach almost 82,000 by the year 2020.



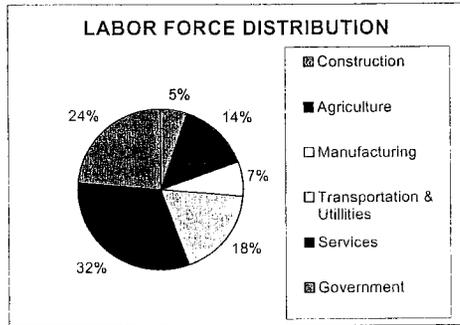
The population graph, above, shows the 2000 population based on the most recent census and the growth projected by the State Department of Finance (DOF). This represents a growth of 41% for Sutter County and 40% growth for Yuba County. The Yuba/Marysville region is a definite growth area. A primary contributing factor to population growth has been in-migration from the rapidly growing Sacramento area. The relatively lower cost of land in this area and the perceived good quality of life have contributed to this growth, and experts expect this growth to continue. The DOF predicts a virtual population "boom" for the area within the next decade. Contributing to this increase will be an expected influx of "baby-boomer" retirees and those that are pushed out of the more expensive housing in the Sacramento region.

Employment. The area's population traditionally is not as well educated as the metropolitan areas to the south. However the number of high school graduates and those that are attaining higher educational degrees is increasing according to a study conducted by Yuba County. These increases can be attributed to the large in-migration of persons from the better educated areas. The population is relatively young with an average age of 31, below the California average of 33.5 years.

The Yuba City MSA's employment base is largely a function of government, transportation and utilities, which account for more than 40% of the jobs in the two counties. Beale Air Force Base in Yuba County provided the majority of the civilian federal government jobs with a total of 4,660 employees. Beale was recently awarded the Global Hawk mission. The Global Hawk is a high altitude, long endurance, unmanned aerial reconnaissance system. This mission will add over 1000 government and civilian jobs.

In addition to government, the services and agriculture sectors are the major employment components of the local labor force. Manufacturing jobs constitute only 7% of the work force, and the urbanized portions of the region function primarily as a service economy.

The unemployment rate for this area averaged 13.8% for 2003 according to the Employment Development Department as compared to 6.2% for California. A higher unemployment rate is typical in agricultural areas due, in part, to the seasonal variations in employment.



Local Economy. The recent national economic uncertainty, which now appears to be lessening, has not been as noticeable in the Yuba City MSA as it has been in other places. The demand for new housing continues at unprecedented levels. Land prices, especially for subdivision land, continue to increase. Sutter County remains one of the states most extensively farmed communities. The Tourism market is expanding thanks to several additions to this area one of which is the Sleep Train Amphitheater which is a \$25 million state-of-the-art concert facility serving all of Northern California. Which is a completely open-air music center, with 8,000 reserved seats directly in front of the stage and room for another 10,500 on the Festival Lawn. A large percentage of tourists visit this area for the wide variety of outdoor activities and shopping in the historical districts of Marysville and Yuba City.

Airports. The Yuba County Airport is approximately 3 miles (4 minutes) south of the City of Marysville. The airport is 1,000 + acres, of which 265 acres are available for industrial development with eight Industrial Parks. Yuba County airport was constructed during World War II by the United States Government. Yuba County Airport was licensed as an approved airport on September 30, 1949 by the State of California. The airport handles light to moderate planes on its 6,006 - foot active runway and 3,281 - foot crosswind runway. Larger traffic is routed through to the Sacramento area airports.

The Sacramento area is served by three airports: Sacramento International, Mather and Executive. Mather Airport, located on a former Airforce base south of Highway 50, supports freight service. Executive Airport serves private air operations.

Sacramento International Airport, utilizing two terminals, serves more than 8 million passengers a year and is the dominant airport in the northern portion of the California Central Valley area. It provides passenger service to most American cities. Southwest Airlines operates 70 daily flights out of Sacramento International. Hawaiian, Aloha and Mexicana airlines operate successfully from this location. Once located away from all urban development and surrounded by farmland (the airport's one major negative, as the area is prone to fog in the winter), development is now planned or occurring nearby, including especially Metro Air Park, adjacent to the east. Development at this 1,892-acre, \$2 billion project has finally begun (one broke ground recently), after years of delay.

Regional Analysis Conclusion. The Yuba City MSA Sacramento Metropolitan Area is strategically located in the north central part of California, 125 miles northeast of San Francisco and 125 miles west of Reno, Nevada. The metropolitan area benefits from being in close proximity to the state capital and center of government for the State of California, Sacramento. Housing and the overall quality of life have been conducive to growth. The economic future for the Yuba/Marysville area appears to be good over the long term, as the area continues to grow from in-migration from Sacramento, and as a tourism destination. The area's forecast growth is anticipated to result in stable to increasing property values over the long run.

III. NEIGHBORHOOD AND PROJECT AREA INFORMATION

Olivehurst is situated northeast of Sacramento and 5.1 miles south of Marysville, in the southwest section of Yuba County. The city encompasses some 5 square miles of land.

Olivehurst is sub-market of its closest neighbor Marysville, and also Yuba City, which is located in Sutter County. The community is a fairly homogeneous mix of people, housing types and income levels. According to the 2000 census the population of Olivehurst was 11,061. The Department of Finance reports that the Marysville population as of 2003 was 12,500.

Olivehurst has seen very modest growth in recent years. A majority of Olivehurst's homes were built prior to the 1970's. The median sales price has hovered around the low to mid \$100,000's. KB Home is planning on developing 342 home sites in early 2005 that will feature homes from 1,000 to 3,000 square feet that will cost between \$180,000 and \$270,000. This is less expensive than in the greater Sacramento area, but above the average local price. Beazer Homes is also planning on developing homes at Sawyers Landing, which is located just south of McGowan Parkway between Rose and Dan Avenues. These homes will range from 957 to 1,621 square feet and will start at approximately \$235,000.

The predominant land use within the community is single-family residential. There are several local employers, but most of the professional jobs are located in Marysville, Yuba City, and at the Beale Air Force Base 14.3 miles away. A large percentage of the population also commutes to the Sacramento area 27 miles to the south. The following table lists the area employers.

Employer Name	Number Of Employees
Beale Air Force Base	4,660
Fremont Rideout Health Group	2,000
Marysville School District	1,500
Yuba City School District	1,201
County Of Yuba	904
County Of Sutter	900
Yuba community College	700
Ca Transportation Department	650
Sunsweel Growers	450
SYSCO Distribution	425
Sutter Medical Foundation	350

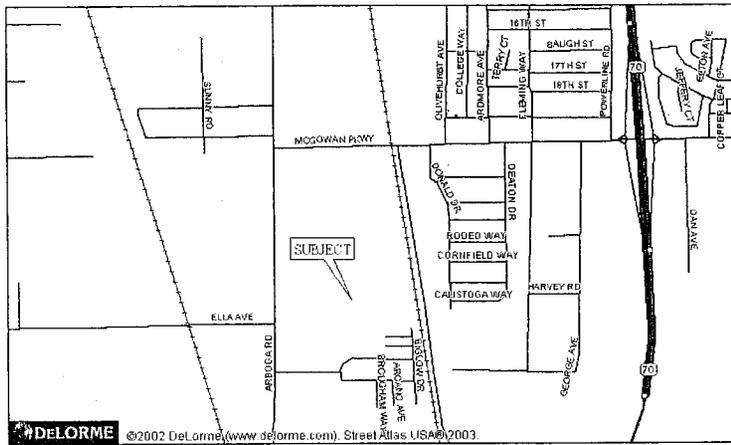
Source: Yuba-Sutter Economic Development Corporation

AERIAL OF OLIVEHURST



For the past few year's this area has seen a lot of growth in the housing market due to its close proximity to the Sacramento area and its abundance of inexpensive land. Just south of Olivehurst, along Highway 70, 6,667 homes are in the planning stage in Plumas Lakes according to the Appeal Democrat. KB Homes has purchased 1,835 of these lots. It is projected that this area will grow by as much as 36,000 people in the next 10 years. Development in this area is constrained by the issues surrounding the Bear River and Feather River Levies. In 1986 part of the Feather River levee broke resulting in a four-foot high wall of water inundating the area. This caused \$400 million worth of damage in Olivehurst and Linda; the state was found liable for all damages in 2003, according to Richard Webb of the 784 Reclamation District, the deficiencies in the levee are now being repaired; a slurry wall repair was just completed on a section of the levee downstream from the 1986 break site. Another project will be completed in November 2005 that will relocate a pump site and setback levees one half mile above the confluence of the Feather and Bear rivers. In 2005 a combination of stability bums and drywell projects will be completed above the 1986 break location. More projects are proposed for completion in 2006 that include set back levees along the Western Interceptor of the Bear River. The area of Olivehurst and Linda are currently rated outside the flood plain according to FEMA standards. Because of the deficiencies that were found in the levee system FEMA is going to reevaluate its study and may find that these areas are indeed in a flood plain. If this occurs then all development will have to cease. During the period that FEMA is reevaluating the area, Reclamation District 784 is requiring that the developers pay for the first two years of flood insurance for the developed homes. The district hopes to conclude all repairs before FEMA's study is complete; no date has yet been set for the completion of the FEMA report. If all repairs are complete before the conclusion of the report it is hoped that the FEMA will have no reason to change the areas' flood rating to that of a flood plain.

LOCATION MAP



The Immediate Neighborhood (Project Area). The subject property is located in a developing residential neighborhood outside the Plumas Lake Specific Plan. Even though it is outside of the plan area, future residential development is virtually assured. The location is just south of Olivehurst, and just east of Arboga Road. It has easy access off Arboga Road and is bound on the east by the Western Pacific Railroad tracks and to the north by McGowan Parkway, the main street through Olivehurst to Highway 70.

IV. PROPERTY DESCRIPTION

The Subject Parcel. The property being appraised is a proposed easement area including 0.024-acre (1,062 SF) (parcel 1), 0.074-acre (3,206 SF) (parcel 2) and 0.078-acre (3,389 SF) (parcel 3) that will run east/west on the far southern edge of parcel 13-370-039, east of Arboga Road, in Olivehurst, California. Additional identification and description are provided below. Parcel 13-370-039 is part of a PG&E power line corridor. No temporary construction easements are anticipated or appraised.

A tabular summary of the planned acquisition follows:

Parcel 1	
SBE: 135-58-24-01	
Proposed Easement	0.24 Acres (1,062 SF)
MHM Inc., February 2005	

Parcel 2	
SBE: 135-58-24-01	
Proposed PUE, PE & LE	0.074 Acres (3,206 SF)
MHM Inc., February 2005	

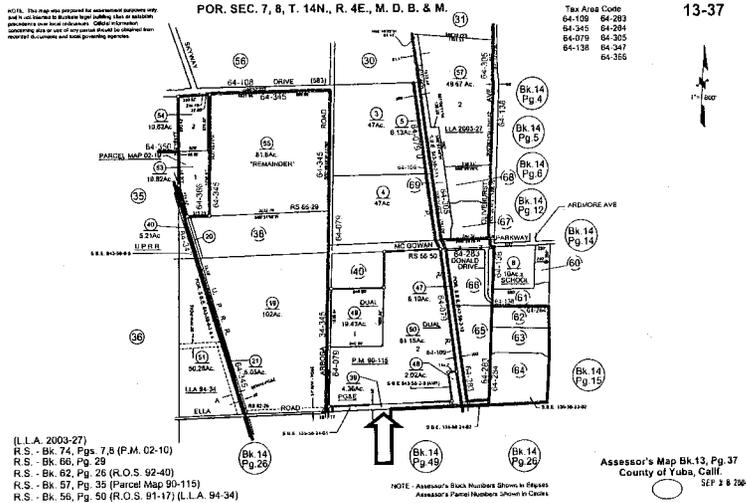
Parcel 3	
SBE: 135-58-24-01	
Proposed Easement	0.078 Acres (3,389 SF)
MHM Inc., February 2005	

Additional Property Data:

- APN:** Portion of APN: 13-370-039
- Utilities:** The subject parcels are situated within Olivehurst city limits. Sewer service, water, trash collection, and drainage are provided by Olivehurst Public Utilities District. Electricity and gas are provided by Pacific Gas & Electric Company, and telephone by SBC.
- Flood Zone:** The property is located in Flood Zone A6, as shown on FEMA Flood Insurance Rate Map 060427-0360B, revised May 17, 1982. This designation identifies a special flood hazard area.
- Specific Plan:** Located just outside the Plumas Lake Specific Plan area.
- General Plan Designation:** None.
- Zoning:** R-1: Residential.

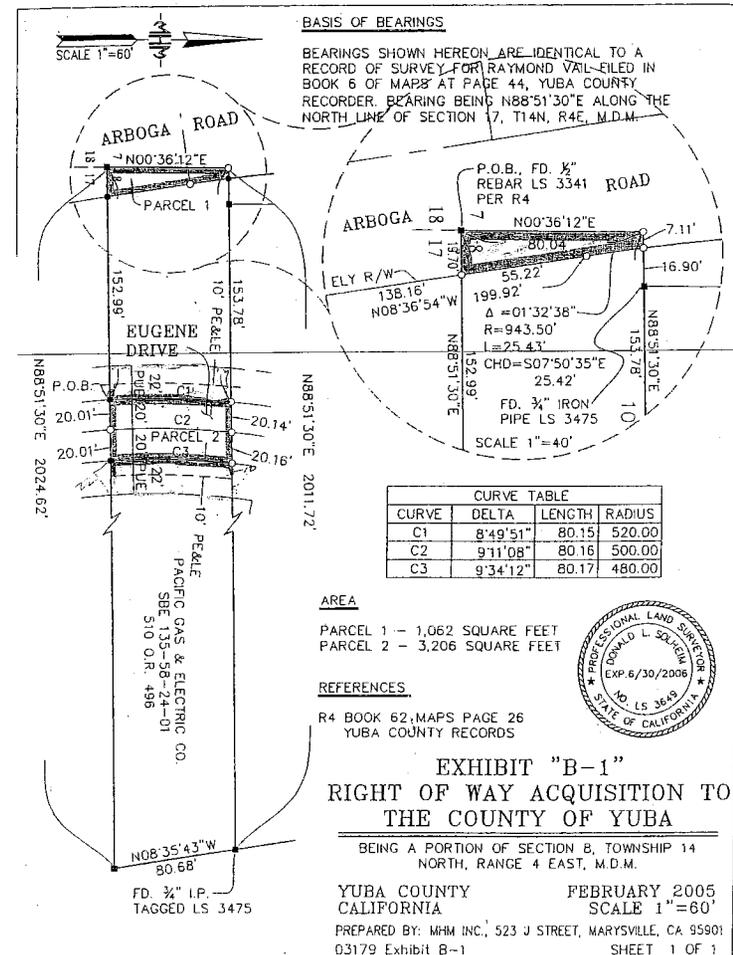
- Easements:** No title report was provided to the appraiser.
- We assume that the property is not burdened by easements that would have a negative effect on value. Please refer to the Assumptions and Limiting Conditions.
- Encroachments:** None evident.
- Wetlands:** Any property containing wetlands is affected by the Rivers and Harbors Act of 1899 and the Clean Water Act of 1968.

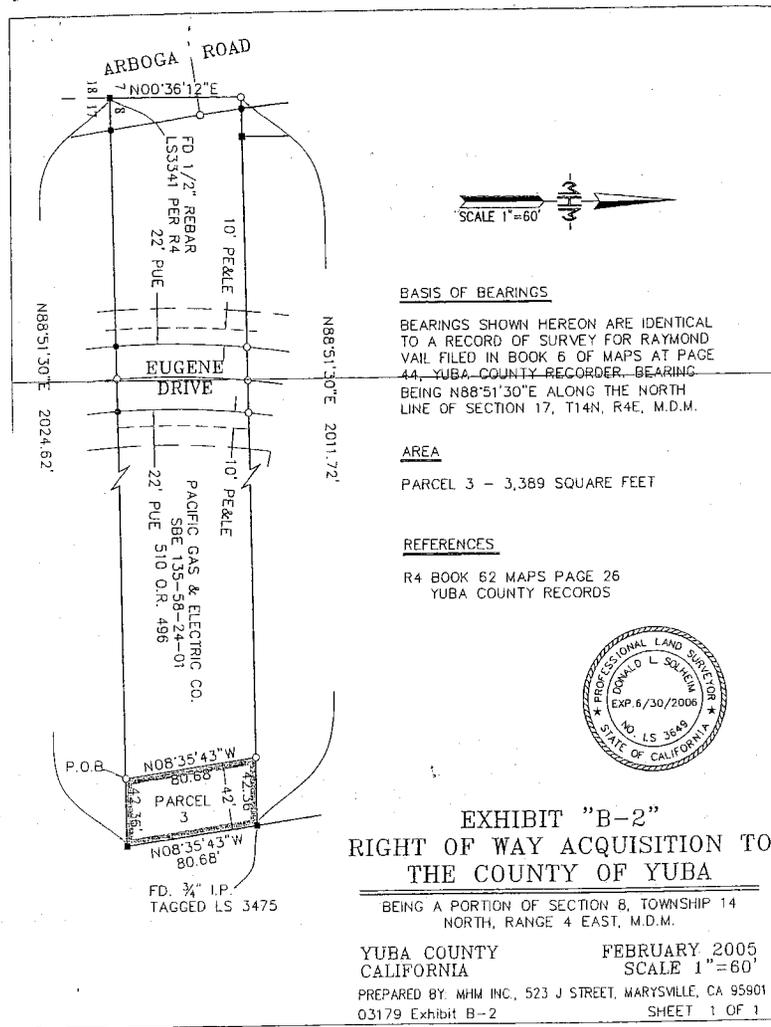
ASSESSOR'S PARCEL MAP
(APN 13-370-039)



13-37

ENGINEER MAPS





LEGAL DESCRIPTIONS

EXHIBIT "A"

02-1794

PARCEL 1

All that certain real property situate in the County of Yuba, State of California, being a portion of the Southwest one-quarter of Section 8, Township 14 North, Range 3 East, M.D.M., described as follows:

Beginning at the Southwest corner of said Section 8, thence North 00°36'12" East along the West line of said Section 8 and the West line of the Pacific Gas and Electric Company property as described as SBE 135-58-24-01, recorded in deed to Pacific Gas and Electric Company on February 16, 1971 in Book 510 Official Records at Page 496, in the office of Recorder of Yuba County, a distance of 80.04 feet; to the Northwest corner of said P.G.&E. property; thence North 88°51'30" East along the north line of said P.G. & E. property a distance of 7.11 feet to the beginning of a non-tangent curve concave Easterly, having a radius 943.50 feet, through a central angle of 01°32'38", the chord of which bears South 07°50'35" East 25.42 feet; thence on the arc of said curve a distance of 25.43 feet; thence South 08°36'54" East 55.22 feet to a point on the South line of said Section 8; thence South 88°51'30" West along said section line a distance of 19.70 feet to the point of beginning, containing 1062 square feet.



