

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 23, 2012

Advice Letter 3865-E

Brian K. Cherry
Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

**Subject: Sprint Subsurface Easement on PG&E's Wheatland Substation
Property in Yuba County – Request for Approval Under Section
851**

Dear Mr. Cherry:

Advice Letter 3865-E is effective January 4, 2012.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

Edward F. Randolph, Director
Energy Division



June 24, 2011

Advice 3865-E
(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

**Subject: Sprint Subsurface Easement on PG&E's Wheatland Substation
Property in Yuba County – Request for Approval Under Section
851**

Purpose

Pacific Gas and Electric Company ("PG&E") submits this advice letter seeking approval, under Public Utilities ("P.U.") Code Section 851, for PG&E to enter into an Easement Agreement ("Agreement") with Sprint Communications Company LP ("Sprint"). The Agreement pertains to an easement along the northwesterly boundary line of PG&E property that houses the Wheatland Substation, located in Wheatland, Yuba County, California. Sprint will use the proposed Subsurface Easement for the placement and use of subsurface fiber optic cable and conduit within the Property. A copy of the Agreement is attached hereto as Attachment 1. The area covered by the subsurface fiber optic cable and conduit ("Improvements") will be hereinafter collectively be referred to as the "Easement Area."

This easement will not interfere with PG&E's ability to provide utility services and is not adverse to the public interest. Rather, it will benefit telecommunications services to the public and maintain aesthetics in the area. Installation of the facilities will use subsurface boring rather than surface excavation, the construction of which, as later described, is categorically exempt under the California Environmental Quality Act ("CEQA").

Background

PG&E owns land, buildings and other facilities in connection with the provision of electric service to its customers throughout its service territory in northern and central California. In the provision of this service, PG&E relies on a wide system of substations to support its generation, transmission and distribution activities. One such substation is PG&E's Wheatland Substation.

PG&E owns certain real property that supports the Wheatland Substation and is located in the City of Wheatland (the "City") in southern Yuba County, State of California (the "Property"), which is fully described in Exhibit A and Exhibit B, both of which are attached to the Agreement.

Sprint currently owns an overhead pole-line for the purpose of attaching fiber optic cable along the southeasterly fence-line of the Property. As a result of an expansion of the Wheatland Substation yard area, Sprint's pole-line thereafter traversed through the center of the Property where Sprint had no land rights. Since Sprint has no land rights within the Property, Sprint has no other alternative but to vacate its pole-line and relocate its fiber optic line. Sprint desires to relocate its fiber optic cable underground along the northwesterly fence-line of the Property. Sprint's request to acquire an easement is solely for the placement and use of fiber optic cable and conduit.

The proposed easement satisfies Section 851 requirements as they are "not adverse to the public interest." The Commission has repeatedly held that the relevant inquiry in Section 851 proceedings is whether the transaction is "adverse to the public interest." (See, e.g., Universal Marine Corp., 1984, Cal. PUC Lexis 962 * 3; 14 CPUC 2d 644, 646; see also Decision ("D.") 03-01-084, 2003 Cal. PUC LEXIS 72, *10; D.89-07-016; and D.01-05-076.) Furthermore, in approving productive compatible uses of utility property such as this easement, the Commission has long recognized that the public interest is served when, as in this request, utility property is used for other productive purposes without interfering with the utility's operations or affecting services to utility customers. (D.04-07-023, mimeo, p.13, *citing* D.02-01-058 [2002 Cal. PUC LEXIS 11, *9-*10], D.94-06-017, and D.92-07-007.) As stated above, this easement will not interfere with PG&E's operations or its ability to provide reliable service to its customers. On the contrary, granting this easement will provide a public benefit by allowing Sprint to provide uninterrupted services from its fiber optic facilities.

In accordance with Resolution ALJ-244, Appendix A, Section IV., PG&E provides the following information related to the proposed transaction:

(1) Identity and Addresses of All Parties to the Proposed Transaction:

Pacific Gas and Electric Company	Sprint Communications Company
Ann H. Kim	Keith Thompson, Manager
Law Department	6391 Sprint Parkway
P.O. Box 7442	Mailstop: KSOPHTHT0101-Z2040
San Francisco, CA 94120	Overland Park, KS 66251-2040
Telephone: (415) 973-7467	Telephone: (913) 439-5347
Facsimile: (415) 973-0516	E-Mail: keith.j.thompson@sprint.com
Email: AHK4@pge.com	

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

PG&E owns and operates the Wheatland Substation and the accompanying 1.17 acres of land, further identified as Assessor's Parcel Number 015-360-007 (the "Parcel"), on which the substation is located. In addition to the substation, PG&E owns utilities and miscellaneous outbuildings located on the Parcel but none within the proposed Easement Area. The Wheatland Substation is located at 6th Street in the southern area of Yuba County, within the Wheatland City limits. The City is located in southern Yuba County and is bisected by Highway 65. The City is located approximately 30 miles north of Sacramento, 93 miles southwest of Reno, and 100 miles northeast of San Francisco. The Parcel is described, marked, designated and numbered on the official map and in the field notes of the official survey of the City of Wheatland, on file and of record in the office of the Yuba County as described in the grant deed, dated December 5, 1949, and recorded in Volume 135 of Official Records at page 348. A copy of the grant deed is attached hereto as Attachment 2.

(3) Intended Use of the Property:

As indicated earlier, an expansion of the Wheatland Substation required that Sprint relocate its aerial fiber optic cable to an alternative location. Sprint has elected to relocate the aerial cable to an underground location along the northern fence-line of the Property. The easement is solely for the placement and use of fiber optic cable and conduit and is situated south along South A Street, east of Main Street on a portion of the Parcel. The portion of land affected by the easement is 200.40 feet long and 8 feet wide located along the northwesterly boundary line of the Parcel.

Pursuant to the Agreement, Sprint has requested that PG&E grant an easement for the placement and use of subsurface fiber optic cable and conduit within the Easement Area. PG&E is willing to grant such easement on the terms and subject to the conditions set forth in the Agreement. No vehicle access will be required for access to or along the Easement Area. No personal property will be brought onto the Property to access the Easement Area. A directional bore will be performed within the Easement Area after all underground utilities have been located and verified. No fences, barricades or structures will be erected. No improvements will be made to the Property, and upon completion of the work, the Property and surrounding area will be restored to its original condition or better.

There will be no visual impact, as Sprint's facilities will be located beneath the surface with no surface excavation. The directional bore will be placed a minimum of 42 inches below existing grade for a length of approximately 200 feet. The conduit being placed will be comprised of High Density Polyethylene ("HPDE"). The conduit will have a 2.5" exterior diameter and 2"

interior diameter. Only one HPDE conduit will be placed within the requested Easement Area. A fiber optic cable will be placed on the interior of the conduit. Sprint also requests to attach onto PG&E's chain link fence two 8"x11" orange marker signs noting the presence of the fiber optic cable location.

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

PG&E will receive a one-time fee of Two Thousand Eight Hundred and Fifty-Dollars (**\$2,850**) for granting this easement to Sprint. (See section 9).

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

As consideration for granting the easements described in the Agreement, Sprint will pay PG&E a one-time fee. This compensation will be credited to Other Operating Revenue and used to reduce transmission revenue requirements in future transmission order cases, consistent with conventional cost-of-service ratemaking.

(6) Statement on the Impact of the Transaction on Rate Base and Any Effect on the Ability of the Utility to Serve Customers and the Public:

No PG&E property is being sold or disposed of because of this transaction. Therefore, no change in PG&E's rate base will result from approval of this Section 851 request. Granting this easement will neither interfere with the operations of the Wheatland Substation nor affect PG&E's ability to provide reliable service to its customers and the public at large. On the contrary, granting this easement will provide a public benefit by allowing Sprint to continue to provide uninterrupted services from its fiber optic facilities.

To ensure no impairment in PG&E's ability to deliver services to its customers, PG&E will reserve the right to make use of the property for such purposes as it may deem necessary or appropriate if, and whenever, in the interest of its service to its customers or the public at large it is necessary to do so. (See Agreement, Attachment 1, at Section 8(a).)

(7) The Original Cost, Present Book Value, and Present Fair Market Value for Sales of Real Property and Depreciable Assets, and a Detailed Description of How the Fair Market Value Was Determined (e.g., Appraisal):

Not Applicable.

(8) The Fair Market Rental Value for Leases of Real Property, and a Detailed Description of How the Fair Market Rental Value Was Determined:

Not Applicable.

(9) For Fair Market Rental Value of the Easement or Right-of-Way and a Detailed Description of How the Fair Market Rental Value Was Determined:

Sprint retained the services of BAAR Realty Advisors (“Appraisers”) for the purpose and part of the process of providing value estimates of PG&E property subject to the Agreement. On February 18, 2010, the Appraisers delivered a report that provided Sprint with an estimate of **\$2,850** as just compensation for the PG&E parcel subject to the Easement Area. An administrative check and technical review has been performed by PG&E on the valuation summary for the purpose of accuracy and calculation, sufficiency of supporting data, and reasonableness of the compensation. Based on this check and review, PG&E believes that the appraised value accurately reflects and falls within the reasonable range for a fair market easement valuation. A copy of the appraisal report is attached hereto as Attachment 3.

(10) A Complete Description of any Recent Past (Within the Prior Two Years) or Anticipated Future Transactions that May Appear to Be Related to the Present Transaction:¹

Not Applicable.

(11) Sufficient Information and Documentation (Including Environmental Review Information) to Indicate That All Criteria Set Forth in Section II(A) of Resolution ALJ-244 Are Satisfied:

PG&E has provided information within this Advice Letter to meet the eligibility criteria under the Section 851 Advice Letter pilot program:

- No CEQA review is required. The installation of the subsurface fiber optic cable is an activity that is categorically exempt under CEQA.

¹ During adoption of the Advice Letter pilot program in ALJ-186 (later followed by ALJ-202 and ALJ-244), this category of information was included to enable the CPUC to ensure that utilities were not seeking to circumvent the \$5 million Advice Letter threshold by dividing what is a single asset with a value of more than \$5 million into component parts each valued at less than \$5 million, which is clearly not the case here. (See CPUC Resolution ALJ-186, issued August 25, 2005, mimeo, p.5.)