EXHIBIT "A"

PARCEL 2

All that certain real property situate in the County of Yuba, State of California, being a portion of the Southwest one-quarter of Section 8, Township 14 North, Range 4 East, M.D.M., described as follows:

Commencing at the Southwest corner of said Section 8, thence North 88°51'30" East along the South line of said Section 8, and the south line of a strip of land described as SBE 135-58-24-01, recorded in deed to Pacific Gas and Electric Company on February 16, 1971 in Book 510 Official Records at Page 496, in the Office of Recorder of Yuba County, a distance of 152.99 feet to the TRUE POINT OF BEGINNING of the herein described strip of land; thence from said True Point of Beginning along a non-tangent curve concave easterly having a radius of 520.00 feet, through a central angle of 08°49'51", the chord of which bears North 01°10'05" East 80.07 feet; thence on the arc of said curve a distance of 80.15 feet to a point on the North line of said Pacific Gas and Electric Company strip of land; thence along said North line, North 88°51'30" East 40.30 feet to the beginning of a non-tangent curve concave Easterly having a radius of 480.00 feet, through a central angle of 09°34'12", the chord of which bears South 01°21'43" West 80.08 feet; thence on the arc of said curve a distance of 80.17 feet to a point on the South line of said Section 8; thence South 88°51'30" West along said Section line a distance of 40.03 feet to the point of beginning, containing 3206 square feet.

TOGETHER WITH two strips of land having parallel sides and a uniform width of 22.0 feet coincident with the westerly and easterly right-of-way lines of said strip of land, said strips of land are for a 22.0 foot P.U.E. (Public Utility Easement) and a 10.0 foot PE&LE (Pedestrian Easements and Landscape Easements), said 10.0 foot PE&LE easement lying within the 22.0 foot P.U.E. easement and being coincident with the westerly and the easterly right-of-way lines of the herein above described road right-of-way.



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EXHIBIT "A"

03-1798

PARCEL 3

All that certain real property situate in the County of Yuba, State of California, being a portion of the Southwest one-quarter of Section 8, Township 14 North, Range 3 East, M.D.M., described as follows:

Commencing at the Southwest corner of said Section 8, thence North 88°51'30" East along the South line of said Section 8, and the South line of a strip of land described as SBE 135-58-24-01, recorded in deed to Pacific Gas and Electric Company on February 16, 1971 in Book 510 Official Records at Page 496, in the Office of Recorder of Yuba County, a distance of 1982.26 feet to the TRUE POINT OF BEGINNING of the herein described strip of land; thence from said True Point of Beginning, North 08°35'43" West 80.68 feet to a point on the North line of said PG&E property; thence North 88°51'30" East along said North line a distance of 42.36 feet; thence leaving said North line, South 08°35'43" East 80.68 feet to a point on the South line of said Section 8; thence South 88°51'30" West along said South line of Section 8 a distance of 42.36 feet to the point of beginning, containing 3389 square feet.



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Seismic Information: The subject property does not lie within an Alquist-Priolo Special Studies Zone, according to Special Publication 42, "Fault-Rupture Hazard Zones in California", published by the California Department of Conservation, Division of Mines and Geology, revised 1997. No active faults are located on or in the proximity of the property. However, strong earthquakes generated along any of the active California faults may affect the site depending on the characteristics of the earthquake and the location of the epicenter. In general, the effects should be confined to shaking and/or acceleration (shock waves) and potential damage to structures should be minimized by employing adequate design and construction procedures.

Cultural, Recreational and Historical Significance: None known to the appraiser.

Toxic Hazards: We are unaware of any toxics investigation report. The appraiser did not observe any problems during inspection. However, he is not an expert in this field; please refer to Item 16 of the Assumptions and Limiting Conditions.

Property Tax Data and Projected Taxes: County Assessor's records show the larger parcel as being tax exempt (2004 – 2005 tax year).

APN 13-370-039 (TAX RATE AREA: 06-4079)	
Assessed Land Value	\$0
Assessed Improvements Value	\$0
Assessed Personal Property Value	\$0
Total Assessed Value	\$0
Current Tax Rate	0%
2004-2005 Taxes and Assessments	\$0

Special Taxes and Assessments: The subject property is exempt.

Overall Comments: The subject property larger parcel is a residentially-zoned parcel improved with PG&E overhead power lines. Its primary use is as a utility corridor.

V. HIGHEST AND BEST USE ANALYSIS

Highest and Best Use Explained. Highest and best use may be defined as the reasonably probable and legal use of vacant land or an improved property, that is physically possible, legally permissible, appropriately supported, financially feasible, and that results in the highest value.¹⁰

Usually the highest and best use of an improved property is first considered as if the property were vacant. Then the highest and best use of the improved property is considered. This procedure is utilized because sometimes the value of the land exceeds the value of the improved property (and including the cost to demolish it). The subject property is being appraised as if not improved with structures.

There are four property use aspects commonly investigated in the highest and best use analysis process. These are:

1. **Legally Permissible Uses.** *What uses are permitted legally under existing zoning, building codes, historic district controls, environmental regulations, deed (private) restrictions, and long-term lease provisions on the site in question?*
2. **Physically Possible Uses.** *What uses of the site are physically possible, given its size, shape, area, terrain, soils composition, accessibility, assembly potential, and risk potential from natural disasters?*
3. **Financially Feasible Uses.** *Which possible and permissible uses will produce a positive net return to the owner of the property?*
4. **Maximally Productive Use.** *Among the feasible uses, which use will produce the highest residual land value consistent with the rate of return warranted by the market for that use?*

Highest and Best use as if Vacant:

The larger parcel is defined by APN 13-370-039. This 3.701-acre, 80 foot wide, 2,015-foot long corridor most likely was created by condemning the fee interest in 1971 for an overhead power line. The property is zoned R-1 according to Yuba County. While it can not be developed independently, the most likely use would be assemblage with the property directly north and developed into a single-family residential development (as is currently planned for the northern parcel.)

Highest and Best use as Improved:

The parcel is currently improved with a PG & E overhead line. The highest and best use, as improved is continued use as an electrical corridor.

Highest and Best use of the Remainder after the Part Take:

This section of the report considers the highest and best use, after construction of the roadway and public utility easements. This 3.701-acre site is adjacent to future single family development. The imposition of the overhead line limits this property's future assemblage value. One could argue that a portion of the property could easily be assembled with the subdivision to the north, and still leave the

¹⁰ THE APPRAISAL OF REAL ESTATE (Twelfth Edition), Appraisal Institute, Chicago, Illinois, 2001, p.306.

electrical corridor viable. Overall, the proposed easement does not affect the electrical corridor's utility, but does limit assemblage of any excess corridor lands.

VI. DAMAGE / BENEFIT ANALYSIS

DAMAGE / BENEFIT ANALYSIS

In order to evaluate potential severance damages, we considered what we believe to be an all inclusive list of potential damage issues that should be studied, including changes in access, land use, construction impacts, and environmental and safety factors. We have not reviewed the Final Environmental Impact Report, developed for the proposed project.

Given the subject's current use as an electrical utility corridor, there does not appear to be any severance damages, to the larger parcel. We have concluded the remainder parcel is not proportionately impacted to a degree that requires consideration of severance damages. The Remainder Parcel will still retain fee simple ownership after completion of the proposed easements.

VALUATION DISCUSSION AND ANALYSIS

Valuation in the "Before" Condition.

The most common method of estimating land value is the sales comparison approach. The **sales comparison approach** is based on the premise that the values can be determined by comparing the subject property to similar properties that have sold and that the sale prices of these properties, based on their comparability, will indicate a range in value for the subject property. The reliable application of this approach depends on 1) availability of comparable land sales; 2) degree of comparability that the sales have to the property being appraised; and, 3) the verification and accuracy of the sales data. We have relied upon only the closed, verified sales to make our final value conclusions. Our determination of value is not influenced by and does not reflect an opinion of value, which incorporate the proposed sewer easement as a factor in our concluded land values

We have selected the most similar sale properties for use in this analysis from the summary of sales presented. Comparable property sales of residential properties are used in this analysis. Sales have been chosen that have similar highest and best use, size, topography, and locations relative to the subject properties.

We have analyzed this parcel "as improved" with the imposition of the existing overhead lines which renders the parcel with few economic uses. Per the Pacific Gas and Electric Company the uses that would be allowed include landscaped areas as long as California Gas Transmission (CGT) is notified of development plans and approves all proposed work prior to construction. Trees and large plants are permitted within the right of way provided they are not within 10 feet of the overhead lines. Lawn and agricultural crops within the right of way do not require approval. Driveways and roads are generally permitted but must be approved by CGT. Asphalt is not permitted within the right of way without prior written consent of CGT.

Due to this imposition of the existing improvements, the fee ownership is diminished.

Land Value Conclusion.

We have valued this parcel based on the theory that a portion of the corridor could be assembled with the lands to the north. If the subject was vacant the most likely use would be assemblage to the northern property and then developed as single family residences. Later, we will address the impact of the existing improvements on the subject. The property to the north is a 110.58 acre parcel (assemblage of three separate assessor parcel numbers), with an application to map 416 single family residences.

VII. PROPERTY VALUATION

VALUATION METHOD AND CONSIDERATIONS

The appraisal involves the determination of the market value of the fee simple estate interest of the property sold "as is" to establish the value of the "larger parcel". The larger parcel is the total property of which the partial taking is a part. Valuation of the larger parcel determines the unit value of the land and the highest and best use estimated for the property before the taking. It also defines the area regarded as "damaged" or "benefited" by the proposed improvements, if such conditions are thought to exist. The larger parcel is characterized as a parcel held in one ownership, (unity of ownership), consisting of contiguous land, and unity of use. The market value of the larger parcel, before acquisition, determines the value for the part acquired. The remainder land is that portion of the larger parcel that is not taken. The "State"¹¹ rule format is summarized below:

- A. Value the fee simple rights to the entire land area;
- B. Value the part-taken, including contributory value of the improvements that are being acquired;
- C. Value the land and rights on the "remainder," but before evaluating severance damages and special benefits, providing the "value of the remainder as part of the whole" (Step A less Step B).
- D. Value the remainder, after the proposed take area and before consideration of benefits.
- E. Deduct step C from step D to calculate severance damages.
- F. Value of the remainder after the acquisition and after consideration of benefits.
- G. Deduct Step F from Step D.
- H. Determine the net damages or benefits (Step E – Step G).
- I. Total Just Compensation (Step B + Step H).

"BENEFITS" AND "DAMAGES"

The appraisal involves the determination of the market value of the fee simple estate interest of the property sold "as is" to establish the value of the "larger parcel". The larger parcel is the total property of which the right-of-way, or partial taking, is a part. Valuation of the larger parcel determines the unit value of the land and the highest and best use estimate for the property before the taking. It also defines any area regarded as "damaged" or "benefited" by the proposed improvements. The definitions of certain terms, given earlier, are repeated here for convenience.

General benefits¹² are value increases that accrue to the neighborhood in general as a result of the project. The general benefits might include better sewer service in the extended area.

Special benefits¹³ are improvements or value enhancements unique to that portion of the larger parcel remaining after the taking and resulting from the project. An example would be improved

¹¹ This description applies to those properties wherein "no benefit", special or general is realized.

¹² PRINCIPLES OF RIGHT-OF-WAY: International Right-of-Way Association, 1972, p. 131.

drainage. There are no measurable special benefits inuring to the remaining parcels as a result of this project.

On August 25, 1997, the California Supreme Court ended the rule that only benefits deemed "special" could be off set against severance damages in determining compensation in condemnation actions. Under its decision in the *Continental Development* case, all benefits, general and special can reduce an award of severance damage. California's benefit offset rule is based on Rule 3, where general benefits and special benefits offset damages only.

Severance damages¹⁴ is the loss in value to the portion of the larger parcel remaining after the taking and construction of the public improvements. The damage must arise either because of the taking or because of project construction or use of the taken area.

When evaluating potential severance damages, we considered what we believe to be an all inclusive list of potential damage issues that should be studied, including changes in access, land use, construction impacts, and environmental and safety factor.

Compensable items are items which may be considered in the valuation of the remainder of the property after the project acquisition and construction has occurred. Items, which are compensable include:

- Change in size or shape;
- Change in drainage;
- Change in highest and best use;
- Impairment of light, air, view or access;
- Increased cost of developing the remainder;
- Change in access, or;
- Change in grade.

Non-compensable¹⁵ items are considered to include factors that are remote, speculative, uncertain, or imaginary. Some examples of non-compensable items are:

- Damages to business;
- Expenses for moving personal property;
- Temporary damage to the use and occupancy of property reasonably incident to construction requirements;
- Damages due to annoyance and inconveniences suffered by the public in general;
- Circuity of travel caused by dividing a highway;

¹³ Ibid.

¹⁴ Ibid.

¹⁵ CALTRANS RIGHT OF WAY MANUAL, SECTION 7.0503.00

Re-routing or diversion of traffic or changing of a two-way street to a one-way street;

In general, all those types of damages that can be considered to be conjectural, speculative and remote.

VALUATION APPROACHES

This section of the report discusses the three approaches generally used to arrive at an estimate of value of the larger parcel: the sales comparison approach, the cost approach; and the income approach. The approaches used are always reconciled to a final value estimate.

The **sales comparison approach** is based on the premise that the values can be determined by comparing the subject property to similar properties that have sold and that the sale prices of these properties, based on their comparability, will indicate a range in value for the subject property. This approach is most useful when a number of similar properties have recently sold.

The **cost approach** to value is based on the premise that the value of a property can be determined by adding the value of the land to the current cost of constructing a reproduction or replacement for the improvements and subtracting the amount of accrued depreciation in the improvements. This approach is most useful in valuing properties where the improvements are new, relatively new, or special use properties.

The **income capitalization approach** is based on the premise that the value of the property represents the present value if the future benefits of ownership. In this approach, the property's income and reversionary value are capitalized into a present dollar value.

The Approach Used for Valuation: Sales Comparison. It is not always practical or possible to apply all three approaches to value to a property. The valuation sought, the nature of the property, and the amount, quality, and type of data available dictate the possible use of each of the three approaches.

The most common method of estimating land value is the sales comparison approach. The reliable application of this approach depends on 1) availability of comparable land sales; 2) degree of comparability that the sales have to the property being appraised; and, 3) the verification and accuracy of the sales data.

Some limited listing and contract information has been presented in the report as additional information. However, we have relied upon only the closed, verified sales to form our final value opinions. The listing and contract information are included for informational purposes only.

Each property valuation is valued based on its highest and best use.

Valuation in the "Before" Condition. The Regional, Neighborhood, and Market Analysis/Trends information contained in the report sections, plus the subject property information, were utilized to determine each property's highest and best use. Next, the sales comparison approach is utilized to value the property in accordance with its highest and best use.

THE COMPARABLE SALES DATA AND ANALYSES

To value each property, the most likely economic use as determined in the highest and best use determines which comparable data will be used for valuation.

The following pages contain the comparable data, and the analyses thereof, that will permit the determination of the subject's estimated value. The most common unit of comparison, price per acre, is used to value the parcels. Comparable property data sheets and appropriate maps are contained in the Addenda. All of the comparable sales have been evaluated at least with regard to the following items:

Property Rights Conveyed. All five of the comparable sales considered were transfers of the fee-simple estate

Financing Terms. All of the comparable sales represent all cash or cash equivalent transactions, and no adjustments were required.

Conditions of Sale. All sales were negotiated, arm's length transactions and are considered to be normal transactions with no unusual concessions provided by the buyer or seller that would skew their market values. Therefore, no adjustments were necessary.

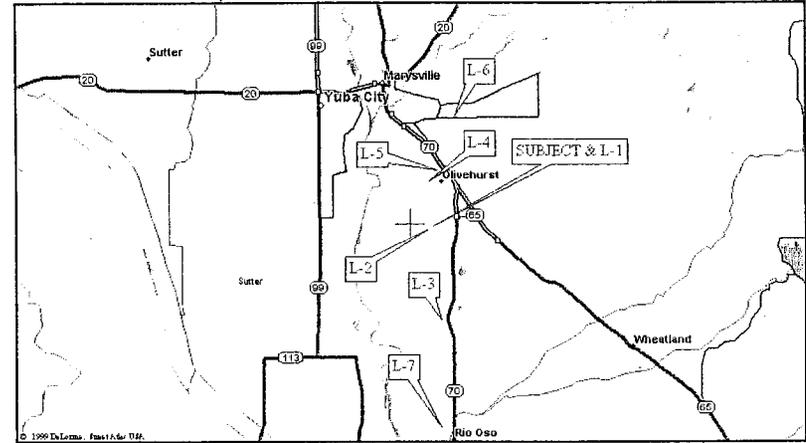
Market Conditions. The oldest sale occurred in June, 2003. The sales data suggest that older sales should be adjusted, as land prices for such pads have continued to escalate over the past year.

Location. The locations of the various sale properties, relative to the subject, are considered as described in the individual sale comments that follow the chart below.

Unit of Comparison

Unentitled residential land is typically valued using a price per acre as this best reflects the behavior of buyers and sellers in this market.

COMPARABLE SALES MAP



COMPARABLE LAND SALES							
NO.	IDENTIFICATION/ LOCATION	SALE DATE/ ZONING	ACRES SIZE (SF)	SALE PRICE	PRICE PER ACRE	BONDS/ COSTS SF	TOTAL PRICE/ ACRE
L-1	No Situs Address E side of Arboga Road, S side of McGowan Parkway Marysville, CA 95901 APN: 13-370-049 & 050, 14-260-004	11/17/04 RRE	110.58 4,816,865	\$13,695,000	\$123,847	\$0.00	\$123,847
Comments: The sale price was based on lot finishing costs of \$38,000 per lot and fees of \$27,000 per lot.							
L-2	4128 Arboga Road Marysville, CA 95901 APN: 13-370-019 & 14-260-003	8/5/04 M-1	156 6,795,360	\$11,300,000	\$72,436	\$0.00	\$72,436
Comments: Lot finishing costs were estimated to be \$42,000 per lot and the property is located in an area that requires residential developers to address a local drainage issue and is subject to an additional drainage fee of roughly \$30,000 per acre.							
L-3	No Situs address N of Feather River Boulevard and W of Highway 70 Marysville, CA 95901 APN: 22-020-005 & 007, 22-030-001 & 005	2/2/04 AE-40	206 8,973,360	\$18,868,500	\$91,595	\$0.00	\$91,595
Comments: The sales price is based on lot finishing costs of \$33,000 per lot and fees of \$34,000 per lot.							
L-4	1567 7 th Avenue Olivehurst, CA APN: 13-060-003	8/6/04 R-03	4* 3 174,240* 130,680	\$325,000	\$81,250* \$108,333	\$0.00	\$108,333*
Comments: The comparable consists of a parcel of land that totals 4 gross acres but due to a 60 foot drainage easement along the western edge of the property that is situated considerably below the grade of the remainder of the property, the developable or usable area is approximately 3 acres.							
L-5	1690 4 th Avenue Olivehurst, CA APN: 13-480-053	8/6/04 R-02	2.39 104,108	\$225,000	\$94,090	\$0.00	\$94,090
Comments: This property was acquired to develop multiple townhomes.							
L-6	1973 Linda Avenue Marysville, CA APN: 21-113-004	7/30/04 R-03	4.56 198,634	\$550,000	\$120,614	\$0.00	\$120,614
Comments: This property sold with an approved tentative map for 23 single family residential lots.							
L-7	695 County Road 512 Marysville, CA APN: 16-130-012 & 014	In Contract Planning Reserve	53.38 2,325,233	\$6,800,000	\$127,389	\$0.00	\$127,389
Comments: This property is under contract.							

Comments, L-1. This comparable is generally located south of McGowan Parkway, east of Arboga Road, and west of the Union Pacific Railroad in the North Arboga Study area in the community of Olivehurst. This comparable is the sale of three parcels that are adjacent to the subject property and located within the Yuba County Airport Approach/Departure and Overflight Zones. The total parcel size is 110.58 acres. The development of this proposed residential subdivision, known as Thoroughbred Estates, requires the Three Rivers Levee Improvement Project. The sale price was agreed to approximately 8 months prior to closing according to the broker. The buyer paid an additional \$2,000,000 to escape the Mello-Roos District applicable to the property. The total sales price for the three parcels was \$13,695,000 or \$123,847 per acre in November 2004. This land sale is a good indicator of value as it is adjacent to the subject property.

Comments, L-2. This land sale is of two parcels consisting of vacant land with a tentative map approval located at 4128 Arboga Road. 102 acres of the 156 acres are located on the north side of Ella Avenue and the remaining 54 acres are located on the south side of Ella Avenue directly across the street from the subject property. The Union Pacific Railroad sets the westerly boundary of both parcels and both are located in within the Yuba County Airport Approach/Departure and Overflight Zones. The sellers had received approval of 583 lots in June 2004. The sales price was set by an agreement in January 2004. The buyer was proposing to re-map the project for 538 lots to allow the development of some large lots. This property is located in an area that requires residential developers to address a local drainage issue and is subject to an additional drainage fee of roughly \$30,000 per acre. These properties have good frontage and access on Arboga Road. The total sales price for this parcel was \$11,300,000 or \$72,436 per acre in August 2004. Overall, due to the additional drainage fee that may be incurred and the price being set in January 2004, the subject property should sell for a higher price per acre than this transaction.

Comments, L-3. This comparable has no site address but is located north of Feather River Boulevard and west of Highway 70. This is the sale of four parcels totaling 206 acres. This sales transaction was based on an agreement date of January 2004. The comparable was previously approved for 588 lots but the sellers received approval for 599 lots and the buyer acquired the property with approval for 599 lots. The buyers are planning a 7-phase project with a four year build-out. The land area will be devoted to the following: 6.11 acres of open space, 10 acre elementary school site, 4.8 acres for neighborhood parks, 2.55 acres for roadway landscaping, 8.86 acres for drainage facility, and 4.45 acres for major roads. The total sales price for this parcel was \$18,868,500 or \$91,595 per acre in February 2004. This comparable does not have as convenient of access as the subject property and abuts to Highway 70. This land sale is inferior to the subject property and should sell for a higher price per acre.

Comments, L-4. This comparable is located at 1567 7th Avenue in Olivehurst, California. It consists of a parcel of land that is 4 gross acres but due to a 60 foot drainage easement along the western edge of the property that is situated considerably below the grade of the remainder of the property, the developable or usable area is approximately 3 acres per the broker. The buyer acquired the property as an investment. The total sales price for this parcel was \$325,000 or \$108,333 per acre in August 2004 based on this parcel now being 3 acres in size. This comparable is located in an older residential area close to the Yuba County Airport with railroad tracks running to the west of this property. This comparable is inferior to the subject property and the subject property should sell for a higher price per acre than this transaction.

Note: The property is currently under contract for \$596,000. The pending buyer wants to construct high quality, low income housing. The due diligence condition was removed July 29, 2005 and the tax credit contingency will be removed September 30, 2005.

Comments, L-5. This comparable is 2.39 acres and is located at 1690 4th Avenue in Olivehurst, California. Access to this comparable is via the eastern terminus of 4th Avenue. The surrounding land uses consist of older single-family homes along 4th Avenue. A new apartment complex is located to the east of the comparable. The property was acquired to develop multiple townhomes. The total sales price for this parcel was \$225,000 or \$94,090 per acre in August 2004. This comparable has inferior access and location compared to the subject and should sell for a higher price per acre than this transaction.

Note: The property is currently under contract for \$442,500. The pending buyer wants to construct high quality, low income housing. The due diligence condition was removed July 29, 2005 and the tax credit contingency will be removed September 30, 2005.

Comments, L-6. This sales is located at 1973 Linda Avenue, Linda, California. This 4.56 acre site is located in an older area of Linda, relatively close to Yuba Community College. The irregular shaped site is surrounded by older, single and multi-family residential properties, and extends around two parcels currently improved with older apartment buildings. High power lines extend along the eastern portion of the site. The property sold with an approved tentative map for 23 single-family residential lots. The site had all utilities at the frontage and the property was not encumbered with any bonds. The total sales price for this property was \$550,000 or \$120,614 per acre in July 2004. Although this property is located in the Linda area close to the Yuba Community College, this comparable is a good indicator of value for the subject property.

Comments, L-7. This comparable is located at 695 County Road 512, Marysville, California. This comparable is currently under contract since January 2005. The sale was contingent upon the approval of the tentative map and the completion of the Three Rivers Levee Improvement Project. \$400,000 was payable upon approval of the tentative map and the balance due upon completion of the Three Rivers Levee Improvement Project. The buyers intend to complete the in-tract infrastructure and then sell the property as "finished lots" to a residential developer. Overall, this comparable is a good indicator of value considering the size of the parcel and date of the transaction.

The following table presents the array of comparable sales on a price per acre basis. Parcel sizes and total sale price data is also provided for informational purposes.

Parcel	Sale Price	Sale Date	Acres	Total Sale Price
7	\$127,389	In Contract	53.38	\$6,800,000
1	\$123,847	11/04	110.58	\$13,695,000
6	\$120,614	7/04	4.56	\$ 550,000
<i>Subject property is estimated to be between \$108,333 and \$120,614</i>				
4	\$108,333	8/04	3.00	\$ 325,000
5	\$94,090	8/04	2.39	\$ 225,000
3	\$91,595	2/04	206	\$18,868,500
2	\$72,436	8/04	156	\$11,300,000

Due to the long, narrow configuration of the subject, it would be reasonable to say that a buyer would purchase the subject property at a discounted rate to incorporate this parcel into their adjacent parcels. Taking this into consideration and based on the information and analysis contained within this appraisal, it is our opinion that the price per acre for entitled residential land is:

\$115,000/acre

We have analyzed this parcel "as improved" with the imposition of the existing overhead lines which renders the parcel with few economic uses. Per the Pacific Gas and Electric Company the uses that would be allowed include landscaped areas as long as California Gas Transmission (CGT) is notified of development plans and approves all proposed work prior to construction. Trees and large plants are permitted within the right of way provided they are not within 10 feet of the overhead lines. Lawn and agricultural crops within the right of way do not require approval. Driveways and roads are generally permitted but must be approved by CGT. Asphalt is not permitted within the right of way without prior written consent of CGT.

Due to this imposition of the improvements, this represents a 50% to 75% discount due to existing improvements. We have concluded a 65% discount to the land value or:

\$115,000/acre x 65% = \$74,750

VIII. SUMMARY OF VALUE CONCLUSIONS

Fair Market Value of the Whole (Land Only). Based on the analysis of the sale data properties, our opinion of the fair market value of the subject property as of September 15, 2005 is **\$74,750 per acre (\$1.72 per sq. ft.)** or:

Land: \$1.72 per square foot x 161,122 SF = \$277,130

The Value of the Permanent Easement Take (Land Parcel Only). The portion of the property being taken must be valued as part of the whole. The easement portion of the property taken is valued as a portion of the whole commensurate with the rights remaining. The easements are for a roadway, public utility, pedestrian and landscape easements and normally the owner will have a permissive right to use the surface. The owner (or subsequent owner) will have the right of access across the easement. Access across the take area, for all practical purposes, is not being restricted. Subsurface use and access rights are being secured as part of the permanent easement interest. Also, construction within the easement area is being secured.

As stated above, the permanent easements are valued as a portion of the whole commensurate with the rights remaining. We conclude that these easements result in a taking of a relatively significant proportion of the fee estate rights and constitutes a 100% taking of the underlying fee value for the roadway and 50% taking of the underlying fee value for the public utility, pedestrian and landscape easements. The calculations are presented below.

PARCEL 1:	1,062 SF x \$1.72/SF x 100%	\$1,827
PARCEL 2:	3,206 SF x \$1.72/SF x 50%	\$2,757
PARCEL 3:	<u>3,389</u> SF x \$1.72/SF x 50%	<u>\$2,915</u>
TOTAL:	7,657 SF	\$7,499

If this were to be a fee acquisition the total would be \$13,170 (7,657 SF x \$1.72).

The Value of the Remainder, as Part of the Whole (Land Only). The just compensation process also calls for valuing the remainder parcel. The value of the remainder, before taking is a mathematical calculation arrived by subtracting the allocation of value attributable to the taking area from the value of the larger parcel. The value of the remainder, before the taking is:

Land:	\$1.72 square foot x 161,122 SF = \$277,130
Less the Proposed Take, Parcel 1	\$-1,827
Less the Proposed Take, Parcel 2	\$-2,757
Less the Proposed Take, Parcel 3	\$-2,915
Value of the Remainder:	\$269,631

Improvements Subject to Compensation. No improvements are affected.

The Value of the Remainder Area Appraised After the Take (Land Parcel Only; the Servient Estate Interest). The just compensation process also calls for valuing the remainder parcel. To accomplish this, consideration must be given as to whether the remainder property has been damaged, and whether the highest and best use has changed.

Construction impacts. There would be no construction impacts from the easements.

Impacts to the Utility of the Property (permanent easement area). Impacts to the Utility of the Property: The permanent easement use that Ryland Homes of California, Inc. intends to acquire does not significantly effect the utility of the property. The possible future configuration of the corridor is not significantly altered or limited as a result of the roadway, public utility, pedestrian and landscape easements. The subject's current use is as an electrical utility corridor. The present use would not be significantly affected as a result of the proposed easements.

Given the subject's size, utility, and configuration, a value of \$1.72/SF is concluded for the subject's remainder.

Land:

Value of the Whole:

\$1.72/SF x 153,465 SF	=	\$263,960
\$1.72/SF x 1,062 SF x 100%	=	\$ -0-
\$1.72/SF x 3,206 SF x 50%	=	\$ 2,757
\$1.72/SF x 3,389 SF x 50%	=	\$ 2,915

← 1827

Value of the Remainder, as Part of the Whole:

\$269,631

There are no damages.

Project Benefits. Land is being taken for a roadway, public utility, pedestrian and landscape easements. The easements may provide future general benefits to all the properties in the area by improving access. However, there are no significant immediate benefits accruing to the property as a result of the intended roadway, public utility, pedestrian and landscape easements.

Fair Market Value of the Roadway, Public Utility, Pedestrian and Landscape Easements.

Since there are no offsetting benefits, the estimated value of just compensation is equal to the value of the permanent easement acquisitions. Our opinion of the fair market value of the take and corresponding estimated value of just compensation for the permanent easement acquisitions, as of September 15, 2005 and subject to all of the extraordinary and general assumptions contained in this report, is as follows:

PARCEL 1:	1,062 SF x \$1.72/SF x 100%	\$1,827
PARCEL 2:	3,206 SF x \$1.72/SF x 50%	\$2,757
PARCEL 3:	3,389 SF x \$1.72/SF x 50%	\$2,915
TOTAL:	7,657 SF	\$7,499

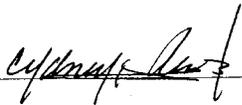
If this were to be a fee acquisition the total would be \$13,170 (7,657 SF x \$1.72).

In our opinion, this is the value that should be considered for just compensation purposes.

NOTICE:

California Government Code §7267.2(a) provides that where the property is Owner occupied residential property and contains no more than four residential units, the homeowner shall, upon request, be allowed to review a copy of the appraisal from which the amount established as just compensation was derived.

Upon written request by a Owner-occupant of residential property which contains no more than four residential units, the homeowner will be provided with an opportunity to review said appraisal.

Signature of Appraiser: 

ADDENDA

APPRAISERS' CERTIFICATION

I certify that, to the best of my knowledge and belief:

1. I have personally inspected the subject property herein appraised and afforded the property owner, or his designated representative, the opportunity to accompany us at the time of inspection. Personal field inspections of the comparable sales relied upon in the making of this appraisal have also been made.
2. To the best of my knowledge and belief the statements of fact contained in this appraisal report are true and the information upon which the opinions expressed therein as based is correct, subject to the assumptions and limiting conditions set forth in the appraisal.
3. I understand that such appraisal is to be used in connection with the acquisition of the subject easements by Ryland Homes of California, Inc.
4. The analyses, opinions, and conclusions contained in this report are our personal, impartial, unbiased and professional analyses, opinions and conclusions, and are limited only by the reported assumptions and limiting conditions of this report.
5. This appraisal has been made in conformity with the appropriate state laws, Title VI of the 1964 Civil Rights Act, regulations and policies and procedures applicable to eminent domain real estate appraisals, and, that to the best of my knowledge, no portion of the value assigned to such properties consists of items which are non-compensable under established California law.
6. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformance with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute, which fully incorporate the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation.
7. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
8. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
9. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
10. The out-of-context quoting from, or partial reprinting of, this report is not authorized.
11. I have not revealed the findings and/or results of this appraisal to anyone other than the

ADDENDUM A

APPRAISER'S CERTIFICATION

BRI 05073

_____ BENDER ROSENTHAL, INC. _____

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_____ BENDER ROSENTHAL, INC. _____

proper officials of Ryland Homes of California, Inc. and I will not do so until so authorized by Ryland Homes of California, Inc., or until I am required to do so by due process of law, or until I am relieved of this obligation by having publicly testified as to such findings.