- The financial compensation received from granting the proposed easement is well below the \$5 million eligibility threshold set forth in ALJ-244.
- The activities described as part of the easement do not involve the transfer or change in ownership of property or facilities currently used in PG&E operations. PG&E will retain full access rights and ownership to its facilities in support of its utility operations.
- The proposed activities will not have an adverse effect on the public interest; rather they will allow productive secondary use of utility property. In addition, the proposed activities will not interfere in any way with the operations of PG&E's facilities, or with PG&E's provision of service to its customers.

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

No information is readily available other than what has already been included within this filing.

(13) Environmental Information

Pursuant to ALJ-244, the Advice Letter program applies to proposed transactions that: (a) will not require environmental review by the CPUC as a lead agency under CEQA either because a statutory or categorical exemption applies or the CPUC is acting as a responsible agency only, and the Lead Agency has completed its CEQA review and has certified its environmental documents, or (b) because the transaction is not a project under CEQA.

Here, the approval of this transaction is deemed categorically exempt under CEQA under Section 15302, as shown below.

a. Exemption

1. Has the proposed transaction been found exempt from CEQA by a government agency?
 - a. If yes, please attach notice of exemption. Please provide name of agency, date of Notice 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 CEQA

exemption or exemptions that apply to the transaction, citing to the applicable State CEQA Guideline(s) and/or Statute(s).

PG&E contends that this project is exempt from CEQA under Section 15302 which provides that a Class 2 exemption from CEQA exists if a replacement or reconstruction of an existing structure or facility occurs, where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced. This includes, among other examples, conversion of overhead electricity utility distribution system facilities to underground where the surface is restored to the condition existing prior to the undergrounding. Given the similarity of the nature of telecommunications equipment to electrical equipment, this exemption applies to this construction.

2. Not a "Project" Under CEQA
 - a. If the transaction is not a "project" under CEQA, please explain why.

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 **July 14, 2011**, which is 20 days after the date of this filing. Protests should be mailed to:

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

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

Brian K. Cherry
Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-6520
E-mail: PGETariffs@pge.com

Effective Date

PG&E requests that this advice filing become effective as soon as possible. Pursuant to Provision VII.A.5 of the Section 851 Pilot Program Regulations (Resolution ALJ-244, Appendix A), PG&E submits this filing as a Tier 2 (meaning that it may be approved by the Executive Director or Energy Division Director) if unopposed, or as Tier 3 (if opposed).

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and Appendix A. Address change requests and electronic approvals should be directed to e-mail PGETariffs@pge.com. Advice letter filings can also be accessed electronically at <http://www.pge.com/tariffs>.



Vice President - Regulation and Rates

cc: Service List - Advice Letter 3865-E

Attachments

***** SERVICE LIST Advice 3865-E *****
APPENDIX A

Karen Clopton
Administrative Law Judge Division
505 Van Ness Avenue
San Francisco, CA 94102
(415) 703-2008
kvc@cpuc.ca.gov

Myra J. Prestidge
Administrative Law Judge Division
505 Van Ness Avenue
San Francisco, CA 94102
(415) 703-2629
tom@cpuc.ca.gov

Andrew Barnsdale
Energy Division
505 Van Ness Avenue
San Francisco, CA 94102
(415) 703-3221
bca@cpuc.ca.gov

Kenneth Lewis
Energy Division
505 Van Ness Avenue
San Francisco, CA 94102
(415) 703-1090
kl1@cpuc.ca.gov

Julie Fitch
Energy Division
505 Van Ness Avenue
San Francisco, CA 94102
(415) 355-5552
Jf2@cpuc.ca.gov

Brewster Fong
Division of Ratepayer Advocates
505 Van Ness Avenue
San Francisco, CA 94102
(415) 703- 2187
bfs@cpuc.ca.gov

***** AGENCIES *****

Yuba County Planning Department
Wendy Hartman, Planning Director
915 8th Street, Suite 123, Marysville, CA 95901
Telephone: (530) 749-5470
Facsimile: (530) 749-5434
email: planning@co.yuba.ca.us

***** 3rd Party *****

Sprint Communications Company
Keith Thompson, Manager
6391 Sprint Parkway
Mailstop: KSOPHT0101-Z2040
Overland Park, KS 66251-2040
Telephone: (913) 439-5347
E-Mail: keith.j.thompson@sprint.com

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY

ENERGY UTILITY

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

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

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Linda Tom-Martinez

Phone #: (415) 973-4612

E-mail: lmt1@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) #: **3865-E**

Tier: 2

Subject of AL: Sprint Subsurface Easement on PG&E's Wheatland Substation Property in Yuba County - 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 #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

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

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for:

Confidential information will be made available to those who have executed a nondisclosure agreement: Yes No

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: _____

Resolution Required? Yes No

Requested effective date: **July 25, 2011**

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).

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

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

Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Tariff Files, Room 4005

DMS Branch

505 Van Ness Ave.,

San Francisco, CA 94102

jnj@cpuc.ca.gov and mas@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Brian K. Cherry

Vice President, Regulation and Rates

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

Advice 3865-E

Attachment 1

LD 2113-05-0423
2010223 (06-10-040) 7 10 1
Wheatland Substation
Fiberoptic Cable and Conduit Easement (Sprint Communications Co. LP)
RECORDING REQUESTED BY, AND
WHEN RECORDED RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY
350 Salem Street
Chico, CA 95928
Attention: Land Agent

Location: City/Uninc _____
Recording Fee \$ _____
Document Transfer Tax \$ _____

- o This is a conveyance where the consideration and Value is less than \$100.00 (R&T 11911).
- o Computed on Full Value of Property Conveyed, or
- o Computed on Full Value Less Liens & Encumbrances Remaining at Time of Sale]

Signature of declarant or agent determining tax

(A portion of APN 015-360-007)

**SUBSURFACE EASEMENT AGREEMENT
(Fiberoptic Cable and Conduit Easement to Sprint Communications Co. LP)**

This Subsurface Easement Agreement ("**Agreement**") is made and entered into this _____ day of _____, 20____ (the "**Effective Date**") by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called "**PG&E**", and SPRINT COMMUNICATIONS COMPANY L.P., a Delaware Limited Partnership, hereinafter called "**Grantee**."

RECITALS

A. PG&E owns certain real property within the unincorporated area of the County of Yuba, State of California, more particularly described in **EXHIBIT "A"** and shown upon **EXHIBIT "B"**, both of which are attached hereto and made a part hereof.

B. Grantee has requested that PG&E grant an easement for the placement and use of subsurface fiberoptic cable and conduit within said real property (hereinafter, the "**Easement Area**").

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 Grantee's agreement to pay the sum of _____ Dollars (\$ _____), and for other good and valuable consideration, PG&E and Grantee agree as follows:

1. Grant of Easement: PG&E hereby grants to Grantee, upon the terms and conditions set forth in this agreement, a non-exclusive easement to install, maintain, and use for telecommunications purposes within the Easement Area, subsurface fiberoptic cable enclosed within conduit. In connection therewith, Grantee shall have the right to attach to and maintain two 3-inch by 11-inch orange markers signs on PG&E's chain link fence that extends along the northwesterly boundary line of said Easement Area.

2. Limitations on Use.

(a) The facilities installed hereunder are to be installed by means of boring, and no surface excavation whatsoever shall be made within the Easement Area or within adjacent property of PG&E in connection with Grantee's installation, maintenance, or use hereunder;

(b) Grantee shall have no right of entry onto the surface of the Easement Area or adjacent property of PG&E; and

(c) the facilities installed hereunder are to be used by Grantee only for those uses permitted in Section 1 above, and for no other purpose.

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 Easement Area and/or PG&E's adjacent property:

(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 Easement Area or PG&E’s adjacent property poses or threatens to pose a hazard to the health or safety of persons on or about the Easement Area 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 be solely responsible for the health and safety of, and shall take all necessary 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, 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. 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, as defined below in Section 4(b). 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 any and all applicable requirements of the National Environmental Policy Act ("NEPA") and 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, the Easement Area or PG&E's adjacent property. If PG&E determines in good faith that any such mitigation measures may adversely affect PG&E, the Easement Area or PG&E's adjacent property, or impose limitations on PG&E's ability to use the Easement Area as specified in Section 8, 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 PG&E, unless within ten (10) days following delivery of such notice, Grantee gives notice to PG&E 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 without the prior written consent of PG&E, which consent shall not be unreasonably withheld, conditioned or delayed, and the prior consent, to the extent required by applicable law or regulation, of the California Public Utilities Commission (hereinafter, "CPUC");

(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) of 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 Easement Area or PG&E's adjacent property, or to any contamination or suspected contamination on, within or underlying the Easement Area or PG&E's adjacent 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 of the Easement Area by PG&E and other entitled persons. 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, tower footings or foundations. 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) 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 Easement Area or PG&E's adjacent property, PG&E's utility facilities, the environment and human health and safety. Grantee shall not cause or permit any Hazardous Substances, as defined herein, to be brought upon, produced, stored, used, discharged or disposed of on, or in the vicinity of the Easement Area or PG&E's adjacent property, except in compliance with all applicable Legal Requirements. Grantee shall be responsible for the cost of remediating any discharge or release of Hazardous Substances resulting from or arising in connection with Grantee's use of the Easement Area, and shall immediately notify PG&E and the appropriate regulatory authorities where required by law, of any such release. If PG&E determines that Grantee's activities in any way endanger the Easement Area or PG&E's adjacent property, PG&E's utility facilities, the environment, or human health and safety, PG&E may, in PG&E's sole and absolute 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 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 or indemnity 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;

(f) 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;

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

(h) Coordination. Grantee agrees to coordinate all activities regarding the easements granted herein to reasonably minimize any interference and inconvenience with the use by PG&E of the Easement Area and PG&E's adjacent property;

(i) 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 receipt of written 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; Release.

(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**"), including Claims arising from the passive or active negligence of the Indemnitees 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 Easement Area or PG&E's adjacent 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 any Hazardous Substance, or the exacerbation of a Potential Environmental Hazard, occurring as a result of or in connection with Grantee's use or occupancy of the Easement Area, 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's use of the Easement Area shall be at its sole risk and expense. 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.

(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 Agreement shall terminate, and the estate and interest herein granted to Grantee shall revert to and revest in PG&E, if such failure continues for ten (10) 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 Improvements 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 Improvements for a continuous period of two (2) years, unless such nonuse 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 Improvements 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 documents 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 facilities. Without limiting the generality of the foregoing:

(a) PG&E reserves the right to make use of 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.