12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. Lisa David provided professional assistance to the undersigned in the preparation of this report. His contributions were in the area of comparable data acquisition and analyses.
14. Cydney G. Bender Reents is a Certified General Appraiser in the State of California.
15. As of the date of this report I, Cydney G. Bender Reents, MAI, have completed the requirements of the continuing education program of the Appraisal Institute.
16. My opinion of value as a basis of Just Compensation for the property with an effective valuation date of September 15, 2005, is:

\$7,500 (Easement)

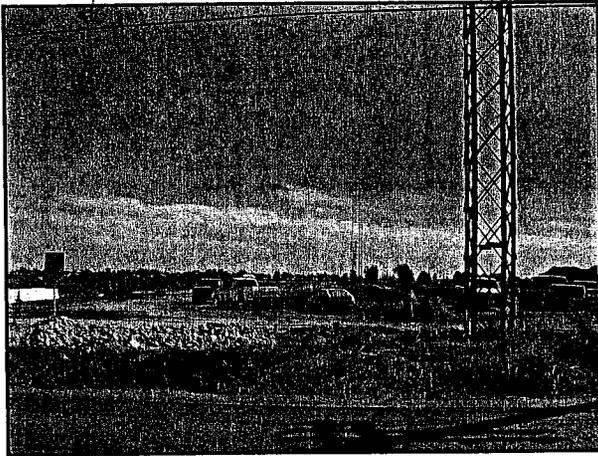
\$13,200 (Fee Acquisition)

Cydney Bender Reents, MAI
California Certified General
Real Estate Appraiser
Certificate No. AG017559

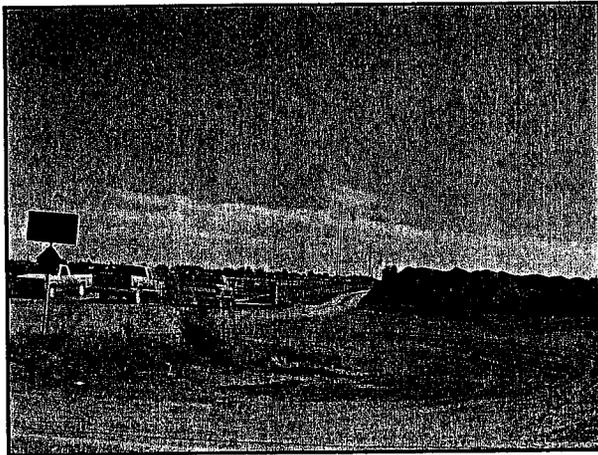
ADDENDUM B

SUBJECT PROPERTY PHOTOGRAPHS

PHOTOGRAPHS OF SUBJECT PROPERTY



Facing east at subject area.



ADDENDUM C

COMPARABLE SALE PROPERTIES DATA SHEETS, PHOTOGRAPHS AND MAPS

LAND SALE NO. 1

Property Identification

Record ID 380
 Property Name Vacant Land with approved tentative map
 Address No situs address, Marysville, Yuba County
 Location E side of Arboga Rd.; S side of McGowan
 Tax ID 013-370-049, 050; 014-260-004

Sale Data

Grantor Highmark Land Company, LLC
 Grantee Ryland Homes of California, Inc.
 Sale Date November 17, 2004
 Deed Book/Page 2004-024039
 Financing All cash to sellers
 Verification Chad Kiltz, Ryland Homes, 925-766-5614; Confirmed by Greg Sessler

Sale Price \$13,695,000

Land Data

Topography Level with Arboga Road
 Utilities All available
 Dimensions Not provided
 Shape Irregular
 Landscaping None

Land Size Information

Gross Land Size 110.580 Acres or 4,816,865 SF

Indicators

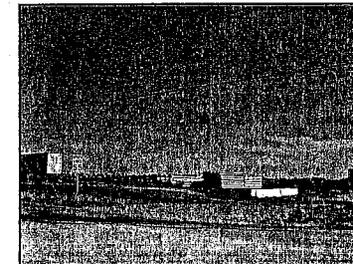
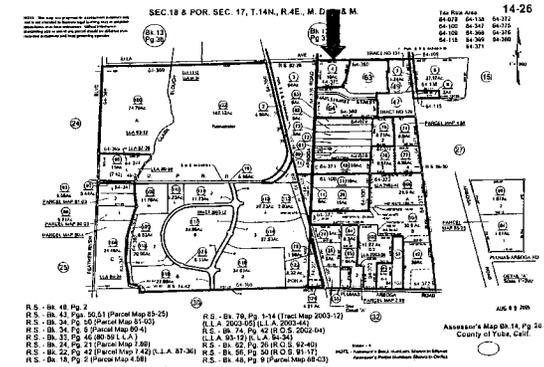
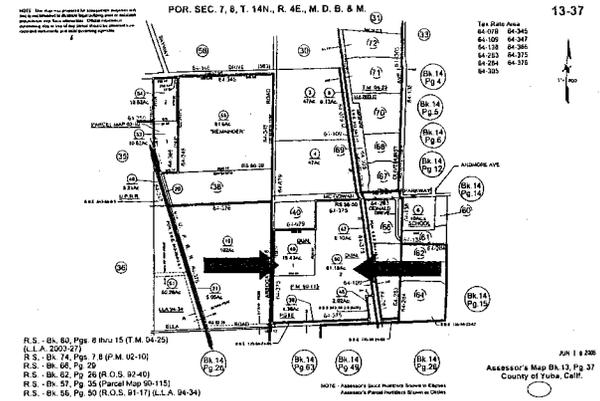
Sale Price/Gross Acre \$123,847
 Sale Price/Gross SF \$2.84

Remarks

The comparable is generally located south of McGowan Parkway, east of Arboga Road, and west of the Union Pacific railroad in the North Arboga Study area in the community of Olivehurst. The project is located within the Yuba County Airport Approach/Departure and Overflight Zones. The sale price was agreed to approximately 8 months prior to close according to the source. The development of this proposed residential subdivision requires the Three Rivers Levee Improvement Project. The buyer paid an additional \$2,000,000 to escape the Mello-Roos District applicable to the property. The sale price was based on lot finishing costs of \$38,000 per lot and fees of \$27,000 per lot.

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LAND SALE NO. 2

Property Identification

Record ID 381
 Property Name Vacant Land with tentative map approval
 Address 4128 Arboga Road, Olivehurst, Yuba County, California
 Location N. side of Ella Rd. and W. side of Arboga Rd.
 Tax ID 013-370-019, 014-260-003

Sale Data

Grantor Draper Ranch, LLC
 Grantee Inca Capital Fund 34, LLC
 Sale Date August 5, 2004
 Deed Book/Page 2004-015242
 Financing All cash to seller
 Verification Steve Hicks, Meritage Homes, 916-677-5795; Confirmed by Greg Sessler

Sale Price \$11,300,000

Land Data

Topography Level with Arboga Road and Ella Avenue
 Utilities All available
 Dimensions Not provided
 Shape Irregular
 Landscaping None

Land Size Information

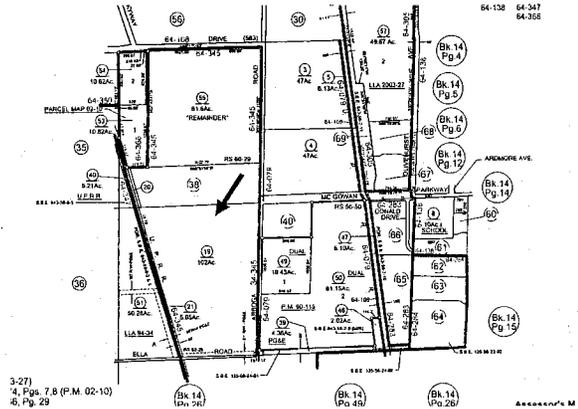
Gross Land Size 156.000 Acres or 6,795,360 SF

Indicators

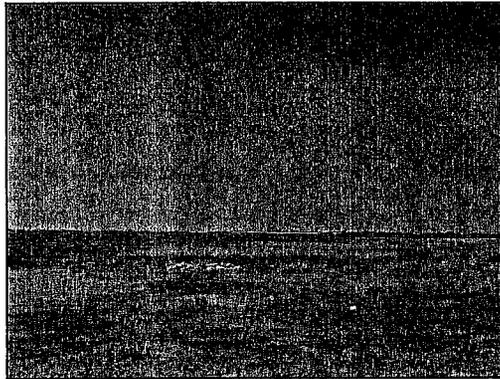
Sale Price/Gross Acre \$72,436
 Sale Price/Gross SF \$1.66

Remarks

The comparable is generally located on the north side of Ella Avenue and the west side of Arboga Road. 102 acres of the 156 acres are located on the north side of Ella Avenue and 54 of the acres are located on the south side of Ella Avenue. The Union Pacific Railroad sets the westerly boundary of both parcels. The property is located within the Yuba County Airport Overflight and Approach/Departure Zones. The sellers had received approval for 583 in June of 2004. The sale price was set by an agreement in January of 2004. The buyer was proposing to remap the project for 538 lots to allow the development of some larger lots. Lot finishing costs were estimated to be \$42,000 per lot. The property is located in an area that requires residential developers to address a local drainage issue and is subject to an additional drainage fee of roughly \$30,000 per acre.



Land Sale No. 2



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BENDER ROSENTHAL, INC.

LAND SALE NO. 3

Property Identification

Record ID 382
Property Name Vacant Land with tentative map approval
Address No situs address, California
Location N. of Feather River Blvd., W of Highway 70
Tax ID 022-020-005-007 & 022-030-001-005

Sale Data

Grantor Plumas Lake, LLC
Grantee Golden State Investments Corporation
Sale Date February 2, 2004
Deed Book/Page 2004-001884
Financing All cash to seller
Verification Gary Pettigrew, Project Manager for buyer, 209-951-8147; Confirmed by Greg Sessler

Sale Price \$18,868,500

Land Data

Topography Level with River Oaks Blvd.
Utilities All available
Dimensions Not provided
Shape Irregular
Landscaping None

Land Size Information

Gross Land Size 206.000 Acres or 8,973,360 SF

Indicators

Sale Price/Gross Acre \$91,595
Sale Price/Gross SF \$2.10

Remarks

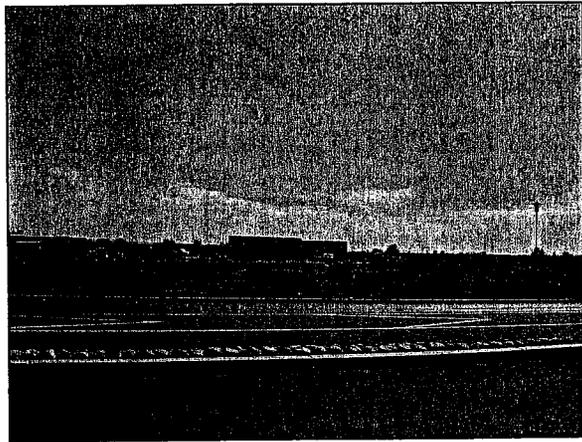
The comparable is generally located north of Feather River Boulevard and west of Highway 70. The transaction was based on an agreement date of January of 2004. The comparable was previously approved for 588 lots but the sellers received approval for 599 lots and the buyer acquired the property with approval for 599 lots. The buyers are planning a 7 phase project with a 4 year build-out. The land area will be devoted to the following: 6.11 acres of open space, 10 acre elementary school site, 4.80 acres for neighborhood parks, 2.55 acres for roadway landscaping, 8.86 acres for a drainage facility, and 4.45 acres for major roads. The sale price is based on lot finishing costs of \$33,000 per lot and fees of \$34,000 per lot.

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PARCEL MAP IS BEING REMAPPED

NOT AVAILABLE AT THIS TIME



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BENDER ROSENTHAL, INC.

LAND SALE NO. 4

Property Identification

Record ID 383
Property Name Vacant Land
Address 1567 7th Avenue, Olivehurst, Yuba County, California
Location N side of 7th Avenue; E. of Arboga Road
Tax ID 13-060-003

Sale Data

Grantor Charles D. Smith
Grantee Donald M. and S.L. Jinks
Sale Date August 6, 2004
Deed Book/Page 2004-15335
Financing All cash to sellers
Verification Judith Kite, 530-741-8171; Confirmed by Greg Sessler

Sale Price \$325,000

Land Data

Zoning Mixed Use
Topography Level with 7th Avenue
Utilities All available
Dimensions Not provided
Shape Irregular
Landscaping None

Land Size Information

Gross Land Size 4.000 Acres or 174,240 SF

Indicators

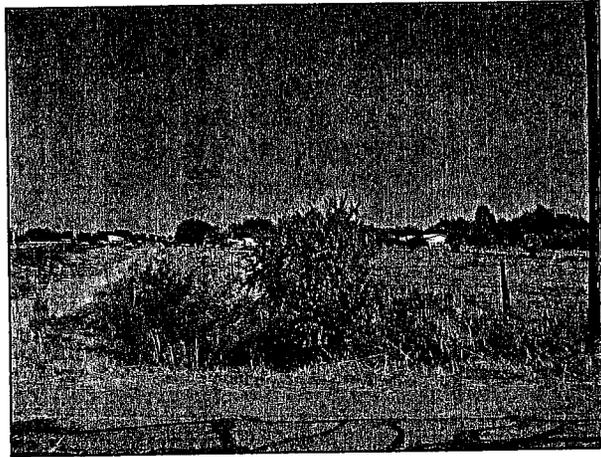
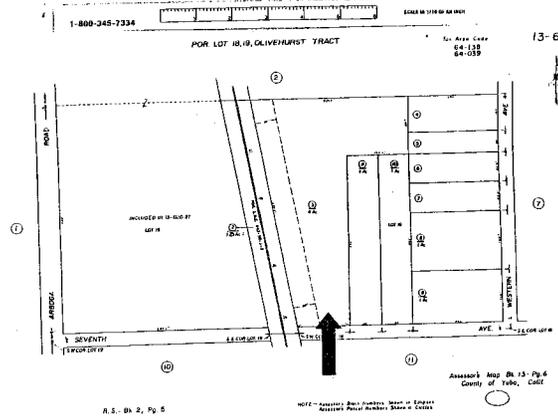
Sale Price/Gross Acre \$81,250
Sale Price/Gross SF \$1.87

Remarks

The comparable consists of a parcel land that totals 4.0 gross acres. Due to a 60 foot drainage easement along the western edge of the property that is situated considerably below the grade of the remainder of the property, the developable or usable area is approximately 3.0 acres according to the broker. The buyer acquired the property as an investment. The property is currently under contract for \$596,000. The pending buyer wants to construct high quality low income housing. The due diligence condition will be removed July 29 and the tax credit contingency will be removed by September 30.

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LAND SALE NO. 5

Property Identification

Record ID 384
Property Name Vacant Land
Address 1690 4th Avenue, Olivehurst, Yuba County, California
Location W. terminus of 4th Avenue, E of Western Avenue
Tax ID 13-480-053

Sale Data

Grantor Spaulding & Spaulding, Inc.
Grantee D.M. and S.L. Jinks
Sale Date August 6, 2004
Deed Book/Page 2004-15334
Financing All cash to sellers
Verification Judith Kite, 530-741-8171; Confirmed by Greg Sessler

Sale Price \$225,000

Land Data

Zoning R2
Topography Level with 4th Avenue
Utilities All available
Dimensions Not provided
Shape Irregular
Landscaping None

Land Size Information

Gross Land Size 2.390 Acres or 104,108 SF

Indicators

Sale Price/Gross Acre \$94,142
Sale Price/Gross SF \$2.16

Remarks

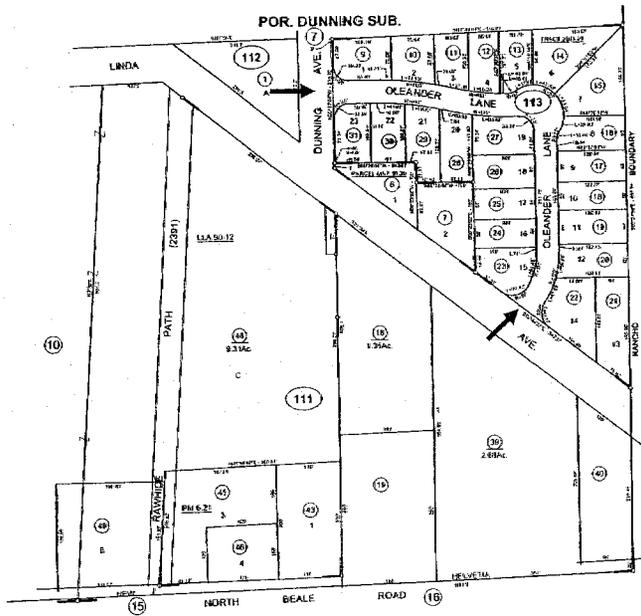
Access to the comparable is via the eastern terminus of 4th Avenue. The surrounding land uses consist of older single-family homes along 4th Avenue. The newer apartment complex is located to the east of the comparable. The property was acquired to develop multiple townhomes. The comparable property is under contract for \$442,500. The pending buyer intends to construct high quality low income housing. The due diligence period expires July 29 and the tax credit contingency period expires September 30.