(b) 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.

(c) 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 or PG&E's adjacent property, by PG&E or others entitled to use such property.

(d) 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. Relocation. Subject to the provisions of this Section 10, the rights granted to Grantee herein shall forever be subordinate to PG&E's right to replace, reconstruct, relocate, operate and maintain PG&E's existing and/or future facilities. If PG&E's use of its reserved rights described above necessitates the relocation of any of Grantee's facilities, Grantee shall, at its own cost and expense, relocate such facilities to an alternate location mutually agreed upon between PG&E and Grantee, provided Grantee is given at least ninety (90) days prior written notice of such required relocation. Any such relocation of Grantee's facilities shall be coordinated and scheduled between PG&E and Grantee so as to minimize, to the extent practicable, any interference with Grantee's use and operation of its facilities resulting from such relocation.

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, with respect to the Easement Area and the use, occupancy and activities of Grantee, its employees and agents on or about the Easement Area, 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, (but PG&E agrees that it will not increase required coverage limits more often than once in any five-year period). Prior to Grantee's entry on the Easement Area, and thereafter prior to the expiration date of any policy, Grantee shall provide PG&E with evidence of the insurance coverage, or continuing coverage, as required by this Agreement. All insurance required under this Agreement shall be effected under valid, enforceable policies issued by insurers of recognized responsibility, written on standard Insurance Services Office or equivalent forms and with insurers authorized to transact business in the state(s) where operations shall occur and who hold a current rating of not less than A-, VII according to A.M. Best. Grantee is also responsible for causing its agents, contractors and subcontractors to comply with the insurance requirements of this Agreement at all relevant times (provided, however, that Grantee, in the exercise of its reasonable judgment, may permit contractors and subcontractors to maintain coverages and limits lower than those required of Grantee, provided the coverages and limits required by Grantee are commercially reasonable in light of applicable circumstances). Any policy of liability insurance required to be maintained hereunder by Grantee may be maintained under a so-called "blanket policy" insuring other locations and/or other persons, so long as PG&E is specifically named as an additional insured under such policy and the coverages and amounts of insurance required to be provided hereunder are not thereby impaired or diminished. In addition, liability insurance coverages may be provided under single policies for the full limits, or by a combination of underlying policies with the balance provided by excess or umbrella liability insurance policies.

12. Mechanics' Liens. Grantee shall keep the Easement Area and the larger parcel of which the Easement Area is a part, 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 Easement Area or the larger parcel of which the Easement Area is a part, 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:

If by registered or certified mail, return receipt requested:

Pacific Gas and Electric Company
Law Department
P.O. Box 7442, Mail Code B30A
San Francisco, CA 94120
Attention: Director & Counsel, Contracts Section (Real Estate)

If to Grantee:

Sprint Communications Company L.P.
6391 Sprint Parkway
Mailstop: KSOPHT0101-Z2040
Overland Park, KS 66251-2040
Attn: Manager, Right of Way

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, encumber (other than as may be specifically permitted by the terms of this Agreement), 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, provided, however, that notwithstanding the foregoing, the above required consent will not be required in the case of: (a) a proposed transfer or dedication to a governmental agency, (b) a proposed transfer to an Affiliate (as hereinafter defined) of Grantee or (c) to any corporate merger, acquisition, consolidation or reorganization, whether voluntary or involuntary. For purposes of the foregoing, an Affiliate of Grantee means an entity that controls, is controlled by, or is under common control with Grantee; the term “**control**” means the possession, directly or indirectly, of the power, whether or not exercised, to direct or cause the direction of the management or policies of an entity, whether through the ownership of voting securities, by contract or otherwise; and the term “**controlled**” and “**common control**” have correlative meanings. Grantee acknowledges and agrees that in any instance where PG&E is required not to unreasonably withhold its consent, it shall be reasonable for PG&E to withhold its consent if any regulatory agency having or asserting jurisdiction over PG&E, the Easement Area or PG&E’s adjacent property, or having or claiming a right to review and/or approve the proposed transfer, fails to grant approval thereof (or imposes conditions on such approval which are not acceptable to PG&E, in its reasonable discretion). Grantee further acknowledges and agrees that in any instance where PG&E is required not to unreasonably delay giving or withholding its consent, it shall be reasonable for PG&E to make application for approval to any regulatory agency having or asserting jurisdiction, and to defer the giving or withholding of consent, without liability hereunder for delay, during the pendency and for a reasonable time following the conclusion of any such regulatory proceedings.

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 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.

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

23. 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.

24. 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.

25. 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.

26. 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

SPRINT COMMUNICATIONS COMPANY
L.P., a Delaware Limited Partnership

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

Exhibits A, B and C attached

Attach to LD 2113-05-0423
Area 6, Sierra Division
Land Services Office: San Francisco
T13N, R5E, MDM
NW4 of NE4 of Sec. 4
FERC License Number(s): N/A
PG&E Drawing Number(s): 204681
PLAT NO.: R2723
LD of any affected documents: 2113-05-0188
Reference documents: N/A
TYPE OF INTEREST: 11c
SBE Parcel Number: 135-58-013-2
(For Quitclaims, % being quitclaimed): N/A
Order # or PM #: 30528079
JCN: 06-10-040
County: Yuba
Utility Notice Numbers: N/A
851 Approval Application No. _____ Decision _____
Prepared By: DQT1
Checked By: TEP4

EXHIBIT "A"

EASEMENT

A strip of land of the uniform width of 8 feet, lying contiguous to and southeasterly of the northwesterly boundary line of the parcel of land described in the deed from Leo B. Hart and others to Pacific Gas and Electric Company dated December 5, 1949 and recorded in Volume 135 of Official Records at page 348, Yuba County Records and extending from the northeasterly boundary line of said parcel of land southwesterly approximately 200 feet (measured along said northwesterly boundary line) to the southwesterly boundary line of said parcel of land; the sidelines of the said strip of land shall be lengthened or shortened at the northeasterly and southwesterly termini thereof so as to terminate on said northeasterly and southwesterly boundary lines respectively.

End of Description

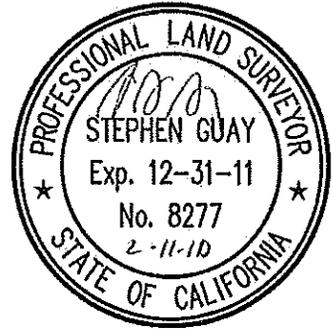
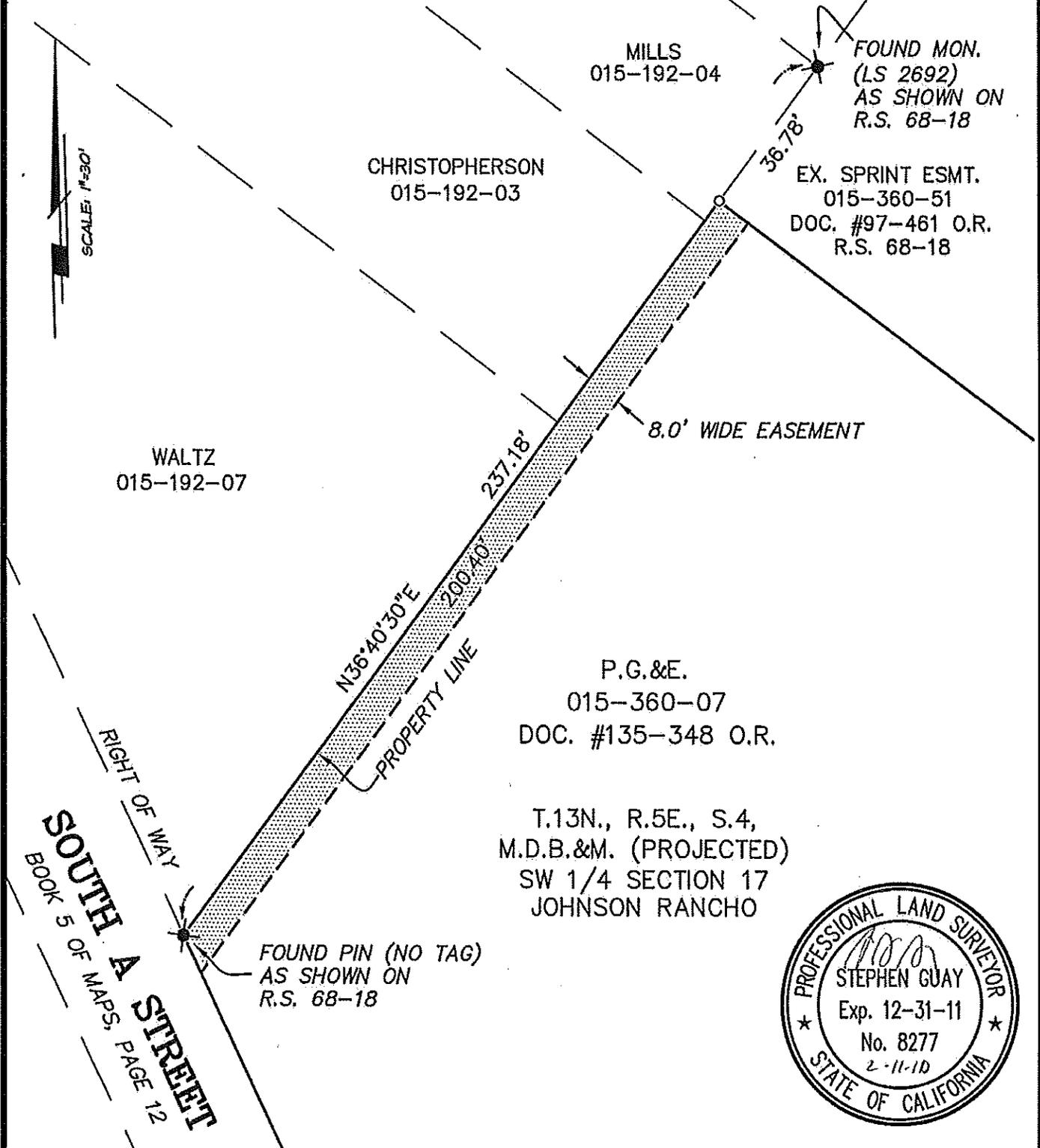
Prepared by:
R.E.Y. Engineers, Inc.