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LAND SALE NO. 7

Property Identification

Address 695 County Road 512
Tax ID 16-130-012 & 014

Sale Data

Grantor Not Disclosed
Grantee Robert DeValentine
Sale Date In Contract
Property Rights Fee Simple
Verification Confidential

Sale Price \$6,800,000

Land Data

Zoning Planning Reserve
Topography Level
Utilities At the street frontage
Shape Irregular

Land Size Information

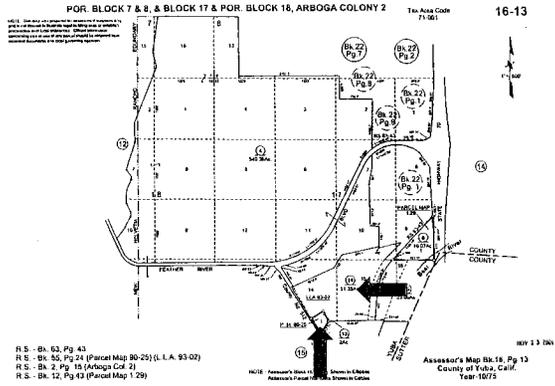
Gross Land Size 53.38 Acres or 2,325,233 SF
Planned Units 23

Indicators

Sale Price/Gross Acre \$127,389
Sale Price/Gross SF \$2.92
Sale Price/Unit \$23,913

Remarks

This comparable is currently under contract since January 2005. The sale was contingent upon the approval of the tentative map and the completion of the Three Rivers Levee Improvement Project. \$400,000 was payable upon approval of the tentative map and the balance due upon completion of the Three Rivers Levee Improvement Project. The buyers intend to complete the in-tract infrastructure and then sell the property as "finished lots" to a residential developer.



ADDENDUM D

PROFESSIONAL QUALIFICATIONS

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**PROFESSIONAL QUALIFICATIONS OF
CYDNEY G. BENDER-REENTS, MAI
(President, Bender Rosenthal, Inc.)**

Cydney G. Bender-Reents, MAI has been in real estate appraising and consulting since 1991. Her professional experience in real estate appraisal encompasses a broad range of property types that include office, retail, multi-family, mobile homes, park land, elderly housing, condemnation, and residential subdivisions. She is a member of the Appraisal Institute with the MAI designation and is a Certified General Real Estate Appraiser in the State of California, No. AG017559.

Ms. Bender Reents is the Past President of the Sacramento Chapter of the Construction Specifications Institute, Past President of Commercial Real Estate Women, Sacramento and a member of the International Right-of-Way Association. She also is the immediate past President for the Sacramento Sierra Chapter of the Appraisal Institute.

Prior to her career in real estate, Ms. Bender Reents attended California Polytechnical State University in San Luis Obispo, majoring in Agricultural Business Management. Upon graduation she entered the commercial construction field as a Project Manager for a Sacramento based general contractor. Projects included tenant improvements, manufacturing plants, auto dealerships, industrial warehouses and elderly housing ranging in cost from \$60,000 to \$1.5 million in dollar volume. This unique background enables her to grasp complicated construction issues as they relate to valuation.

Representative Valuations Include

Office - Existing and proposed office developments for lending institutions, national developers, and investors.

Retail - Proposed and existing shopping centers and franchise restaurants, convenience stores, and pad sites.

Multi-Family Residential - Existing and proposed apartment complexes, in the Sacramento Metropolitan Area, Placer, San Luis Obispo, Santa Clara counties, and Las Vegas, Nevada including low income housing.

Medical - Existing and proposed medical clinics and dental offices.

Mobile Homes - Existing mobile home parks in the Alameda, Sacramento, Solano, and Yolo counties.

Elderly Housing - Proposed congregate care and residential care facilities.

Residential Developments - Proposed and existing residential subdivisions in Sacramento, Placer, El Dorado, Sutter, Yuba and Lake counties.

Eminent Domain - Improved and unimproved properties of partial takings representing municipalities, conservancies, and property owners. Eminent domain valuation of improved properties for the Sacramento Housing and Redevelopment Agency, City of Sacramento, and the City of Roseville.

Professional Affiliations

Member Appraisal Institute (MAI)

Past President, Construction Specifications Institute

Past President, Commercial Real Estate Women, Sacramento,

International Right-of-Way Association

Advice 2826-E

Attachment 3

MITIGATED NEGATIVE DECLARATION

Tentative Subdivision Tract Map TSTM2003-0037 (Lanza/MHM)

INTRODUCTION

This document contains the results of the initial study including staff and other agency review. It has been prepared in compliance with the California Environmental Quality Act (CEQA). Comments regarding the attached information may be submitted to the Community Development Department at the address below. A public hearing has been scheduled before the Yuba County Planning Commission regarding the project and adoption of this document on May 19, 2004.

ENVIRONMENTAL CHECKLIST INFORMATION

1. Project title: Tentative Subdivision Tract Map TSTM 2003-0027 (Lanza/MHM)
2. Lead agency name and address: Community Development Department
915 8th Street, Suite 123, Marysville, CA 95901
3. Contact person and phone number: Scott Aaron, Associate Planner: (530) 749-5470
4. Project location: South of McGowan Parkway, east of Arboga Road, and west of the Union Pacific Railroad in the North Arboga Study Area, in the community of Olivehurst, Yuba County, California; County Assessor's Parcel Numbers 013-370-048, -049, -050, and 014-260-004; Portion of Section 9, Township 15 North, Range 3 East, Mount Diablo Base & Meridian)
5. Project sponsor's name and address: David Lanza
710 Third Street
Marysville, CA 95901
Project engineer's name and address: MHM, Inc.
Sean Minard
523 J Street, P.O. Box B
Marysville, CA 95901
6. General plan designation: Single Family Residential
7. Zoning: Single Family Residential (R-1)
8. Project description: A request to subdivide two parcels totaling 112.6± acres into 461 lots for single family residential development. The Domestic water and sewer service will be provided by the Olivehurst Public Utility District (OPUD). The project is located within the Yuba County Airport Approach/Departure and Overflight Zones.

9. Project setting: The project is located in an urbanized valley area west of State Highway 70 and south of the Yuba County Airport comprised of primarily single-family and multi-family residences and vacant parcels approximately ¼ acre to 40 acres in size. The area can be served by sewer and water provided by the Olivehurst Public Utility District and fire protection services by the Linda Fire Protection District.
10. Other public agencies whose approval is required: Yuba Local Agency Formation Commission (Approval of Annexations to Olivehurst Public Utility District, Reclamation District No. 784, and County Service Area No. 66); California Department of Fish and Game; and potentially the U.S. Army Corps of Engineers (Permitting of alterations to jurisdictional wetlands).

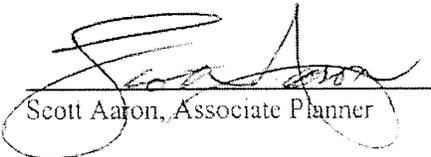
ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

As discussed in this Initial Study, potential impacts to aesthetics, agricultural resources, air quality, biological resources, cultural resources, geology and soils, hazards, hydrology and water quality, noise, population, public services, recreation, transportation/traffic, and utilities may occur, but are considered to be less than significant or have been reduced to a level of less than significant with the incorporation of identified mitigation measures and standard project conditions of approval. See references to previously prepared documents within checklist and discussion following checklist as it relates to the impacts indicated as being less than significant.

DETERMINATION:

On the basis of this initial evaluation:

- I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.


Scott Aaron, Associate Planner

04/15/04
Date

	Potentially Significant Impact	Less Than Significant w/ Mitigation Incorporation	Less Than Significant Impact	No Impact
I. AESTHETICS—Would the project:				
a) Have a substantial adverse effect on a scenic vista? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Substantially degrade the existing visual character or quality of the site and its surroundings? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area? (PD)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
II. AGRICULTURE RESOURCES: In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. Would the project:				
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use? (PD, FM)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
III. AIR QUALITY— Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:				
a) Conflict with or obstruct implementation of the applicable air quality plan? (PD, EC)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation? (PD, EC)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)? (PD, EC)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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	Potentially Significant Impact	Less Than Significant w/ Mitigation Incorporation	Less Than Significant Impact	No Impact
d) Expose sensitive receptors to substantial pollutant concentrations? (PD, EC)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Create objectionable odors affecting a substantial number of people? (PD, EC)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
IV. BIOLOGICAL RESOURCES—Would the project:				
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service? (PD, EC)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or US Fish and Wildlife Service? (PD, EC)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means? (PD, EC)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites? (PD, EC)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance? (PD, GPOSC)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
V. CULTURAL RESOURCES—Would the project:				
a) Cause a substantial adverse change in the significance of a historical resource as defined in section 15064.5? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to section 15064.5? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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	Potentially Significant Impact	Less Than Significant w/ Mitigation Incorporation	Less Than Significant Impact	No Impact
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Disturb any human remains, including those interred outside of formal cemeteries? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
VI. GEOLOGY AND SOILS—Would the project:				
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:				
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ii) Strong seismic ground shaking? (GPE)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iii) Seismic-related ground failure, including liquefaction? (GPE)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iv) Landslides? (GPE)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in substantial soil erosion or the loss of topsoil? (GPE)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse? (GPE)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property? (GPE, EC)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water? (EC)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
VII. HAZARDS AND HAZARDOUS MATERIALS—Would the project:				
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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	Potentially Significant Impact	Less Than Significant w/ Mitigation Incorporation	Less Than Significant Impact	No Impact
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area? (ZO, PD)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area? (ZO, PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan? (PD)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands? (PD, EC)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
VIII. HYDROLOGY AND WATER QUALITY—Would the project:				
a) Violate any water quality standards or waste discharge requirements? (PD, EC)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)? (PD, EC)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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	Potentially Significant Impact	Less Than Significant w/ Mitigation Incorporation	Less Than Significant Impact	No Impact
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) Otherwise substantially degrade water quality? (PD, EC)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map? (FEMA)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows? (FEMA)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam? (PD, GPE)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
j) Inundation by seiche, tsunami, or mudflow (PD, GPE)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
IX. LAND USE AND PLANNING - Would the project:				
a) Physically divide an established community? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect? (GP, PD, ZO)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Conflict with any applicable habitat conservation plan or natural community conservation plan? (PD, GPOSC)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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	Potentially Significant Impact	Less Than Significant w/ Mitigation Incorporation	Less Than Significant Impact	No Impact
X. MINERAL RESOURCES—Would the project:				
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
XI. NOISE—Would the project result in:				
a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels? (ZO)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels? (ZO, PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
XII. POPULATION AND HOUSING—Would the project:				
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant w/ Mitigation Incorporation	Less Than Significant Impact	No Impact
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XIII. PUBLIC SERVICES

a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:

Fire protection? (EC)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Police protection? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Schools? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Parks? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other public facilities? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

XIV. RECREATION—

a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated? (PD, ZO)

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment? (PD)

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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XV. TRANSPORTATION/TRAFFIC—Would the project:

a) Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)? (PD, EC)

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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b) Exceed, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated roads or highways? (PD, EC)

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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	Potentially Significant Impact	Less Than Significant w/ Mitigation Incorporation	Less Than Significant Impact	No Impact
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Result in inadequate emergency access? (PD, EC)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Result in inadequate parking capacity? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)? (PD)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

XVI. UTILITIES AND SERVICE SYSTEMS—Would the project:

a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Comply with federal, state, and local statutes and regulations related to solid waste? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

XVII. MANDATORY FINDINGS OF SIGNIFICANCE

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	Potentially Significant Impact	Less Than Significant w/ Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly? (PD)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

DISCUSSION OF ENVIRONMENTAL IMPACTS:

This project is located within a portion of the County that is referred to as the North Arboga Study Area (NASA). NASA is a section of the County comprised of approximately 1,300 acres located south of the Yuba County Airport. The area is bounded by the Sacramento Northern Railroad on the west, Plumas Arboga Road on the south, State Highway 70 on the east, and Helveta Road, Clark Slough, and 11th Avenue to the north. In the early 1990's, an Environmental Impact Report (EIR) was prepared for NASA in order to develop a Master Environmental Assessment (MEA) and constraint analysis to be used as a basis for evaluating specific development proposals within the NASA project area. Completion of this document included the formulation of mitigation requirements for proposed and future development proposed in this area. This method of implementation is consistent with CEQA Guidelines Section 15150, incorporated by reference.

I. AESTHETICS

The project site is currently flat grazing land with no development or noticeable viewsheds. While the site may not have any notable aesthetic qualities currently, it may be argued that the addition of hundreds of single-family homes has the ability to reduce even the minimal aesthetic qualities of the site. However, this impact is considered less than significant, as the marginal visual character or quality of the site is not anticipated to be substantially degraded by the addition of single-family homes.

This proposed subdivision will result in the installation of street lighting. Concerns regarding street lighting include degradation of nighttime views in the area and the potential for impaired visibility of motorists on adjacent collector roadways. In general, typical neighborhood street lighting is not illuminated enough to substantially degrade nighttime views nor powerful enough to adversely affect motorists traveling outside of the subdivision. However, a potential impact remains and it is prudent to attach preventative mitigation to the project to ensure this impact is minimized. The applicant will be required to submit a street lighting plan to the Public Works Department for review and approval prior to final map recordation. With this measure in place, impacts related to aesthetics are found to be less than significant.

II. AGRICULTURAL RESOURCES

Although the project site was previously used for agricultural purposes, it is not currently being used for agricultural purposes. The 2002 Yuba County Important Farmland Map prepared by the Department of Conservation classifies the project site as Grazing Land. Grazing lands are defined as those lands having suitable vegetation for raising livestock. The project site is surrounded by other properties designated as Grazing Land, Other Land, and Urban or Built-Up Land. The previously prepared NASA Master Environmental Assessment recognizes the potential for urbanized areas to be built adjacent to agricultural lands and identifies various mitigation measures to help alleviate impacts caused from conflicts between agricultural and residential land uses and loss of agricultural lands. In order to keep impacts resulting from conflicts between agricultural and residential uses to a less than significant level, a solid fence at least six feet tall is required to be built between new subdivisions and existing active agricultural uses. Furthermore, a person or agent acting as an agent for the seller or lessor of real property located within the County shall provide knowledge to all potential purchasers or lessees of the right to farm and mine within the County.

During the early consultation process, the County Agricultural Commissioner was notified of the project. No comments or concerns about the project were received from the Agricultural Commissioner. Impacts related to conversion of Prime Farmland, Farmland of Statewide Importance or Unique Farmland as a result of the project are considered less than significant.

III. AIR QUALITY

The project creates the potential for construction related emissions and long-term traffic and subdivision related emissions. Staff has found that the majority of these impacts can be reduced to insignificant levels by utilizing best available mitigation measures. The applicant is required to obtain an "Authority to Construct Permit" from the Feather River Air Quality Management District (FRAQMD) prior to commencement of any construction on the subject site. In addition, a grading and fugitive dust control plan is required to be submitted to both the Public Works Department and FRAQMD for review and approval. The plan is required to ensure the minimization of particulate matter that could otherwise impact surrounding properties. Measures such as watering of soil and curtailment of grading activities when winds exceed 20 miles per hour, are required components of this plan.

The scale of the project may potentially trigger the thresholds of significance for nitrogen oxides (NOx) and reactive organic gases (ROG). Of these criteria pollutants, automobile related emissions that will come as a result of this project will contribute the majority. Wood stoves and fireplaces constructed as part of new single-family residences on the project site will contribute to the minority of air quality impacts. In order to mitigate the non-auto related impacts, all new residences proposed wood stoves or fireplaces will be required to certify these facilities as meeting or exceeding EPA standards through installation of catalytic systems. With this measure in place, impacts resulting from non-auto related emission as a result of the project are considered less than significant.

As outlined, automobile emissions will be a potentially significant impact related to this project. However, in approving the 1996 General Plan update the County adopted a Statement of Overriding Considerations for air quality impacts related to vehicle emissions. The General Plan contemplated single-family residential development at the project location at the density proposed. Therefore, the Statement of Overriding Considerations is relevant to this project. It is important to recognize that the districts non-attainment status is not directly related to emissions not produced within Yuba County. Section 3.2.1 of the *Environmental Setting and Background* of the General Plan states, "Air quality in Yuba County is influenced by the transport of pollutants from the Sacramento and San Francisco Bay areas (R.C. Fuller Associates 1992:E-2)." Still, best available mitigation measures will be attached to this project to minimize the automobile related impacts. The subdivision will be required to integrate with both the Yuba-Sutter Master Bikeway Plan and the Yuba-Sutter Transit Authority service area.

The project is located near a sewer treatment plant operated by the Olivehurst Public Utility District (OPUD). New residents within the project are required to be notified of this facility through disclosure mechanisms as they may experience occasional odor from the plant site. The impact these odors may cause are considered to be less than significant.