 2/11/10

Stephen Guay Date
P.L.S. 8277



EXHIBIT "B" PLAT TO ACCOMPANY DESCRIPTION



RIGHT OF WAY
SOUTH A STREET
 BOOK 5 OF MAPS, PAGE 12

REVISION	JOB NO. 8309001	TITLE: EASEMENT
	DATE: 1-28-09	PORTION OF DOC. # 135-348 O.R.
	F.P. PAGE:	P.G.&E. PROPERTY
	SCALE: 1"=30'	COUNTY OF YUBA, CALIFORNIA
	DRAWN BY: SG	CLIENT: SPRINT COMMUNICATIONS CO. L.P.
CHECKED BY:		

905 Sutter St., Folsom, CA 95630
 (916) 366-3040 Fax (916) 366-3303

R. E. Y. ENGINEERS, Inc.
 Civil Engineers / Land Surveyors

DRAWING FILE NO. **818309\001\EXHIBITS\ESMT**

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 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 One Million Dollars (\$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 insurance "occurrence" form with no additional coverage alterations.
2. The limits shall not be less than Ten Million Dollars (\$10,000,000) per occurrence for bodily injury, property damage and products and completed operations. Defense costs are to be provided outside the policy limits.
3. Coverage shall include: a) 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. 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 the work performed by or for the Grantee are included as additional insured"; and b) an endorsement or policy provision specifying that the Grantee's insurance is primary and that any insurance or self-insurance maintained by PG&E shall be excess and non-contributing.

C. Business Auto

1. Coverage shall be at least as broad as the Insurance Services Office (ISO) Business Auto Coverage form covering Automobile Liability, code 1 "any auto."
2. The limit shall not be less than Two Million Dollars (\$2,000,000) each accident for bodily injury and property damage occurring prior to completion of construction of Grantee's facilities, and One Million Dollars (\$1,000,000) each accident for bodily injury and property damage occurring thereafter.

1.

D. Additional Insurance Provisions

1. Upon the Effective Date of the Easement Agreement Grantee shall furnish PG&E with two (2) sets of certificates of insurance.
2. Documentation shall state that coverage shall not be canceled 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	Pacific Gas and Electric Company
Insurance Department	350 Salem Street
One Market, Spear Tower, Suite 2400	Chico, CA 95928
San Francisco, California 94105	Attention: Land Agent
4. Upon request, Grantee shall furnish PG&E evidence of insurance for its agents or contractors.
5. PG&E may inspect the original policies by appointment during normal business hours at Sprint's Headquarters in Overland Park, KS, at their own expense.

Advice 3865-E

Attachment 2

PGE DEED

BOOK

2113-05-0188

77-78

Wheatland

35345

RECORDED BY: [Signature]

LEO B. HART, trustee under three trust agreements dated March 30, 1943 for

the benefit of BARBARA ANN HORST, an undivided 1/3 interest, VIRGINIA HORST, an undivided 1/3 interest, and NAISY BROWN HORST II, an undivided 1/3 interest, hereby grants to PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, that certain real property, situate in the County of Yuba, State of California, which is described as follows:



That portion of section 17 of the Johnson Rancho bounded by a line which begins at a hub in the southwesterly boundary line of said section 17, said last mentioned boundary line being the northeasterly boundary line of the Town of Wheatland, as the Town of Wheatland is delineated and so designated upon that certain map filed for record in the office of the County Recorder of said Yuba County in Volume 24 of Deeds at page 506, from which the intersection of the southeasterly boundary line of the Town of Wheatland with the southwesterly boundary line of said section 17 bears south 25° 12½' east 149.93 feet distant and runs thence north 25° 12½' west, along the southwesterly boundary line of said section 17, 226.76 feet to a hub in the northwesterly boundary line of that certain parcel of land described and designated Parcel Two in the deed executed by Max Wolf et ux to the Wolf-Hop Company, dated November 1, 1932 and recorded in the office of said County Recorder in Volume 18 of Official Records at page 357; thence north 36° 40½' east, along the last mentioned boundary line, 200.40 feet to a hub; thence south 53° 19½' east 200.00 feet to a hub; thence south 36° 40½' west 307.27 feet, more or less, to the point of beginning; containing 1.166 acres.

IN WITNESS WHEREOF the grantor herein has executed these presents this 15th day of December 1949.

[Signature of Leo B. Hart]
Trustee as aforesaid

VOL. 135 - OR PG 348

PREPARED BY: [Signature]
CHECKED BY: [Signature]
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Notary Public



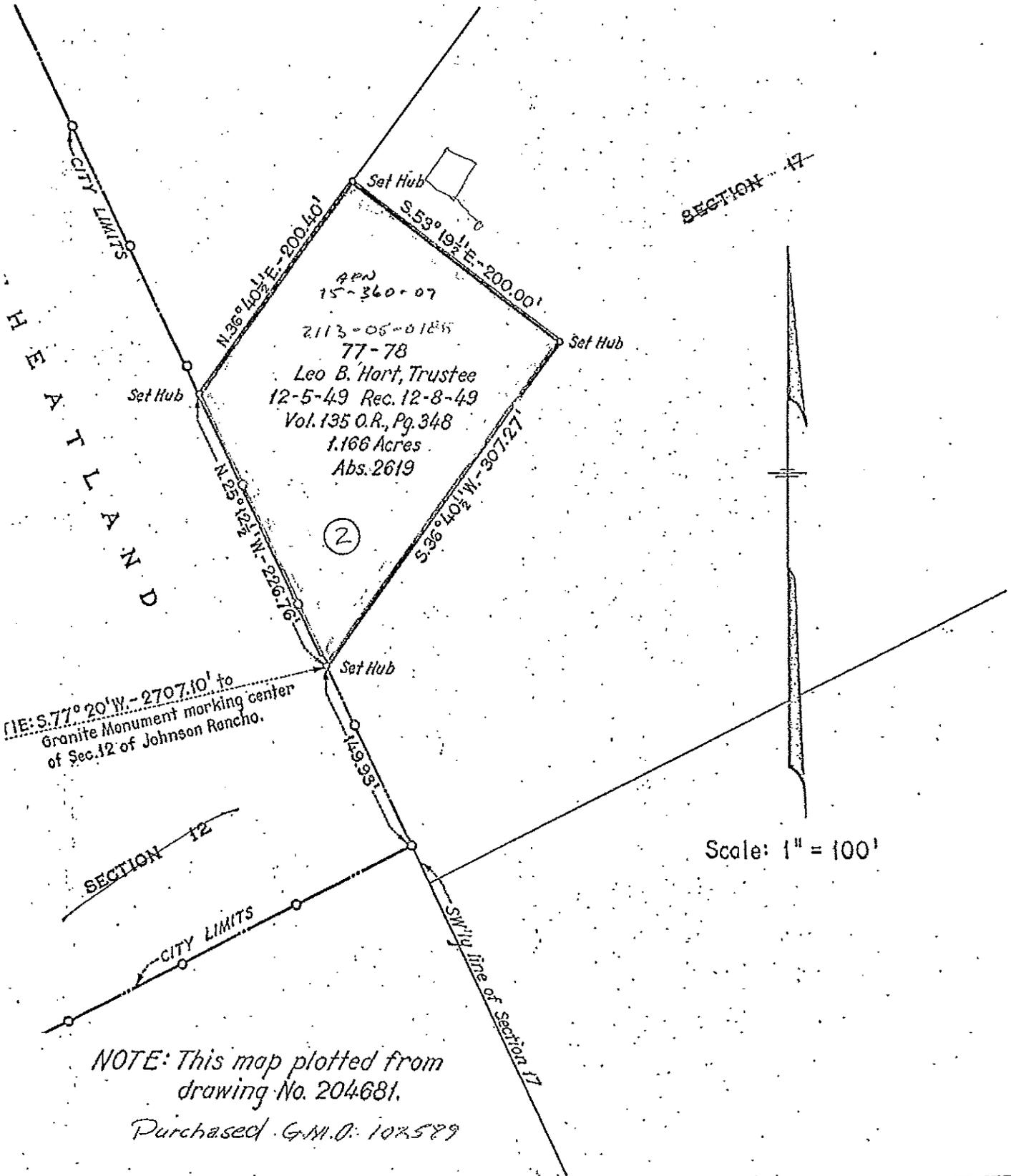
On this 5th day of December, in the year of One Thousand
Nine Hundred and Forty nine before me, VIOLA A. GARRISON, a Notary
Public, in and for the City and County of San Francisco, residing therein, duly commissioned
and sworn, personally appeared Leo B. Hart

known to me to be the person described in, whose name he subscribed to the
within instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the
said City and County of San Francisco, the day and year in the certificate first above written.
Viola A. Garrison

NOTARY PUBLIC
In and for the City and County of San Francisco, State of California
My Commission Expires August 27, 1951.

REAL PROPERTY OF
 PACIFIC GAS AND ELECTRIC COMPANY
 IN THE SW $\frac{1}{4}$ OF SECTION 17 OF JOHNSON RANCHO
 YUBA COUNTY \longleftrightarrow (T. 13 N. R. 5 E. M. D. M.)
 WHEATLAND SUBSTATION



Advice 3865-E

Attachment 3

**SUMMARY
APPRAISAL REPORT**

OF A

PROPOSED EASEMENT ON A PORTION OF PARCEL NUMBER 015-360-07
Wheatland, Yuba County, California 95692

DATE OF VALUE

February 18, 2010

PREPARED FOR

Ms. Charlene White
Sprint Communications Company L.P.
6391 Sprint Parkway
MS KSOPHT0101-Z2000
Overland Park, KS 66251

PREPARED BY

Adam J. Hardej, Jr., MAI
President & Chief Appraiser
BAAR Realty Advisors
BAAR File No.: 02-10-072

March 15, 2010

Ms. Charlene White
Sprint Communications Company L.P.
6391 Sprint Parkway
MS KSOPHT0101-Z2000
Overland Park, KS 66251

RE: Proposed Easement on a Portion of Parcel Number 015-360-007
Wheatland, California 95692
BAAR File No.: 02-10-072

Dear Ms. White

At your request and authorization, BAAR Realty Advisors (BAAR) has prepared a summary report of the market value of the proposed easement rights for a portion of Parcel Number 015-360-007.

The subject property is more fully described, legally and physically, within the enclosed report.

Data, information, and calculations leading to the value conclusion are incorporated in the report following this letter. The report, in its entirety, including all assumptions and limiting conditions, is an integral part of and inseparable from this letter.