IV. BIOLOGICAL RESOURCES

As required by the NASA EIR, a biological resources evaluation and wetland determination for the project was submitted to County staff (see copy attached). This evaluation concludes that the intensive agricultural nature of the project site does not support significant foraging or nesting habitat for any of the wildlife species listed as a special-status species under the State or Federal Endangered Species Acts, listed as a California Department of Fish and Game Species of Special Concern, listed

as species of concern by the California Native Plant Society or the U.S. Fish and Wildlife Service, or protected under other regulations. Furthermore, the evaluation concluded that the project will not interfere with the movement of any native resident or migratory fish or wildlife species and will not result in impacts to established native resident or migratory wildlife species. The evaluation found no vernal pools or jurisdictional wetlands on the project site. In order to validate these results pursuant to requirements of the NASA EIR, the project will be required to submit a wetland delineation to the Army Corps of Engineers for review. In addition, the project owner is required to submit to the Community Development Department for review and approval a complete revegetation plan which, when implemented, will result in no net loss of wetland acreage or wetland habitat value. A detailed revegetation monitoring plan is also required to be prepared to ensure compliance. Additional project mitigation measures require that Section 404 permits, Lake or Streambed Alteration permits, and RWQCB drainage permits be obtained prior to recordation of any final maps for the project, and that a 25-foot building setback from drainage ditches be imposed for any development.

The biological resource evaluation submitted for the project also concludes that based on field survey results, review of the California Natural Diversity Database, and California Native Plant Society literature, the nearest Swainson's Hawk nesting habitat is located located 15 miles southwest of the project site. As a result, the evaluation concludes that the project site is unlikely Swainson's hawk foraging habitat due to the distance from known Swainson's hawk nesting habitat.

The Department of Fish and Game (DFG) was provided an opportunity to comment during the initial study as a trustee agency having jurisdiction by law over natural resources affected by the project which are held in trust for the people of the State of California (California Environmental Quality Act Guidelines Section 15386 et seq.). The DFG did not respond to the request for comments nor identify any potential impacts during the early consultation process. However, in discussions with DFG staff, DFG has expressed concern regarding impacts to foraging habitat of Swainson's Hawk, a State listed threatened species under the California Endangered Species Act, as a result of proposed subdivisions in the project vicinity. DFG has indicated that the project vicinity is located within certain distances of active Swainson's hawk nests as identified by DFG studies performed in 2002 and 2003.

DFG staff has recommended that for all projects that may have a similar impact to Swainson's hawk foraging habitat, a condition be added that requires acquisition in fee title, easement, or credits in an approved mitigation bank of suitable foraging habitat at a ratio ranging from 0.5:1 to 1:1. Mitigation would be allowed to be provided outside of the limits of the project, but within a 10-mile distance of the project site. Although no specific comments on this project have been provided by DFG regarding potential impacts to Swainson's hawk, staff feels it is prudent to impose mitigation requiring that land be set aside at a ratio of 0.5 acres for every 1.0 acre of urban development authorized under this project to provide for replacement of Swainson's hawk foraging habitat. The project will be required to provide this mitigation or an equivalent mitigation measure consistent with DFG requests. Specifically, the replacement foraging habitat for Swainson's hawk may be protected through fee title acquisition or a conservation easement on agricultural lands or other suitable habitats acceptable to the California Department of Fish and Game (DFG) and the County of Yuba. In addition, the project owner is required to have surveys for active Swainson's hawk nests performed prior to any construction activities including removal of any trees on site. If active nests are found, a qualified biologist will determine the need for any temporal restrictions on construction pursuant to criteria set forth by DFG.

The NASA EIR requires that existing oak trees on-site be protected. Therefore, the owner is required to preserve all healthy oak trees on the subject site by identifying existing trees on the Final Map. An

arborist's report is also required to be prepared and submitted to the Community Development Department for review and approval prior to removal of any oak trees on the subject site. With no sensitive plant species having been identified on the project site and tree protection and wetland permitting procedures in place, impacts related to riparian habitat, potential wetlands, or other sensitive natural communities are considered less than significant.

With this above listed mitigation measures in place, impacts to biological resources resulting from the project are considered less than significant.

V. CULTURAL RESOURCES

The Yuba County General Plan Environmental Setting & Background explains, "Cultural resources are sites, artifacts, and features that relate to and provide evidence for past human cultural behavior. Cultural resources include sites, artifacts, and features of both the prehistoric and historic periods." The project site is not known to contain any historical, prehistorical or archaeological resources as defined in section 15064.5 of the CEQA Guidelines. The features and location of the site would preclude it from containing viable cultural resources from any group other than the Native Americans that inhabited the valley floor (ie: Spanish settlers, Gold Camps, etc). Typically few Native American villages occupied the valley plain between the Sacramento River and the foothills. The valley natives were heavily dependent on fish and the distance of the project site from a major water course reduces the likelihood of finding significant cultural resources. However, the valley people hunted and gathered in the area. Staff has determined that impacts related to cultural resources should be insignificant. Still, it is prudent to attach preventative conditions to a project of this scale. Should any prehistoric or historic artifacts be exposed during construction and excavation operations, work will be required to cease immediately and the Community Development Department will be immediately notified. In this case, it will be required that a qualified archaeologist be consulted to determine whether any such materials are significant prior to resuming construction. This standard condition of approval will ensure the protection of potential cultural resource finds and human remains buried outside of formal cemeteries.

VI. GEOLOGY AND SOILS

Figure 2-10 of the Environmental Setting and Background of the General Plan shows the property in an area that is considered to have low potential for soil erosion. Still, other sections of the valley are anticipated to contain sandy silt, which, if excavated and exposed to weather, may be subject to moderate erosion. The General Plan calls for erosion control measures to be implemented during construction, which conform to both the National Pollutant Discharge Elimination System Storm Drain Standards and County of Yuba standards. The impacts related to erosion are considered less than significant with the incorporated standard requirements of the County of Yuba and California Regional Water Quality Control Board. The sub-divider is required to submit an erosion and sediment control plan for the project to the Public Works Department for review and approval prior to recordation of the Final Map. This plan will ensure that and effects of erosion or loss of top soil remain at less than significant levels.

The project is located in an area primarily composed of soils classified as Landlow clay and Yokohl loam. Landlow clay are soils that deep and somewhat poorly drained soils with fine texture and hardpan. Yokohl loam are moderately deep claypan soils that are well drained and are developed on old alluvial deposits. Figure 2-9 of the *Environmental Setting and Background* of the General Plan shows that these soils have moderate to high potential for shrinking and swelling. A standard subdivision requirement of the Public Works Department, Building Official, and Subdivision Map Act

is the submittal of a Preliminary Soils Report prepared by a registered civil engineer based upon test borings. The Public Works Department and Building Official review the tests for compliance with section 11.15.380 of the Yuba County Ordinance Code and section 66490 of the Subdivision Map Act. If the preliminary report shows critically expansive soils or other soil problems, which, if left uncorrected, would lead to structural defects, a soils investigation of each lot in the subdivision may be required per Yuba County Ordinance Code section 11.15.380(c). With the incorporated standard ordinance code requirements, these impacts are deemed less than significant.

VII. HAZARDS AND HAZARDOUS MATERIALS

Portions of the project site is located within both the Yuba County Airport Approach/Departure Zone and Overflight Zone as established by the Yuba County Airport Comprehensive Land Use Plan (CLUP). The CLUP designates single-family detached residences as a compatible land use within the Overflight Zone and as compatible with the Approach/Departure Zone only at a density of less than four dwelling units per acres. The proposed subdivision has been designed to accommodate the limits of this maximum density requirements and is therefore compliant with the CLUP and the County Zoning Code. Staff consulted with the Airport Land Use Commission (ALUC) concerning potential impacts related to this project. Comments received from the ALUC confirm the project's compatibility within both the Overflight Zone and the Approach/Departure zones. The project will not result in any significant safety hazard for people residing in the project area.

The Yuba County Office of Emergency Services was consulted during the initial study and no impacts were identified. The only project concern related to emergency response or evacuation is insufficient funding of an early warning system. Therefore, a condition of this map is that the owner shall contribute a fair share cost of an early emergency warning system subject to approval by the Office of Emergency Services prior to recordation of the final map.

VIII. HYDROLOGY AND WATER QUALITY

The applicant is required to develop and implement a storm water pollution prevention plan (SWPPP) adopting best management practices (BMP) to comply with the Federal Water Pollution Control Act and the California Water Code. The applicant is required to obtain both a National Pollutant Discharge Elimination System Permit (NPDES) and Construction Activities Storm Water General Permit from the California Regional Water Quality Control Board (CRWQB) prior to initiating construction. Additionally, the applicant is required to obtain a Waste Discharge Requirements General Order for Dewatering and Other Low Threat Discharges to Surface Water Permit from CRWQCB. The nature of the project in conjunction with required permits and best management practice integration should reduce impacts related to water quality and waste discharge to a less than significant level.

The project should not result in substantial erosion on- or off-site. The *Environmental Setting and Background* of the General Plan shows the subject property in a region that is considered to have low potential for erosion. The drainage pattern of the site is being substantially altered as a result of the project. However, the final design of the subdivision is required to minimize long-term erosion potential as well as erosion from construction activities. The run-off created by the project site will be integrated into a storm water drainage system. This design, which includes sediment traps, will result in very little potential for on- or off-site erosion. Standard conditions of approval from the Public Works Department will ensure that the impact is less than significant. These condition require that an erosion and sediment control plan for the project be submitted for review, approval, and installation prior to recordation of the final map. Impacts related to erosion or siltation on- or off-site from altered drainage patterns as a result of the project are considered to be less than significant with these

conditions of approval imposed.

The proposed subdivision will alter the existing drainage pattern of the site. The addition of road and other impervious surfaces will increase surface run-off and create potential for flooding on- and off-site. However, standard subdivision requirements of the Yuba County Ordinance Code will work to mitigate this impact to a less than significant level. The tract design is required to provide lot drainage to prevent off-site ponding on adjacent lands. A master grading and drainage plan is required to address drainage, detention and retention plans for the project site and to provide for on-site and off-site storm water drainage for the project. These improvement plans are required to integrate into the Regional Master Drainage Plan and are subject to the review and approval of the Public Works Department prior to any construction. The project property owner is also required to construct such approved drainage facilities in order to provide drainage from access roads and lots to acceptable natural drainage courses. The design of such drainage plan is required to show a no net increase of storm water discharge from the project compared to the pre-development. The plans are to include the best management practices available including but not limited to; oil/grit separators, sediment traps, evaporation basins, flow restriction devices and other methods to reduce the volume of oil pollutants and grease caused from street surface run-off. Plans and calculations are required to include hydrological impacts of 2, 10 and 100 year, 24-hour storm events. These requirements when incorporated with the other conditions and/or mitigation measures referenced in this section shall reduce impacts related to flooding from surface run-off and polluted run-off to a less than significant level.

The project site is located in an area subject to inundation due to dam failure. Yuba County has six jurisdictional dams which have maps prepared to assess flooding as result of catastrophic failure. Figure 2-6 of the Environmental Setting and Background of the General Plan shows a composite of the affected areas. The last dam to fail was the Lake Francis Dam (hasty construction) in 1902. The California Department of Water Resources, Division of Dam Safety considers the dams safe with a very low probability of failure. With these considerations, the Community Development Department finds that the potential impact of inundation due to dam failure is less than significant.

The project site is located in an area recently identified by the Army Corps of Engineers to be potentially subject to a higher risk of flooding due to inadequacies of the flood control levees located along the Bear River and the Interceptor Canal. Currently a study is being conducted by the Yuba County Water Agency, County of Yuba, and Reclamation District 784 to evaluate the extent of the levee problems and the potential remedies. The affected areas may eventually be described in the new Federal Emergency Management Agency (FEMA) flood plain map as being in a special flood hazard area if the inadequacies of the levee are not corrected. The results of the study will be forwarded to FEMA so that FEMA can choose to amend or not to amend the official flood maps accordingly. In the meantime, the County Board of Supervisors has adopted a resolution requiring that projects within the affected areas submit an elevation certificate, obtain a Letter of Map Revision (LOMR) from FEMA Map to show all newly created lots above the 100-year base flood elevation, provide evidence of flood insurance, and disclose to property buyers the location of this potential special flood hazard area (Resolution 2003-132, Adopted September 9, 2003). The conditions of approval imposed on this project reflect such requirements. In addition, this project will be required to participate in a funding mechanism approved by Yuba County and Reclamation District 784 to fund the study, design, construction, and related implementation and administration of levee improvements and other solutions relating to deficiencies in the levee system within the affected areas. With these standard conditions of approval in place for the proposed subdivision, the impacts related to flood hazards are considered to be less than significant.

IX. LAND USE PLANNING

The project, as proposed, is consistent with both the adopted County General Plan and Zoning Ordinance. These documents allocate the project with a land use/zoning designation of "Single-Family Residential" respectively, under which 6,000 square-foot minimum sized parcels are allowed. The proposed subdivision is consistent with the anticipated development as outlined in the General Plan within this zoning district and the project is not anticipated to physically divide an established community. Conditions of approval and mitigation measures imposed on the project ensure further consistency with adopted General Plan policies as well as the North Arboga Study Area Environmental Impact Report (NASA EIR).

One of the mitigation measures required by the NASA EIR related to land use planning involves the requirement that projects adjacent to Pacific Gas and Electric (PG&E) right-of-way containing powerlines mounted on steel towers to provide a 100-foot setback between the right-of-way and human-occupied structures. The project is required to provide this setback pursuant to mitigation measures listed in the NASA EIR and has accommodated this requirement in the subdivision configuration. Other mitigation measures from the NASA EIR that ensure land use compatibility and which are imposed on this project include construction of solid fences or walls adjacent to any existing agricultural uses, disclosure of the right to farm and mine in the County, construction of sound wall and building setbacks adjacent to existing railroad tracks, construction of sound walls adjacent to arterial roadways, disclosure of the potential odors from the nearby sewage plant, certification of reduced interior noise levels for residential structures, and avigation noise easements for structures within airport zones. The project is considered to have no impact on land use planning with implementation of these mitigation measures (see other discussion items for additional details on these specific mitigation measures).

X. MINERAL RESOURCES

The project site is not known to contain any known mineral resources that would be of value to the region and the residents of the state. Furthermore, according to the *Environmental Setting and Background* of the County General Plan, the project is not delineated in an area identified to have surface mining activities. As a result, the project is not anticipated to result in the loss of availability of a locally-important mineral resource recovery site. The project will have no impacts to mineral resources.

XI. NOISE

The project will create housing in an area that will expose people to noise generated from the Western Pacific Railroad. The North Arboga Study Area Master Environmental Assessment designates the project site within the 65dB noise contour for the railroad. The owner will be required to construct a six-foot masonry wall along the entire length of the eastern property line adjacent to the Western Pacific Railroad. Also, all exterior walls, windows, and doors of residential structures which face the Railroad will be required to be constructed at a Sound Transmission Control Rating of 34. The impacts are deemed less than significant when the following mitigation measures are incorporated. Furthermore, a 100-foot building setback is required from the edge of the railroad tracks. With these measures in place, impacts related to noise generated from the adjacent railroad are deemed to be less than significant.

The project will create temporary or periodic increases in ambient noise levels in the vicinity during construction. However, Article 3 of Chapter 8.20 of the Yuba County Ordinance Code governs construction related noise. It states, "It shall be unlawful for any person within a residential zone, or

within the radius of 500 feet therefrom, to operate equipment or perform any outside construction or repair work on buildings, structures or projects or to operate any pile driver, power shovel, pneumatic hammer, derrick, power hoist, or any other construction type device between the hours of 10:00 p.m. of one day and 7:00 a.m. of the following day in such a manner that a reasonable person of normal sensitiveness residing in the area is caused discomfort or annoyance unless a permit has been duly obtained beforehand from the Director of the Community Development Department as set forth in Section 8.20.710 of this chapter. No permit shall be required to perform emergency work as defined in Article 1 of this chapter." With the incorporated standard requirements impacts related to construction noise shall be less than significant.

XII. POPULATION AND HOUSING

This subdivision will result in significant population growth in the project vicinity. However, this growth was contemplated in both the Yuba County General Plan Environmental Impact Report and North Arboga Study Area Master Environmental Assessment at the density higher than what the project is proposing. County infrastructure is focused for development to occur in the area of this proposal. Services and regional improvements have been designed assuming the highest and most beneficial use would be for single-family residential units. Therefore, the impact related to population growth is less than significant.

XIII. PUBLIC SERVICES

Fire Protection: The project is located within the Linda Fire Protection District's service area for fire protection. Staff has consulted with the District and has addressed their concerns about the project in the project conditions of approval. The physical improvement plans (i.e. water supply, hydrants) associated with this project will be reviewed and approved by the Districts prior to recordation of the final map. In addition, a site for a new fire station will be provided within the subdivision if required by the Linda Fire Protection District. The District has acknowledged the need for a new station in the project vicinity, but is unsure at this time the most preferred station location. Fire fees are collected at the time building permits are issued for individual homes on a square footage basis. With the incorporated standard conditions and requirements from the Yuba County Ordinance Code, impacts to fire protection will be less than significant.

Police Protection: The project is located in the unincorporated area of Olivehurst and will be served by the Yuba County Sheriff. Fees are collected on a per unit basis for criminal justice and law enforcement prior to final of building permits. Additionally, fees collected within the County Service Area serving the project and other adjacent subdivisions will incorporate a mechanism to financially support the additional law enforcement service needed to served the project. Increased property tax revenue will also support additional civic services including law enforcement. These mechanism will keep impacts related to police protection to less than significant levels.

Schools: The Marysville Joint Unified School District was consulted during the initial study for this project. The Districts current facilities do not have the capacity to absorb the students that will come from the project. The opinion of the District is that new development proposals must mitigate the impacts proportional to the intensity of the development. Therefore, school fees are collected on a per square foot basis prior to issuance of building permits for all new residential structures proposed in the County. The fees are paid directly to the school district for the offset of new student enrollment. Currently school fees are \$1.72 for the Marysville Joint Unified School District. With the incorporated standard requirement, impacts related to schools are less than significant.

Parks: The proposed project will create additional use of park and recreational facilities. In order to

mitigated these impacts, the applicant is required to dedicate parkland per County regulations and to pay in-lieu fees for any difference in the amount parkland dedicated and the amount required by these regulations. The project proposes approximately 4.78 acres of parkland, compared to the required amount of 6.69 acres pursuant to Chapter 11.15.661 of the Yuba County Ordinance Code. Conditions of project approval for the project will ensure that any difference in the amount of parkland required and the amount provided in this project location will be required to be paid in equivalent fee plus 20 percent pursuant to County Code. Ongoing maintenance of park and recreation facilities will be funded through inclusion of the property within a County Service Area. Because dedication of parkland and provision of ongoing funding will offset impacts to parks and recreational facilities, these impacts are considered to be less than significant.

Other: In addition to the fees collected above for various services, the per-unit capital facility fees, collected at the time of building permit issuance, go toward the costs associated with the following: general government, social services, library and traffic. Additionally, as conditioned the project applicant is required to form a County Service Area or provide a funding mechanism for the long-term maintenance of any proposed parks, park equipment, bike paths, streets, landscape corridors, recreation floodway and drainage corridors and street lighting. With the incorporated Ordinance Code requirements and conditions of approval, the impacts on public facilities will be less than significant.

XIV. RECREATION

The project will result in an increase in the use of neighborhood and regional parks and will create the need for additional recreational facilities. This increase will be adequately addressed with standard requirements of the Community Development Department. Yuba County Ordinance Code, Chapter 11.15.661 requires parkland dedication at a ratio of 5 acres per 1000 new residents (assuming 2.9 persons per household for single family lots and 2.3 per household for duplex lots). Using the formula, the sub-divider is required to dedicate approximately 6.69 acres of parkland. The proposed subdivision proposes 4.78 acres of parkland and conditions of project approval will ensure that this requirement for parkland dedication is met prior to recordation of the Final Map and that any difference in the amount of parkland required and the amount provided in this project location will be required to be paid in equivalent fee plus 20 percent pursuant to County Code. This requirement will help to cover cost of additional land needed to purchase an amount of parkland proportional to the number of new dwelling units being created by the subdivision. This requirement will ensure adequate neighborhood parks and funding for regional improvements are in place prior to map recordation. The owner is also required to develop a County Service Area for the ongoing maintenance of the park facilities. With the incorporated standard requirements including the development of new park facilities, impacts related to increased park usage is deemed less than significant (see XIII. Public Services, Parks discussed above).

XV. TRANSPORTATION/TRAFFIC

Community Development Department staff has consulted with both the County Public Works Department and California Department of Transportation (Caltrans) concerning traffic related impacts. Comments received from Caltrans indicate the need for a traffic impact study to address project impacts. Consistent with Caltrans' request, the Public Works Department has determined that an update to the previously prepared traffic study prepared for the North Arboga Study Area Master Environmental Assessment is necessary to address potential traffic concerns generated by this project and surrounding proposed subdivision projects. This study is currently near completion by KD Anderson Transportation Engineers who have informed the Public Works Department of the expected results of the traffic study update. In order to proceed with the project, the applicants have requested that the project be required, though mitigation measures, to construct or contribute fairly to any and all

traffic related improvements recommended by the forthcoming traffic study. The project will not be able to proceed with recordation of the Final Map until such improvements are constructed to the extent required by the project conditions of approval and the Director of the Public Works Department. Moreover, the Public Works requires additional mitigation by requiring a road impact fee to be paid for each new dwelling unit developed in order to fund the costs associated with road improvements in the County. With the requirements of the Public Works Department imposed on this project to construct the improvements outlined by the updated traffic study, levels of service standards will be maintained and traffic related impacts are deemed to be less than significant.

The Yuba-Sutter Transit Authority was provided an opportunity to comment on the project during the initial study. Comments received include requests to incorporate a bus stop with bench and/or shelter on both the northeast corner of Arboga Road and Danube Way and the southeast corner of McGowan Parkway and Northeastern Drive, as well as contribution to the funding of construction of a commuter park and ride lot near McGowan Parkway and Highway 70 due to the added demand for out-of-area commuter services from development in the project area. Consistent with these requests and the NASA EIR, the project owner is required to incorporate bus routes, including stops and shelters, as well as means to facilitate carpooling outside the subdivision, as required by the Yuba-Sutter Transit Authority prior to recordation of the final map. These measures will keep impacts to alternative transportation modes at less than significant levels.

XVI. UTILITIES AND SERVICE SYSTEMS

The project site is located within the sphere of influence of the Olivehurst Public Utility District (OPUD). The District will be the provider for domestic water and sewer service and was consulted during the initial study for this project. The comments received from the District outlined their requirements for annexation into the District service area, payment of fees, written agreements, possible assessment districts, and installation of water and sewer facilities pursuant to District standards. OPUD did not raise any concerns of an inability to provide service for either sewage service or domestic water supply, nor did they state that this project would trigger a necessary expansion of any facilities which could potentially impact the environment. The project is conditioned such that a "will serve" letter and financial assurances from the District are required prior to Final Map recordation. Impacts to water and sewer utility services are deemed less than significant.

A project of this scale will require substantial improvements including construction of new storm water drainage facilities. The new drainage facilities are required to meet all applicable County of Yuba standards as well as National Pollutant Discharge Elimination System Storm Drainage Standards. Additionally, the owner is required to submit engineered drainage facility plans, referred to as a master drainage plan, to the Public Works Department for review and approval prior to recordation of the final map. Review by the Public Works Department includes analysis for consistency with County standards and ensures adequate environmental protection is incorporated into the drainage plans. Various other mitigation measures of the project also relate to construction of the drainage facilities. As a result, dust and sediment control, vegetation protection and fill requirement measures also apply to the construction of new storm water drainage facilities. With all of these requirements in place, impacts related to construction of new storm water drainage facilities will be less than significant. (Please see the discussion under Hydrology and Water Quality for detailed discussion of impacts and related implementation criteria).

REFERENCES (SUPPORTING INFORMATION SOURCES)

- (AP) Chapter 12.75, Yuba County Ordinance Code, "Airport Zone" Regulations.
- (BAFB) Beale Air Force Base Comprehensive Land Use Plan, 1986
- (BIO) Marcus H. Bole and Associates. "Biological Resources Evaluation and Wetland Determination for the Lanza Property..." April 12, 2004.
- (FSR) Chapter 11.52 and 11.15, Yuba County Ordinance Code, "Fire Safe Regulations".
- (DFG) Yuba County Community Services Department, "Final Environmental Impact Report on the Cumulative Impacts of Rural Residential Development on Migratory Deer In Yuba County", April 5, 1985.
- (EC) Early consultation letter. Affected agencies were contacted and no impacts were identified.
- (FEMA) Federal Emergency Management Agency, Flood Insurance Rate Map, Yuba County, Community-Panel Numbers.
- (FS) Field Surveys
- (GPC) County of Yuba, Planning Department, "Circulation Element of the General Plan", December 1996.
- (GPE) County of Yuba, Planning Department, "Environmental Setting and Background of the General Plan", May 1994.
- (GPH) County of Yuba Department of Planning and Building Services, "Housing Element", December 17, 1991 as amended.
- (GPLU) Yuba County Planning Department, "Land Use Element, Yuba County General Plan", December 1996.
- (GPN) Yuba County Planning Department, "Noise Element of the General Plan", August 26, 1980 as amended.
- (GPOSC) "Yuba County General Plan Open Space and Conservation Element", December 1996.
- (GPS) Yuba County Planning Department, "Seismic Safety and Safety Elements of the Yuba County General Plan", August 26, 1980 as amended.
- (NASA) North Arboga Study Area Master Environmental Assessment and Constraints Analysis Environmental Impact Report (SCH# 92012045); November 18, 1992.
- (NO) Chapter 8.20, Yuba County Ordinance Code, "Noise Regulations".
- (PLSP) Plumas Lake Specific Plan, September 21, 1993 and EIR (SCH #92072070).
- (PD) Project Description
- (SCS) Herbert, Fred W. and Eugene L. Begg. "Soils of the Yuba Area, California." June 1969. University of California, Davis.
- (USGS) United States Geological Survey, 7.5 Minute Series Topographic Map
- (ZO) County of Yuba, Title XII, "Zoning Ordinance", December 6, 1983 as amended.

**MITIGATION MONITORING PLAN FOR:
TENTATIVE SUBDIVISION TRACT MAP TSTM2003-0037**

This mitigation monitoring plan is prepared in conformance with the requirements of the California Environmental Quality Act of 1970, Public Resources Code Section 21081.6, and Yuba County Ordinance Code Section 11.12. The purpose of the plan is to serve as the framework for implementation of the various conditions of approval imposed on the subject project intended to reduce significant environmental impacts to a less than significant level. These conditions are referred to as mitigation measures.

Each mitigation measure is *summarized* in the first column of the plan. Individuals using the plan should refer to the approved Conditions of Approval for a complete, detailed description of each measure. The next three (3) columns identify when each measure is to be initiated, how long or often they are to be implemented, and when they are to be completed. The Compliance Verification column identifies the agency responsible for insuring each mitigation measure is completed. It is not intended to represent the agency or agencies involved in facilitating compliance—either through review and approval processes or other jurisdictional authorities—although in some instances they may be the same. The Performance Criteria column establishes the steps necessary to illustrate to the agency responsible for verifying compliance that the requirements of each mitigation measure have been satisfied. The Verification Cost column identifies the amount payable to the agency responsible for its role in verifying compliance. It is not intended to represent the estimated cost of implementing each particular measure. The Completion Date column is to be used by County staff to indicate that a particular measure has been satisfied.

Appendix 1 contains the Glossary of Abbreviations for use in identifying acronyms used throughout the plan. Please refer to it whenever necessary for clarification purposes.

The total amount due and payable for the Community Development Department's review and redrafting of the plan is \$200.00. This amount does not include the amounts shown in the Verification Cost column. In order for this plan to be deemed valid and approved, payment of the fee must be made.

I hereby certify that I have reviewed the attached mitigation monitoring plan prepared for Tentative Subdivision Tract Map TSTM2003-0037 and find it to be in compliance with the requirements of all applicable federal, state, and local laws and/or ordinances and therefore, hereby approve said plan.

Tim Smellings, Director
Community Development Department

Scott Aaron, Associate Planner

Preparation Fee Paid: _____

Date: _____

Receipt No.: _____

**MITIGATION MONITORING PLAN FOR:
TENTATIVE SUBDIVISION TRACT MAP TSTM2003-0037**

Mitigation Measure	Initiation	Monitoring Duration Frequency	Mitigation Completion	Verification	Performance Criteria	Verification Cost	Date Completed
A person or agent acting as an agent for the seller of real property located within the County shall provide knowledge to all potential purchasers or lessees of the presence of the nearby sewage plant and of the County's intent to protect the existing land use.	Prior to recordation of Final Map for each Phase	Escrow for sales or during lease negotiations	Prior to home sales or initiation of leases	Community Development Department	Submit a copy the disclosure statement to Community Development Department for approval; distribute to buyers and lessees.	Included in review fee	
Pursuant to Yuba County Ordinance 11.55, a person or agent acting as an agent for the seller or lessor of real property located within the County shall provide knowledge to all potential purchasers of lessees of the right to farm and mine within the County.	Prior to recordation of Final Map for each Phase	Escrow for sales or during lease negotiations	Prior to home sales or initiation of leases	Community Development Department	Submit a copy the disclosure statement to Community Development Department for approval; distribute to buyers and lessees.	Included in review fee	
A solid fence a minimum of six feet in height shall be constructed for all lots with property bordering active agricultural uses.	Prior to recordation of Final Map for each phase and building permit	During construction for each phase and building permit	End of construction for each phase and building permit	Public Works and Community Development Departments	As provided in mitigation measure	To be determined	
Owner shall contribute a fair share cost of an early emergency warning system to notify residents of emergencies subject to approval of the Office of Emergency Services prior to map recordation.	Prior to recordation of Final Map for each Phase	One-time for each phase.	Upon recordation of Final Map for each phase.	Office of Emergency Services and Community Development Department	Consult with Office of Emergency Services to determine necessary contribution. Provide verification of funding, waiver or alternative agreement.	To be determined.	
At the time building permits are issued, Owner shall pay a Road Impact Fee at the rate of \$7,480 per single family equivalent dwelling unit per Board of Supervisors Resolution No. 2004-24.	Prior to issuance of building permits	One-time prior to issuance of building permits	Prior to issuance of building permits	Community Development and Public Works Departments	As provided in mitigation measure	As required in measure	
Owner shall be required to construct or contribute a fair share allocation of funding for construction of all roadway improvements identified by the updated KD Anderson Traffic Study and the EPS Road Nexus Study as being necessary to accommodate new traffic generated as a result of the project. Said improvements and fees are subject to the review and approval of the Public Works Director.	Identification of fees/ improvements prior to Final Map recordation. Payment/ construction prior to issuance of building permits.	One time for each phase and prior to issuance of building permits.	Completion of required improvements or payment of total fees.	Public Works Department	Completion of required improvements and/or payment of fees to satisfaction of Public Works Department.	To be determined.	

**MITIGATION MONITORING PLAN FOR:
TENTATIVE SUBDIVISION TRACT MAP TSTM2003-0037**

Mitigation Measure	Initiation	Monitoring Duration Frequency	Mitigation Completion	Verification	Performance Criteria	Verification Cost	Date Completed
Dust and particulates from construction and grading must be minimized by regular sprinkling of exposed soils, and curtailing grading activities on days when winds exceed 20 miles per hour. A grading and dust control plan will be required as a part of Improvement plan review and approval. Specific methods for dust control shall be approved by the Director of the Public Works Department and Feather River Air Quality Management District. Best available mitigation measures are to be implemented.	Prior to recordation of the Final Map for each Phase.	During construction for each Phase.	End of construction for each Phase.	Public Works Department and the Feather River Air Quality Management District	Include dust control measures in construction specifications and implement in actual construction activities. Cease	To be determined.	
All new residential units constructed on the subject site which are to have wood stoves and/or fire places shall be equipped with catalytic systems certified as meeting or exceeding EPA standards. Units that include wood burning stoves and/or fire places shall not receive final permit clearance until verification of compliance is filed with the Community Development Department.	Design of housing plans.	During Plan Check for Building Permit.	Prior to issuance of building permits.	Building Department and Community Development Department	Inclusion of note on structural plans that the system to be used meet specifications outlined in mitigation measure.	Covered Building Permit Fee and Community Development Department Review Fee.	
No light or glare which could impair the vision of the motorists on Arboga Road or McGowan Parkway shall be produced by the project.	Prior to start of construction for each phase	During construction for each phase	End of construction for each phase	Community Development Department	Improvement plans address street lighting and detail how design will prevent light or glare from impairing vision of motorists	Covered in improvement plan review fee	
A 100-foot building setback is required from the edge of the railroad tracks, with a minimum six-foot solid block or masonry wall at the lot line. The height and design of the wall shall be subject to review and approval of the Community Development Director.	Prior to recordation of Final Map for each phase and building permit	During construction for each phase and building permit	End of construction for each phase and building permit	Public Works and Community Development Departments	As provided in mitigation measure	To be determined	
Exterior wall facing the railroad tracks shall be designed and constructed to meet a Sound Transmission Control (STC) Rating of 34. Windows shall have a minimum Sound Transmission Control (STC) Rating of 34. Sliding glass doors and other doors facing towards the railroad tracks shall have a minimum STC Rating of 34. Proposed design standards shall be submitted and approved by the Building Department prior issuance of building permits.	Design of housing plans	During plan check for building permit	Prior to issuance of building permits	Community Development Department	Inclusion of notes on structural plans that adequate systems are to be used.	Covered in review fee	

**MITIGATION MONITORING PLAN FOR:
TENTATIVE SUBDIVISION TRACT MAP TSTM2003-0037**

Mitigation Measure	Initiation	Monitoring Duration Frequency	Mitigation Completion	Verification	Performance Criteria	Verification Cost	Date Completed
New single-family residences shall be constructed in such a manner so that the interior noise levels does not exceed 45 db (CNEL).	Design of housing plans	During plan check for building permit	Prior to issuance of certificate of occupancy	Community Development Department	Inclusion of notes on structural plans that adequate systems are to be used and certified engineer's statement that structure meets said requirement.	Covered in review fee	
Prior to recordation of the Final Map(s) Owner shall incorporate bus routes, including stops and shelters, as well as means to facilitate carpooling outside the subdivision, as required by the Yuba-Sutter Transit Authority. Said routes and carpooling methods shall be subject to the review and approval of the Yuba-Sutter Transit Authority, Department of Public Works, the Feather River Air Quality Management District and the Plumas and Marysville Joint Unified School districts.	Prior to recordation of Final Map for each phase	One-time for each phase	Prior to recordation of Final Map for each phase	Community Development Department and Yuba Sutter Transit Authority	Detail the location of the proposed facility on the improvement plans	To be determined.	
All areas indicated as being within Flood Zone "A" on FEMA Flood Insurance Rate Maps shall be considered as storm water detention areas. Any development proposed within these areas shall require equivalent storm water detention volume to be provided in a location and manner as approved by the Public Works Department and Reclamation District No. 784 or as consistent with the Regional Master Drainage Plan.	Prior to recordation of Final Map for each phase	One-time for each phase	Prior to recordation of Final Map for each phase	Public Works Department and Reclamation District No. 784	Review and approval of drainage plans by Public Works and Reclamation District 784	To be determined	
Owner shall provide a site for a new fire station within the limits of the project, if required by the Linda Fire Protection District. The site shall be one and one-half acres and shall have direct access to a major arterial road near a signalized intersection, or as approved by the Linda Fire Protection District.	Prior to recordation of Final Map	One time prior to map recordation	Prior to recordation of Final Map	Community Development Department and Linda Fire Protection District	Letter to be submitted from Linda Fire Protection District stating requirements have been met or station not needed in subdivision	To be determined	
Owner shall preserve all healthy oak trees on the subject site and shall protect said trees from changes in grading and soil moisture regimes. All oak existing trees shall be identified and located on the Final Map. An arborist's report shall be prepared and submitted to the Planning and Building Services Department for review and approval prior to removal of any oak trees on the subject site.	Prior to recordation of Final Map.	One time for each phase.	Upon recordation of Final Map for each phase.	Community Development Department	Report and recommendations to be consistent with applicable General Plan Policies.	To be determined.	