Based on research and analysis contained in this report, it is estimated that the market value of the proposed easement rights for a portion of Parcel Number 015-360-007 on February 18, 2010, is:

TWO THOUSAND EIGHT HUNDRED FIFTY DOLLARS
(\$2,850)

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. Furthermore, this report has been prepared in conformance with our interpretation of the appropriate regulations and guidelines set forth by PG&E.

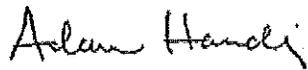
Sprint Communications Company L.P.
March 15, 2010
Page 2

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if BAAR can be of further service, please do not hesitate to contact us.

Respectfully Submitted,

BAAR Realty Advisors

by:



Adam J. Hardej, Jr., MAI
CA State General Certification No. AG018716

CERTIFICATION OF THE APPRAISER

We certify that to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and have no personal interest or bias with respect to the parties involved.
4. Our 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, such as the approval of a loan.
5. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation and the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. In addition, this report conforms to the requirements of the Financial Institution Reform, Recovery, and Enforcement Act (FIRREA).
6. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
7. Adam J. Hardej has completed the requirements of the continuing education program of the Appraisal Institute.
8. Ryan Tanaka and Mike Huntzinger have provided professional assistance to the persons signing this report. Mike Huntzinger has inspected the subject property.
9. Adam J. Hardej has extensive experience in the appraisal/review of similar property types.
10. Adam J. Hardej and Ryan Tanaka are currently certified in the state where the subject is located.
11. BAAR/Adam Hardej has not provided appraisal services on the subject property within the past 3 years.

Adam Hardej

Adam J. Hardej, Jr., MAI
California State Certification No. AG018716
Exp. Date: 05/06/11

SUMMARY OF SALIENT FACTS

Property Name: PG&E Substation Parcel

Location: Sprint is proposing an easement in gross granted by PG&E for the purpose of installing an underground fiber optic cable. The easement will be non-exclusive. The location of this proposed easement is situated south along South A Street, east of Main Street on a portion of Parcel 015-360-07. The main/base Parcel is a 1.17-acre site located in Wheatland, Yuba County, California.

The portion of land affected by the easement is 200.40 feet long / 8 foot wide located at the southeasterly / northwesterly boundary line of Parcel 015-360-07 owned by Pacific Gas and Electric. The subject site contains public utility improvements and is fenced.

Assessor's Parcel Number: 015-360-007 (entire main/base parcel)

Property Description: The portion of land affected by the easement is 200.40 feet long / 8 foot wide located at the southeasterly / northwesterly boundary line of Parcel 015-360-07 owned by Pacific Gas and Electric. The easement is proposed to be granted to the individual entity (easement in gross), Sprint, from Pacific Gas and Electric (PG&E) for underground utility construction and minor ingress/egress for maintenance and construction.

Highest and Best Use

As Though Vacant: Residential Surplus Land / Utility Purposes (entire main/base property)

Property Rights Appraised: Market Value of Easement Rights

Date of Value: February 18, 2010

Land Area

Gross/Net: 1.17-Acres or 50,965 SF
1,603 SF (affected property = easement area)

Estimated Exposure Time 12 months

Final Value

Conclusion: \$2,850

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 Land Sale Map
 Easement Grant Deed
 Appraiser Qualifications
 Assumptions and Limiting Conditions
 Engagement Letter

INTRODUCTION

PROPERTY IDENTIFICATION

The base property in which the proposed easement is located on is located south along South A Street, east of Main Street on a portion of Parcel 015-360-07; which is a 1.17-acre site (whole property) in the City of Wheatland, Yuba County, California.

The portion that the easement affects is a strip of land 200.40 feet long / 8 foot wide located (easement property) at the southeasterly / northwesterly boundary line of Parcel 015-360-07 owned by Pacific Gas and Electric. Although requested, a preliminary title report was not provided for our review.

OWNERSHIP AND PROPERTY HISTORY

According to public record, the main property is currently vested to Pacific Gas and Electric.

Pacific Gas and Electric is looking to sell easement rights to Sprint, along a portion of Parcel 015-360-07 located at the southeasterly / northwesterly boundary line of Parcel number 015-360-07.

There have been no market sales of the subject property in the last three years. Other than where noted herein, BAAR is not aware of any other current listing, option, or agreement of sale of the subject.

DATES OF INSPECTION AND VALUATION

The site was last inspected by Mike Huntzinger on February 18, 2010. The date of value is the date of inspection.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the easement rights on a portion of Parcel Number 015-360-007. Market value is defined as follows:

Market value is one of the central concepts of the appraisal practice. Market value is differentiated from other types of value in that it is created by the collective patterns of the market. Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;

2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

At the request of the client, the analysis of market value has been developed only for the easements rights proposed. Both buyer and sellers within this proposed transaction are considered to be willing buyers and sellers; as neither party is considered to be forced to buy or sell.

INTENDED USE OF REPORT

This appraisal is for acquisition pricing and decision-making purposes pertaining to the proposed easement.

INTENDED USER OF REPORT

This appraisal is intended for exclusive use by the client, **Sprint Communications Company**.

PROPERTY RIGHTS APPRAISED

The purpose of this appraisal is to estimate the market value of the easement rights that affect a portion of Parcel Number 015-360-007

SCOPE OR WORK - APPRAISAL DEVELOPMENT AND REPORTING PROCESS

The following steps were completed by BAAR for this assignment:

1. Analyzed regional, city, neighborhood, site, and improvement data.
2. Inspected the subject and the neighborhood.
3. Reviewed data regarding taxes, zoning, utilities, easements, and city services.
4. Considered comparable site sales. Confirmed data with principals, managers, or real estate agents representing principals, unless otherwise noted.
5. Analyzed the data to arrive at conclusions via each approach to value used in this report.
6. Reconciled the results of each approach to value employed into a probable range of market data and finally an estimate of value for the subject, as defined herein.
7. Estimated a reasonable exposure time associated with the value estimate.

¹ The definition of market value is taken from: The Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, §34.42(f), August 24, 1990. This definition is compatible with the definition of market value contained in *The Dictionary of Real Estate Appraisal*, Third Edition, and the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of The Appraisal Foundation, 1992 edition. This definition is also compatible with the OTS, RTC, FDIC, NCUA, and the Board of Governors of the Federal Reserve System definition of market value.

The subject site description is based on a personal inspection of the property. The inspection is not a substitute for thorough engineering studies.

To develop the opinion of value, BAAR performed a complete and thorough appraisal process considering all applicable approaches to value. This report is fully conforming to appraisal guidelines as defined by the Uniform Standards of Professional Appraisal Practice.

This is a Summary Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Standards of Professional Appraisal Practice as of January 1, 2010. The value conclusion reflects all known information about the subject property, market conditions, and available data.

In order to complete a comprehensive valuation of the proposed easement by Sprint, we have discussed with local market participants, read numerous articles from seasoned professionals in easement valuation, applied local knowledge of the subject's market area and real property law.

Sprint is intending to purchase easement rights that affect a portion of Parcel 015-360-07; which is measured at 200.40 feet long by 8 feet wide or 1,603 SF / 0.036 acres. Easement rights typically affect air surface, surface and sub-surface rights (rights that are included within a fee simple interest) and is created by grant, reservation, agreement, prescription, or necessary implication. Sprint is looking to purchase easement rights as an individual (easement in gross) through written express means.

Based on our conversation and review of data from the client, the easement will be by agreement and affect only the surface and sub-surface rights of the portion of Parcel 015-360-07.



The proposed location of the easement is sandwiched in between residential and vacant land/utility substations. The easement will partially encumber Pacific Gas and Electric portion of the site. The easement would only affect 3% of the entire whole property along the property line of the parcel. The reduction of the usage of subsurface and surface rights for Parcel 015-360-07 (Remainder Property), mentioned above, does not adversely affect the value of the remainder property, i.e. current use as utility sub-station or future use a residential development.

The value of an easement is essentially derived from the estimated value of the easement and the damages that will result to the remainder property as a result of the acquisition of the easement. Based on our analysis, we have utilized the "value of the part taken plus damages methodology" that values the entire whole property of which the easement is affected, the value of the rights for the specific part acquired and the value of the remainder (whole property less – easement) after acquisition.

- 1) Value of the Whole Property
- 2) Value of Part Acquired (Based on qualitative easement matrix)
- 3) Value of the Remainder before the Acquisition
- 4) Value of the Remainder after the Acquisition

Value/Compensation of Easements = Damages (Value of the Remainder before the Acquisition - Value of the Remainder after the Acquisition) + Value of Part Acquired (Based on qualitative easement matrix)

A paired sales analysis was not utilized within this analysis, due to the limited amount of reliable data within the subject's market area. Since there is no associated income stream associated with the easement, an Income Approach was not applied.

We have searched within the subject's immediate market area for R1 zoned properties and a search of the entire State of California for land purchased for public utility purposes. We have searched public record sources, MLS, Loopnet, and Co-Star for sales that are comparable to the subject property.

DEFINITIONS

Fee Simple: An estate in land with 100% ownership in subsurface, surface and air rights that the fee simple holder could sell, lease or utilize.

Easements - An easement is a non-possessory right in the holder of an easement to make some use of land. In other words, an easement is a "lesser" interest in the fee estate that allows the party benefiting from the easement to make some use of the property, such as using it for access, installation of utility lines, etc (affecting either its ability to sell, lease or utilize subsurface, surface or air rights).

Dominant vs. Servient - The "holder" of an easement right, or the party that is benefiting from the easement, is referred to as the "dominant tenant". Likewise, the property benefiting from an easement is referred to as the "dominant estate" or "dominant tenement". The party "burdened" by the easement is referred to as the "servient tenant". Likewise, the property burdened by the easement is the "servient estate" or "servient tenement".

Easement in Gross - An easement in gross is intended to benefit a particular individual regardless of whether she owns any land. The land over which this individual has her easement rights is the servient estate/tenement. In the case of an easement in gross, there may be no dominant estate/tenement. The intent is to benefit the holder of the easement right, but the holder's right to use may well enhance the value of the property she uses in connection with her exercise of an easement right.

Whole Property – The entire parcel that the easement will situated upon.

Affected Property – The specific portion of the whole property in which the easement will affect.

Remainder Property – The current state of the parcel after the easement is secured.

The Summary Report incorporates in a summary format a practical explanation of the data, reasoning and analysis that were used to develop the opinion of value. It also includes summarized descriptions of the subject property and the market for the subject property type. All data considered significant that was requested for this assignment was received by BAAR.

SPECIAL APPRAISAL INSTRUCTIONS

Although requested, full details of the proposed easement were not provided for our review. We have assumed the easement is typical of other easements utilized for public utility purposes. Any information contrary to this assumption may adversely affect the market value of the subject property. We reserve the right to amend the report of the subject property in the future.

Other than the aforementioned above, there are no extraordinary assumptions and/or hypothetical conditions applied in this report.

MARKETING/EXPOSURE TIME

Based upon a review of recent sales transactions in the subject market area and interviews with market participants, along with inspection and evaluation of the subject property, 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 As Is as of the date of value of this appraisal is estimated to be 12 months. I forecast that this is a reasonable time of exposure under current market conditions to sell the subject at the appraised value. It is also necessary to estimate the appropriate "exposure time" which is defined as the amount of time from when a property is available for sale to the date on which it enters escrow. Based on a review of the above data, the "exposure time" and "marketing time" for the subject property are estimated to be the same.

AREA ANALYSIS

The dynamic nature of economic relationships within a market area have a direct bearing on real estate values and the long-term quality of a real estate investment. In the market, the value of a property is not based on the price paid for it in the past or the cost of its creation, but on what buyers and sellers perceive it will provide in the future. Consequently, the attitude of the market toward a property within a specific neighborhood or market area reflects the probable future trend of that area.

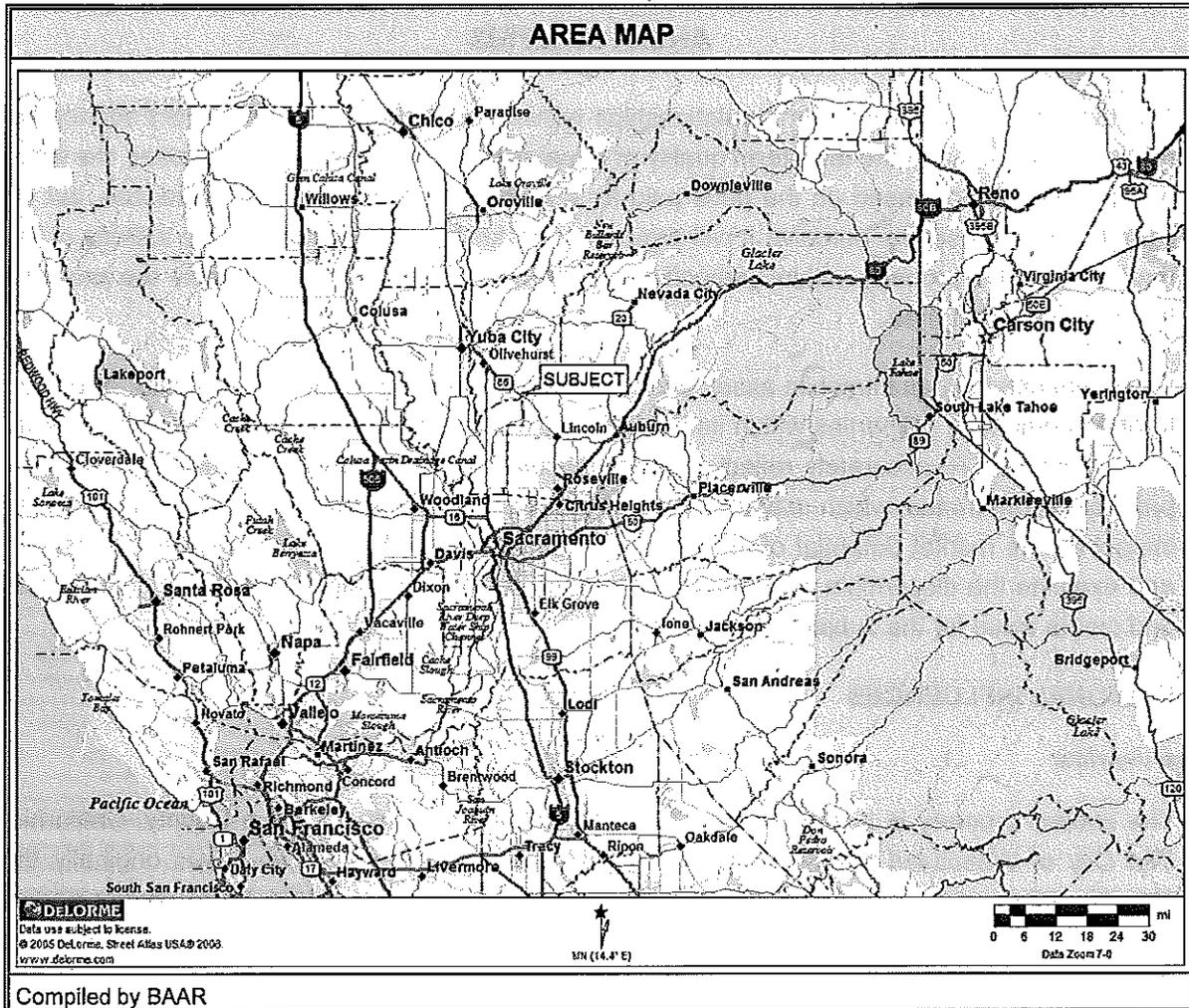
Since real estate is an immobile asset, economic trends affecting its locational quality in relation to other competing properties within its market area will also have a direct effect on its value as an investment. To accurately reflect such influences, it is necessary to examine the past and probable future trends, which may affect the economic structure of the market and evaluate their impact on the market potential of the subject. This section of the report is designed to isolate and examine the discernible economic trends in the region and neighborhood, which influence and create value for the subject property.

REGIONAL INFLUENCES

Overview

The subject property is located in the City of Wheatland in southern Yuba County, California. The City of Wheatland was incorporated in 1874 and is situated on what was originally the Rancho Johnson Mexican land grant. The city is located in southern Yuba county and is bisected by Highway 65. The city is located approximately 30 miles north of Sacramento, 93 miles southwest of Reno, and 100 miles northeast of San Francisco.

Yuba County consists of 644 square miles and is located in the north central portion of the state, approximately 60 miles north of Sacramento. The county's boundaries stretch from the farms and orchards of the valley to the timberlands of the Sierra Nevada Mountains. Neighboring counties include Placer County to the south, Sutter County to the west, Butte County to the north, and Nevada County to the east. There are two incorporated cities within Yuba County, specifically Marysville and Wheatland. The county seat is Marysville.



Population

According to the California Department of Finance, the most recent population estimate of Yuba County as of January 1, 2009 was 72,900. In Wheatland, the population estimate for 2009 was 3,548. Per the 2000 Census, there were 60,219 people, 20,535 households, and 14,805 families residing in the county, reflecting an increase in population of 21% over nine years. In 1990, the population of Yuba County was 58,228, which indicates an increase of 3.4 percent between 1990 and 2000. Most of the population growth within Yuba County has occurred in the outskirts of Marysville.

Demographic statistics for Yuba County are summarized in the following table.

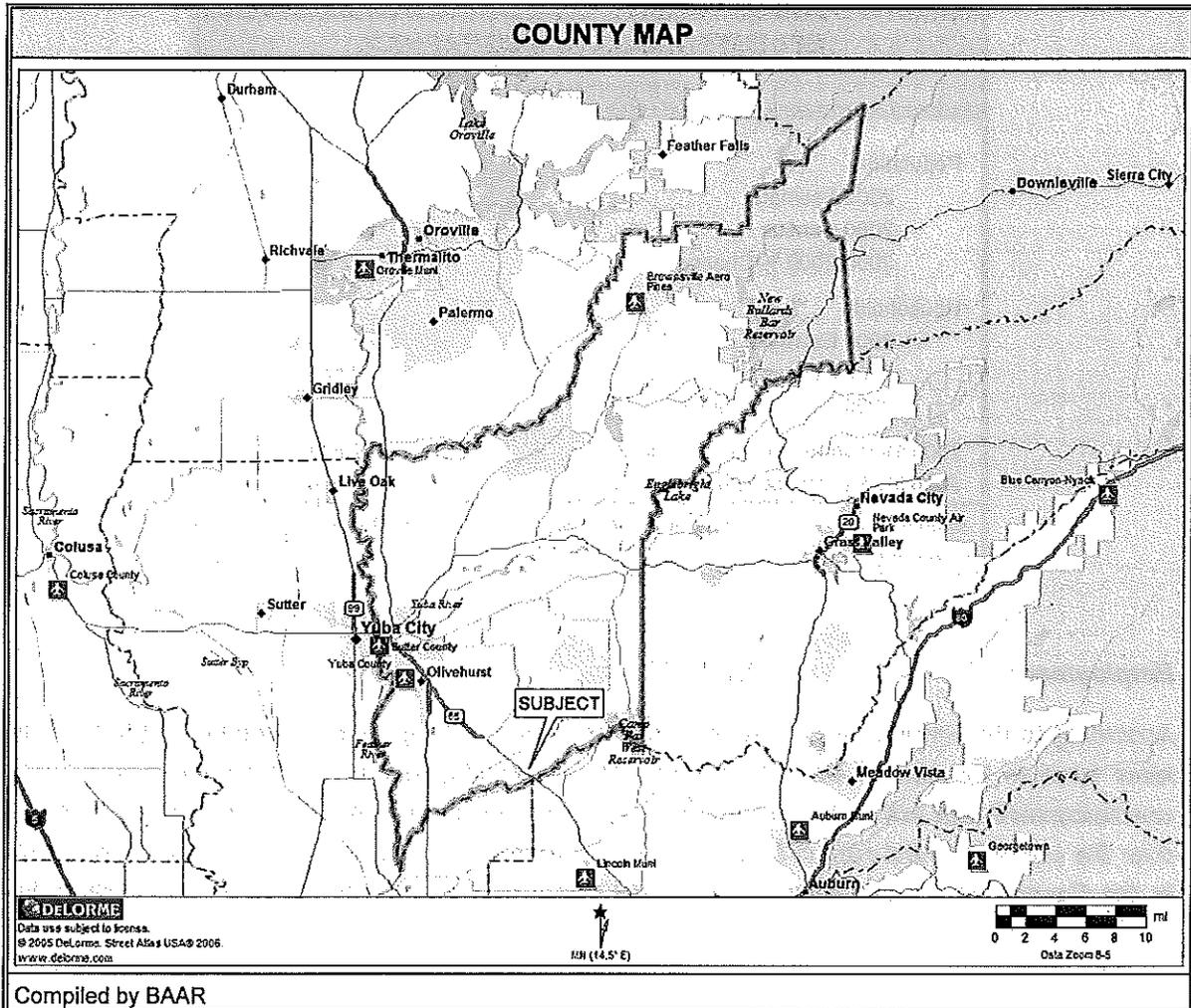
SELECTED AREA DEMOGRAPHICS	
YUBA COUNTY	
Population	
2009 Estimate	72,900
2000 Census	60,219
2000-2009 % Change	21%
Households	
2009 Estimate	24,469
2000 Census	20,535
2000-2009 % Change	19%
2009 Median Household Income	\$51,844
2000 Median Household Income	\$30,460
Source: California Department of Finance and US Census Bureau	
Compiled by: BAAR	

Employment

According to the Employment Development Department (EDD), as of December 2009, the total labor force in the county was 69,700 with 56,700 employed and 13,700 unemployed. The unemployment rate within the county was 19.6 percent in December 2009, a 4.8% increase over the unemployment rate in December 2008. The historically larger employment categories in the County have been government, retail trade, and education/health services. While the County is historically an agricultural community, Yuba County's economic base has diversified over the last several years. However, in the last 12 months as the economy has continued to decline, unemployment has risen significantly and is expected to increase in 2010.