**MITIGATION MONITORING PLAN FOR:
TENTATIVE SUBDIVISION TRACT MAP TSTM2003-0037**

Mitigation Measure	Initiation	Monitoring Duration Frequency	Mitigation Completion	Verification	Performance Criteria	Verification Cost	Date Completed
Owner shall cause to be prepared by a recognized consultant a wetland delineation showing the location and quantity of vernal pools, water courses, and wetlands in the project area in order to determine the waters of the United States. Once the survey is completed, the consultant shall calculate the area of each wetland identified and secure a Section 404 permit from the Army Corps of Engineers, if required. Owner shall submit a copy of the wetland survey and approved permit to the Community Development Department for review and approval prior to map recordation.	Prior to recordation of Final Map.	One time for each phase.	Upon recordation of Final Map for each phase.	Community Development Department	As specified in measure.	To be determined.	
Prior to any construction or grading on-site, the applicant shall obtain all necessary permitting from the Army Corps of Engineers relating to jurisdictional wetlands.	Prior to any construction or grading on-site	One time prior to any construction or grading activity	Upon receipt of permits deemed necessary by Army Corps	Community Development Department	Submit copy of all permits issued by Army Corps	To be determined	
Owner shall cause to be prepared and shall submit to the Community Development Department for review and approval a complete revegetation plan which, when implemented, will result in no net loss of wetland acreage or wetland habitat value. Said revegetation shall be planted or bonded for prior to map recordation. A detailed revegetation monitoring plan shall also be prepared to ensure compliance.	Prior to recordation of Final Map	Once prior to map recordation	Upon recordation of Final Map for each phase	Community Development Department	Upon receipt and approval of revegetation and monitoring plans by Community Development Department	To be determined	
The project is located within the Approach/Departure and Overflight Zones of the Yuba County Airport. Prior to map recordation, owner shall sign a grant of aviation and noise easement for the subject property.	Prior to recordation of Final Map	Once time for each phase	Upon recordation of Final Map for each phase	Community Development Department	Upon receipt of copy of recorded easement by Community Development Department	To be determined.	
A minimum building setback of 100 feet from right-of-way is required for structures beside the powerline easements which parallel State Highway 70 and extend east-west from Highway 70 paralleling the alignment of Ella Avenue. This requirement applies to powerlines mounted on steel towers, and not to wood-pole mounted lines.	Prior to recordation of Final Map for each phase and building permit	During construction for each phase and building permit	End of construction for each phase and building permit	Public Works and Community Development Departments	As provided in mitigation measure	To be determined	

**MITIGATION MONITORING PLAN FOR:
TENTATIVE SUBDIVISION TRACT MAP TSTM2003-0037**

Mitigation Measure	Initiation	Monitoring Duration Frequency	Mitigation Completion	Verification	Performance Criteria	Verification Cost	Date Completed
Pre-construction surveys for nesting Swainson's hawks shall be conducted prior to any construction activities including removal of any trees on site. If active nests are found, a qualified biologist shall determine the need for any temporal restrictions on construction pursuant to criteria set forth by the California Department of Fish and Game.	Prior to any construction activity on-site.	Once prior to initiation first grading/ construction activities on site. Once a year for every year that construction continues after that.	Following review of survey results by Community Development Department for every survey submitted	Community Development Department and/or California Department of Fish and Game (DFG)	Survey(s) completed by County-approved biologist and submitted to Community Development Department and/or DFG for review and approval	To be determined	
Replacement foraging habitat for Swainson's hawk shall be provided at a ratio of 0.5 acres of land for each acre of urban development authorized under subdivision entitlements. Said land protected under this requirement must be located within 10 miles of project site and may be protected through fee title acquisition or a conservation easement on agricultural lands or other suitable habitats acceptable to the California Department of Fish and Game (DFG) and the County of Yuba.	Prior to recordation of Final Map for each phase.	One time for each phase	Upon recordation of Final Map for each phase	Community Development Department and/or California Department of Fish and Game (DFG)	Mitigation provided to the satisfaction of DFG	To be determined	

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APPLICANT
LANZA FAMILY TRUST (DAVID LANZA)
780 THIRD STREET
MARYSVILLE, CA 95901
PHONE (530) 742-1361

OWNER #1
DIANE CAROL PETERSON
614 22ND STREET
HUNTINGTON BEACH, CA 92646
PHONE ()

OWNER #2
CRAG REDWINE
2777 DITTERBEEK LANE
ARCATA, CA 95521
PHONE ()

OWNER #3
LORIS A FIBERA (SANDY BERCH)
1256 LIVE OAK BLVD.
YUBA CITY, CA 95991
PHONE (530) 673-1441

ENGINEER
MHM INCORPORATED (SEAN MINARD)
523 J STREET, P.O. BOX B
MARYSVILLE, CA 95901
PHONE (530) 742-6487

OVERFLIGHT ZONE NOTE:
THE HATCHED AREA IS THE OVERFLIGHT ZONE WHICH HAS A RESOLUTION DENSITY OF FOUR UNITS PER ACRE. THE AREA SUBJECT TO THIS RESOLUTION IS 3.12 ACRES AND A TOTAL OF 126 ACRES (ACTUAL DENSITY IS 3.96 DU/AC).

LOT SUMMARY*

UNIT NO. 1 =	33 LOTS	99.19 AC	3.01 DU/AC
UNIT NO. 2 =	44 LOTS	11.89 AC	3.68 DU/AC
UNIT NO. 3 =	41 LOTS	99.59 AC	4.28 DU/AC
UNIT NO. 4 =	54 LOTS	11.51 AC	4.69 DU/AC
UNIT NO. 5 =	64 LOTS	13.45 AC	4.74 DU/AC
UNIT NO. 6 =	74 LOTS	17.38 AC	4.26 DU/AC
UNIT NO. 7 =	63 LOTS	13.14 AC	4.79 DU/AC
UNIT NO. 8 =	86 LOTS	20.72 AC	4.11 DU/AC
TOTAL *	461 LOTS	198.23 AC	4.24 DU/AC

*72% INCLUDING 10% FOR BOUNDARY

GENERAL NOTES

WATER:
EXISTING: NONE
PROPOSED: OVERLIFT FROM OVERFLIGHT DISTRICT

SEWER:
EXISTING: NONE
PROPOSED: OVERLIFT FROM PUBLIC UTILITIES DISTRICT

DRAINAGE:
EXISTING: RECLAMATION DISTRICT NO. 74
PROPOSED: RECLAMATION DISTRICT NO. 74

BUILDINGS:
EXISTING: NONE
PROPOSED: SINGLE FAMILY HOMES

LAND USE:
EXISTING: AGRICULTURAL
PROPOSED: SINGLE FAMILY RESIDENTIAL

ZONING:
EXISTING: R-1
PROPOSED: R-1

GENERAL PLAN:
EXISTING: LOW DENSITY RESIDENTIAL
PROPOSED: LOW DENSITY RESIDENTIAL

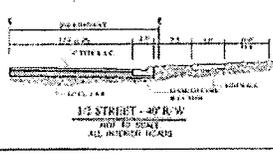
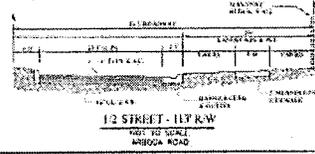
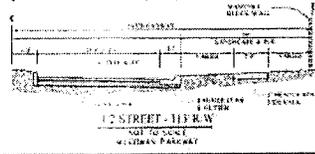
EXISTING APPLICANCES:
APR 93 336666 (12.42 ACRES)
APR 93 336666 (11.43 ACRES)
APR 93 336666 (11.13 ACRES)
APR 93 336666 (12.16 ACRES)

UTILITIES:
ELECTRICITY WILL BE PROVIDED BY PACE TELEPHONE WILL BE PROVIDED BY SBC
CABLE WILL BE PROVIDED BY COMCAST

LOT NUMBERS:
THE LOT NUMBERING SYSTEM IS PRESENTED BELOW PLAN FOR INFORMATION AND IS SUBJECT TO REVISION WITH FILING OF FINAL MAP. (A) WILL BE ASSIGNED THE RIGHT TO TITLE MULTIPLE FINAL MAPS.

LOT DIMENSIONS:
LOT AND BOUNDARY DIMENSIONS ARE APPROXIMATE AND SUBJECT TO REVISION WITH FILING OF FINAL MAP.

UNLESS SPECIFIED, ALL DIMENSIONS ARE TO BE EXCLUSIVE ANY FORMS, WALLS, AND CONDUITS.



2 INDICATES PROPOSED FINISH

TENTATIVE MAP NO. SM 03 - THOROUGHLYBRED ACRES
FOR DAVID LANZA
BEING APPLICANTS OF SECTIONS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100

YUBA CITY CALIFORNIA
JANUARY 2004
SCALE 1"=100'

PREPARED BY: MHM INC., 523 J STREET, MARYSVILLE, CA 95901
MADE KING 6347 SHEET 1 OF 1

Advice 2826-E

Attachment 4

**BEFORE THE COUNTY OF YUBA
PLANNING COMMISSION**

**RESOLUTION ADOPTING A MITIGATED)
NEGATIVE DECLARATION AND)
APPROVING A MITIGATION MONITORING)
PLAN AND TENTATIVE SUBDIVISION)
TRACT MAP 2003-0037 (LANZA/MHM))
SUBJECT TO CONDITIONS)**

RESOLUTION NO.: 2004-0007

WHEREAS, David Lanza, filed an application for Tentative Subdivision Tract Map TSTM2003-0037, a request to subdivide four parcels totaling 112.6± acres into 461 lots for single family residential development in the Single Family Residential (R-1) zone located south of McGowan Parkway, east of Arboga Road, and west of the Union Pacific Railroad, in the community of Olivehurst, on County Assessor's Parcel Numbers 013-370-048, -049, -050, and 014-260-004.; and

WHEREAS, the Community Development Department of the County of Yuba has conducted an Initial Study for the proposed project and concluded that the project would not result in any significant adverse environmental impacts provided the mitigation measures that are incorporated into the Mitigation Monitoring Plan and Conditions of Approval are implemented; and

WHEREAS, the Community Development Department of the County of Yuba has provided due notice for a public hearing before the Planning Commission of the County of Yuba and the intent to adopt a Mitigated Negative Declaration for the proposed project in accordance with the California Environmental Quality Act, as amended; and

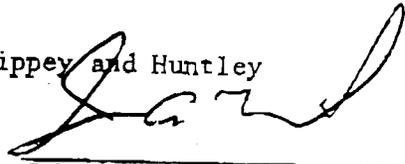
NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The foregoing recitals are true and correct.
2. The Planning Commission finds that the proposed project is consistent with the Land Use Element and other applicable elements of the Yuba County General Plan as well as with the Yuba County Zoning Map and Ordinance.
3. The Planning Commission finds that the project site is physically suitable for the proposed type of development and the proposed density of development.
4. The Planning Commission finds that the proposed project and improvements will not adversely affect the health, welfare and safety of the public.

- 5. The Planning Commission finds that the project, as conditioned, meets the County design and improvement standards set forth in the Yuba County Ordinance Code.
- 6. The Planning Commission finds that the project, as conditioned, is in compliance with the Subdivision Map Act and the Yuba County Ordinance Code.
- 7. The Planning Commission finds that the project will not cause substantial environmental damage including that to fish and/or wildlife and their habitat.
- 8. The Planning Commission hereby adopts the Negative Declaration and Mitigation Monitoring Plan for Tentative Subdivision Tract Map TSTM2003-0026 incorporated by reference, and approves Tentative Subdivision Tract Map TSTM2003-0026 subject to the mitigation measures contained within the Mitigation Monitoring Plan and Conditions of Approval which are attached hereto, unless appealed within 15 days in accordance with the Yuba County Ordinance Code.

PASSED AND ADOPTED at a regular meeting of the Planning Commission of the County of Yuba, State of California, on the 19th day of May, 2004, by the following vote.

AYES: Commissioner Messick, Rippey and Huntley
NOES:
ABSENT: Commissioner Winchel
ABSTAIN:



 John Messick, Chairman
 Yuba County Planning Commission

ATTEST:



Charles Thistlethwaite, AICP, Principal Planner /
 Planning Commission Secretary
 Community Development Department

**PG&E Gas and Electric Advice
Filing List
General Order 96-A, Section III(G)**

ABAG Power Pool	Douglass & Liddell	PG&E National Energy Group
Accent Energy	Downey, Brand, Seymour & Rohwer	Pinnacle CNG Company
Aglet Consumer Alliance	Duke Energy	Plurimi, Inc.
Agnews Developmental Center	Duke Energy North America	PPL EnergyPlus, LLC
Ahmed, Ali	Duncan, Virgil E.	Praxair, Inc.
Alcantar & Elsesser	Dutcher, John	Price, Roy
Anderson Donovan & Poole P.C.	Dynergy Inc.	Product Development Dept
Applied Power Technologies	Ellison Schneider	R. M. Hairston & Company
APS Energy Services Co Inc	Energy Law Group LLP	R. W. Beck & Associates
Arter & Hadden LLP	Energy Management Services, LLC	Recon Research
Avista Corp	Enron Energy Services	Regional Cogeneration Service
Barkovich & Yap, Inc.	Exelon Energy Ohio, Inc	RMC Lonestar
BART	Exeter Associates	Sacramento Municipal Utility District
Bartle Wells Associates	Foster Farms	SCD Energy Solutions
Blue Ridge Gas	Foster, Wheeler, Martinez	Seattle City Light
Bohannon Development Co	Franciscan Mobilehome	Sempra
BP Energy Company	Future Resources Associates, Inc	Sempra Energy
Braun & Associates	G. A. Krause & Assoc	Sequoia Union HS Dist
C & H Sugar Co.	Gas Transmission Northwest Corporation	SESCO
CA Bldg Industry Association	GLJ Energy Publications	Sierra Pacific Power Company
CA Cotton Ginners & Growers Assoc.	Goodin, MacBride, Squeri, Schlotz &	Silicon Valley Power
CA League of Food Processors	Hanna & Morton	Smurfit Stone Container Corp
CA Water Service Group	Heeg, Peggy A.	Southern California Edison
California Energy Commission	Hitachi Global Storage Technologies	SPURR
California Farm Bureau Federation	Hogan Manufacturing, Inc	St. Paul Assoc
California Gas Acquisition Svcs	House, Lon	Stanford University
California ISO	Imperial Irrigation District	Sutherland, Asbill & Brennan
Calpine	Integrated Utility Consulting Group	Tabors Caramanis & Associates
Calpine Corp	International Power Technology	Tansev and Associates
Calpine Gilroy Cogen	Interstate Gas Services, Inc.	Tecogen, Inc
Cambridge Energy Research Assoc	IUCG/Sunshine Design LLC	TFS Energy
Cameron McKenna	JTM, Inc	Transcanada
Cardinal Cogen	Kaiser Cement Corp	Turlock Irrigation District
Cellnet Data Systems	Luce, Forward, Hamilton & Scripps	U S Borax, Inc
Chevron Texaco	Manatt, Phelps & Phillips	United Cogen Inc.
Chevron USA Production Co.	Marcus, David	URM Groups
Childress, David A.	Masonite Corporation	Utility Cost Management LLC
City of Glendale	Matthew V. Brady & Associates	Utility Resource Network
City of Healdsburg	Maynor, Donald H.	Wellhead Electric Company
City of Palo Alto	McKenzie & Assoc	Western Hub Properties, LLC
City of Redding	McKenzie & Associates	White & Case
CLECA Law Office	Meek, Daniel W.	WMA
Commerce Energy	Mirant California, LLC	
Constellation New Energy	Modesto Irrigation Dist	
CPUC	Morrison & Foerster	
Cross Border Inc	Morse Richard Weisenmiller & Assoc.	
Crossborder Inc	Navigant Consulting	
CSC Energy Services	New United Motor Mfg, Inc	
Davis, Wright, Tremaine LLP	Norris & Wong Associates	
Defense Fuel Support Center	North Coast Solar Resources	
Department of the Army	Northern California Power Agency	
Department of Water & Power City	Office of Energy Assessments	
DGS Natural Gas Services	Palo Alto Muni Utilities	