The following table compares the unemployment rate for the area to that of the state and national average.

UNEMPLOYMENT RATE			
ANNUAL AVERAGE			
COMPARISON BY COUNTY, STATE, AND U.S.			
Year	County	State	U.S.
2009	19.6%	12.1%	9.7%
2008	12.0%	7.2%	7.2%
2007	9.3%	5.4%	4.9%
Source: California Department of Finance			
Compiled by: BAAR			



Housing

The local housing market continues to struggle with decreasing median prices. According to Trulia, the city of Wheatland currently has 13 homes for sale and 62 foreclosures. In January of 2010, median sales prices in Wheatland ended 27.2 percent lower than January of 2009 to settle at \$133,000. Sales activity has picked up however with an 11.1% increase over 2009 figures indicating a higher willingness of buyers to act on the market. The softening economy has had a negative impact on new construction in both the residential and commercial markets. Most commercial brokers project the current real estate cycle could continue into the end of 2010.

Transportation

Yuba County is primarily served by Highway 70, Highway 20, Highway 65, and Highway 99. Highway 99 provides access to Sacramento and Highway 70 connects with Highway 65 which leads to Rocklin/Roseville. Highway 20 provides access to Yuba City/Marysville to the west and Grass Valley to the east.

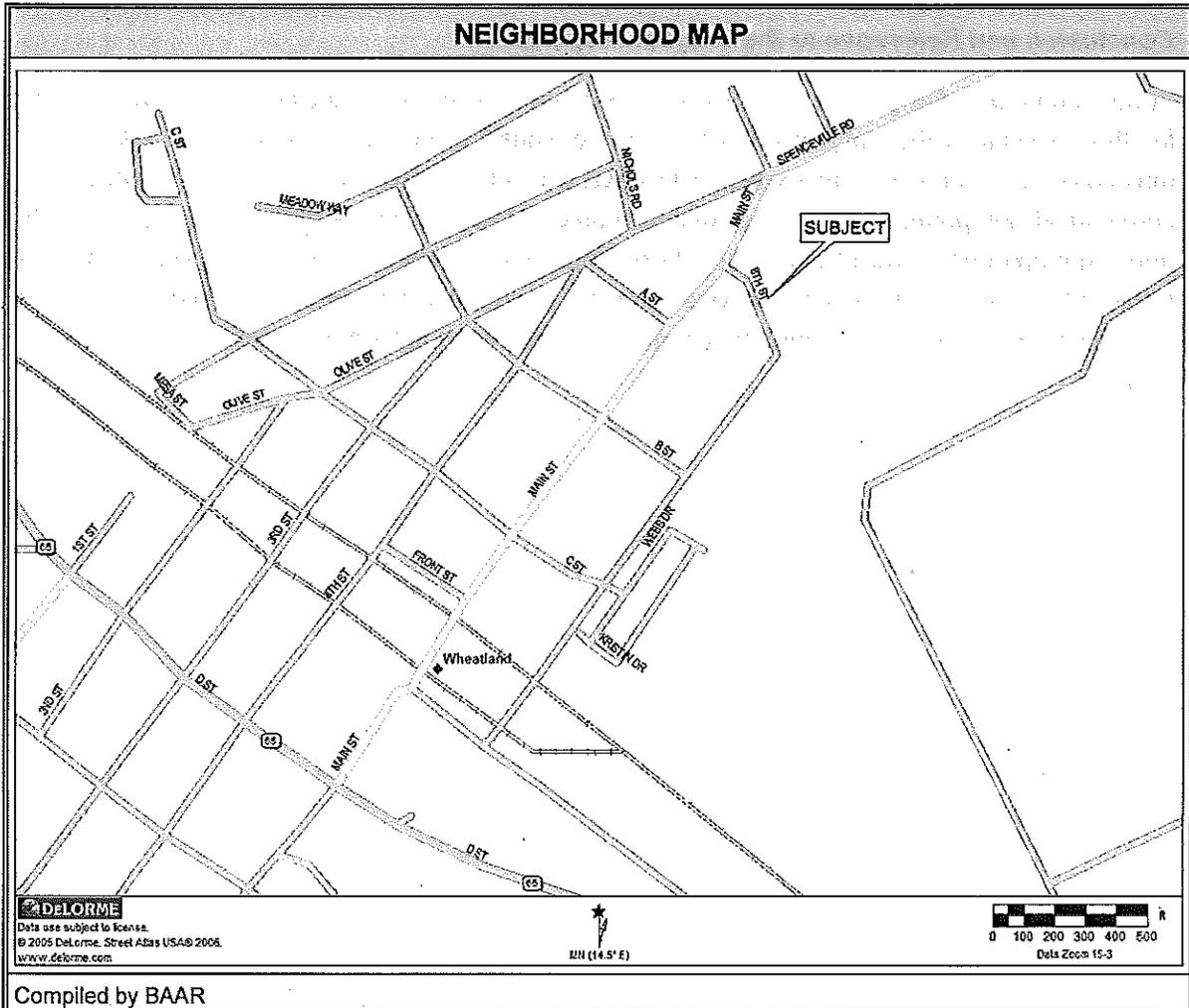
Conclusion and Relevance to the Subject Property

Yuba County and the greater surrounding areas are considered to provide a positive influence for the success of the subject property. The continued growth and evolution of the county's major economic engines are expected to have a positive impact on both the residential and commercial components of the real estate market. However, in the near term the residential housing market downward trend is negatively impacting commercial real estate sectors such as retail, office, and commercial service due to decreased consumer spending, flat rents, increasing vacancy, rising unemployment, coupled with tightening credit requirements of lenders.

NEIGHBORHOOD INFLUENCES

Location

The subject is located on the east side of South A Street in the City of Wheatland, Yuba County, California.



Boundaries

The neighborhood boundaries are considered to be:

- North: Main Street/Spenceville Road
- South: D Street/Highway 65
- East: Private Road
- West: Main Street

Land Use

Land use in the neighborhood consists of a residential, community service, and vacant land. The area is mostly rural residential and supporting community service developed. The neighborhood appears to be 40% developed.

Access

Main Street is the major northeast-southwest thoroughfare located north of the subject property and provides access to Highway 65 approximately 0.4 miles to the southwest.

Conclusion and Relevance to the Subject Property

The neighborhood has features and qualities, which contribute to a positive demand for real estate. The streets and other public areas are also in average condition, and public parking is adequate. The subject property benefits from the features of the neighborhood.

SITE ANALYSIS

The Description of the site can be detailed as follows:

<i>Location:</i>	Sprint is proposing an easement in gross granted by PG&E for the purpose of installing underground fiber optic cable; which will be non-exclusive. The location of this proposed easement is situated south along South A Street, east of Main Street on a portion of Parcel 015-360-07; which is a 1.17-acre site located in Wheatland, Yuba County, California.
	The portion of land affected by the easement is 200.40 feet long / 8 foot wide located at the southeasterly / northwesterly boundary line of Parcel 015-360-07 owned by Pacific Gas and Electric. The subject site contains public utility improvements and is fenced.
<i>Property Description</i>	The portion of land affected by the easement is 200.40 feet long / 8 foot wide located at the southeasterly / northwesterly boundary line of Parcel 015-360-07 owned by Pacific Gas and Electric. The easement is proposed to be granted to the individual (easement in gross), Sprint, from Pacific Gas and Electric (PG&E) for underground utility construction and minor ingress/egress for maintenance and construction.
<i>Assessor's Parcel Number:</i>	015-360-007 (Whole Property)
<i>Land Area¹</i>	1.17-Acres or 50,965 SF (whole property) 1,603 SF (affected property)
<i>Shape and Frontage:</i>	The proposed easement is rectangular with 8 feet of linear frontage along South A Street and 200.40 linear feet along the subject's property line. The easement is sandwiched in between two parcels with limited access and exposure.
<i>Topography and Drainage:</i>	The site is generally level at grade. Our investigation did not reveal any significant drainage problems.
<i>Soils:</i>	No soils report was provided; it is assumed that soils are adequate for the existing use.
<i>Easements and Encroachments:</i>	Other than the proposed easement, there does not appear to be any adverse easements or encroachments that would diminish the utility or marketability of the whole or affect property. This valuation assumes that the market value of the subject property is not adversely affected by any easements, encroachments or other special conditions.

¹ Source: Plat Map

Covenants, Conditions, and Restrictions: No private deeds or restricting covenants affecting development, other than zoning, were found to affect the site.

Utilities: Public

Flood Zone: According to maps published by the Federal Emergency Management Agency (FEMA), the subject lies within Zone C as indicated on FEMA Community Map Panel 060460 0001A, dated September 29, 1986. Flood insurance is available. This zone is described as follows:

FEMA Zone C: "Zone C is the flood insurance rate zone that corresponds to areas outside of the 100-year floodplain, areas of 100-year sheet flow flooding where average depths are less than one foot, areas of 100-year stream flooding where the contributing drainage area is less than one square mile, or areas protected from a 100-year flood by a levee are shown within this zone."

Environmental Issues: No evidence of hazardous waste or toxic materials was visible.

The value estimate rendered in this report is predicated on the assumption that there is no hazardous material on or in the property that would cause a loss in value. No evidence of hazardous waste or toxic materials was visible. BAAR has no knowledge of the existence of these substances on or in the subject property. However, BAAR is not qualified to detect hazardous waste or toxic materials.

Conclusion: The subject (whole property) is comprised of a total of 1.17 acres served by necessary utilities. Access appears to be fair. Visibility/exposure is considered fair. There are no adverse soils conditions of which BAAR is aware. The shape of the site is irregular but results in no specific development limitation. The topography is generally level and poses no specific development limitation. In conclusion, from a physical standpoint, the site is considered only for residential surplus / utility purposes.

EASEMENT DESCRIPTION

In order to assess the affect/damage an easement has on the remainder site, we have listed and analyzed typical questions that reveal and describe the easement that is being valued. (*Easement Valuation-Donald Sherwood, SR/WA – May/June 2006*)

A) Dominant vs. Servient:

Sprint is the Dominant Tenant while PG&E is the Servient Estate, as it owns the land that Sprint is looking to acquire an easement in gross for.

B). Exclusive vs. non-exclusive easements

The easement is considered to be non-exclusive, based on review of the proposed Easement Deed and conversations with the Private Consultant/Alexander Knapp/CBRE /(913) 315 3463.

C) Type of Easement and Creation

The easement is for utility construction purposes. The proposed easement will benefit Sprint, the individual company, for purposes of fiber optic subsurface construction, which is considered an Easement in Gross. The easement is considered and express easement as it will be written out and recorded with the County Clerk's office.

D) Where is the easement located? Can it be moved?

Northwest portion of the subject property and it cannot be moved.

E) Is the easement located in a setback area or along a property line?

The proposed easement is along the property and not within the setback area. However, the whole property's highest and best use is for public utility purposes; which has minimal need for setback requirements.

F) What will be the construction?

Underground.

G) Who will maintain the property during construction?

The easement holder, Sprint

H) Will the easement be surveyed and monumented?

Yes

I) May either party alter the construction or grade after completion?

Possibly.

J) Will the landowner have to obtain permission to use the easement area?

No. The easement is non-exclusive

K) Can the landowner cross the easement with roads, utilities, etc.?

Yes.

L) Who pays property taxes and insurance?

The site is a public utility site and taxes are not warranted for this property.

M) Will the easement cause a loss in view, security, etc.?

No

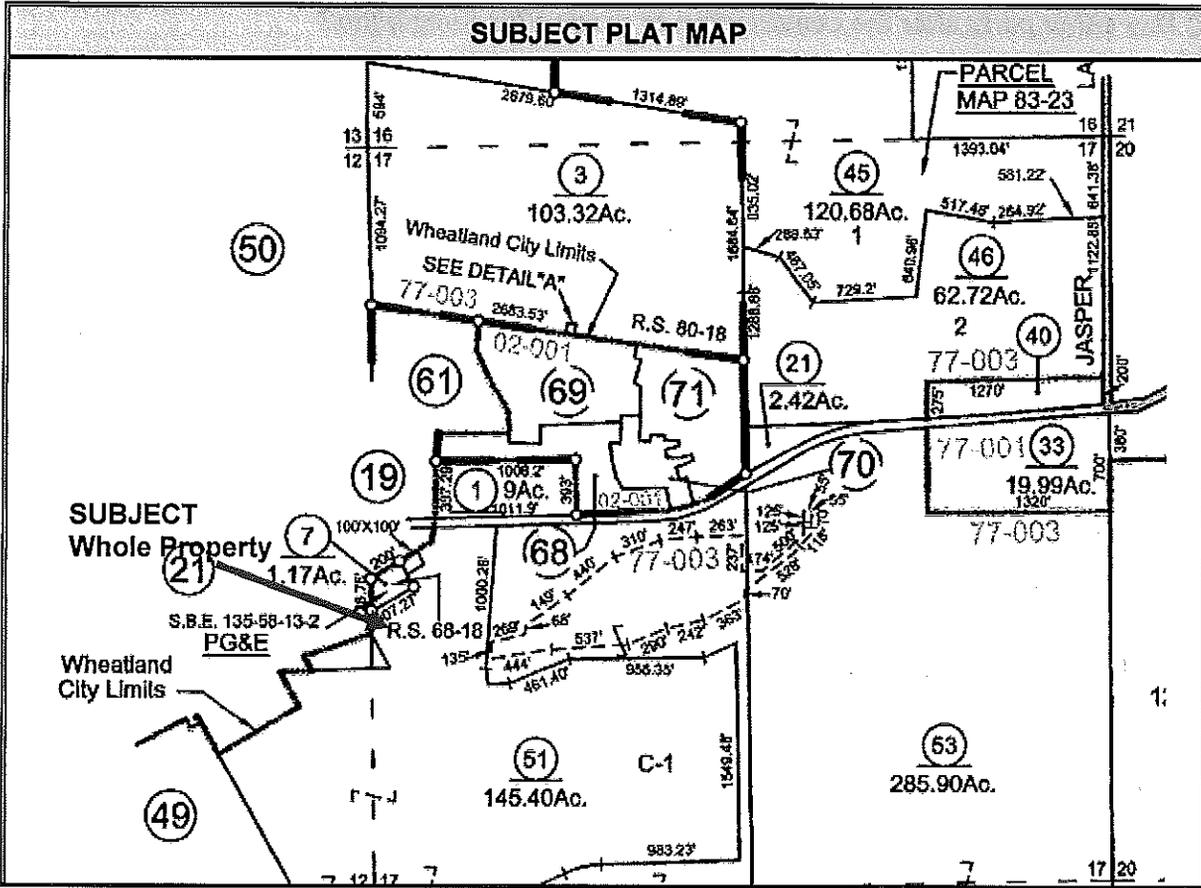
N) Will the easement provide any benefit to the owner?

No

O) What property rights does the easement affect (subsurface, surface or air rights)?

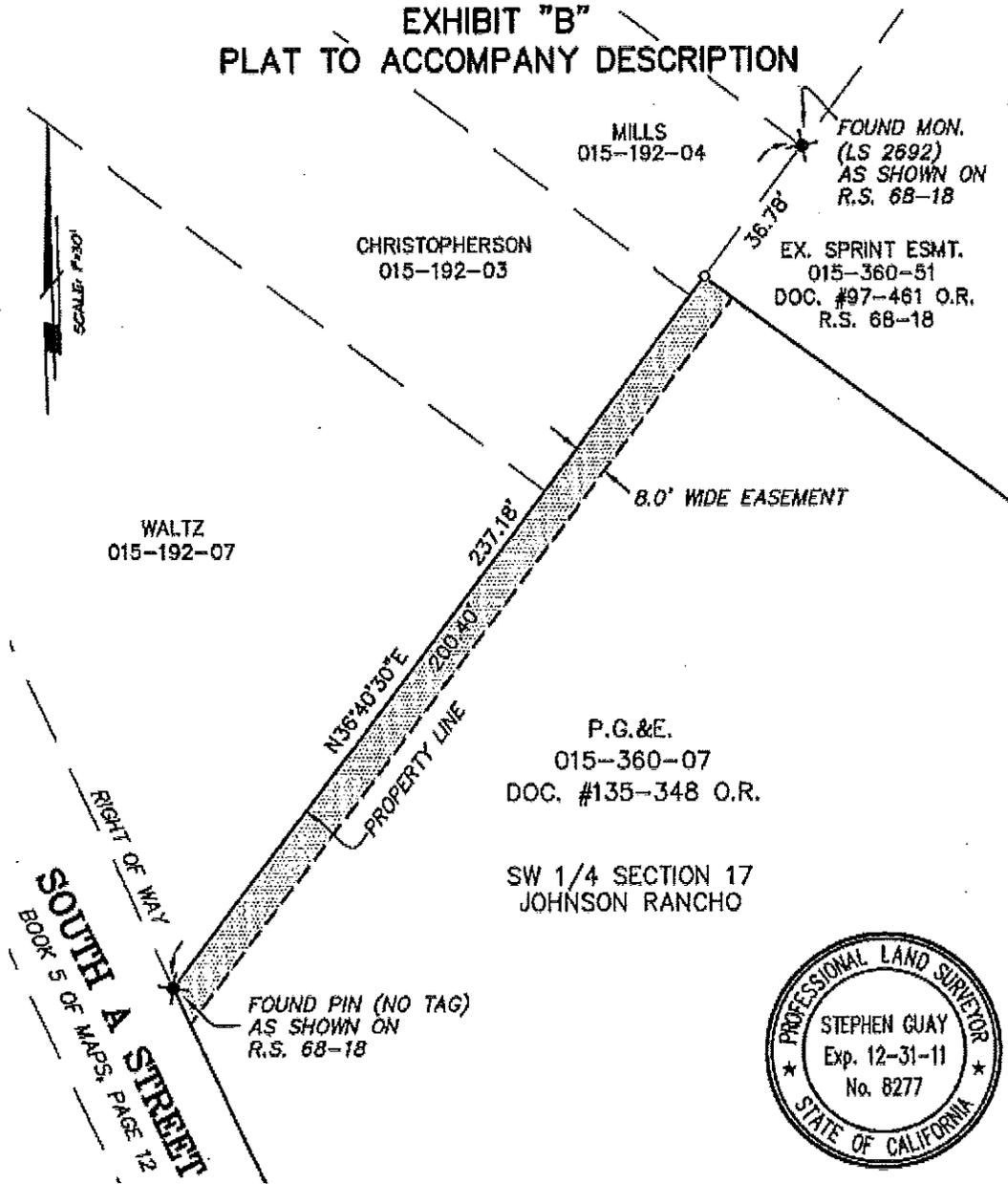
Subsurface rights for the 200.40 x 8.0 foot long section of the whole property as well as surface rights of ingress/egress on this section and construction of improvements over this designated area. Since the designated area of the easement is relatively small compared to the overall site, we have considered minimal impact/damage to the whole property. Affects 3% of the entire site.

Based on our analysis of the proposed subject easement by Sprint, the easement has minimal adverse affects on the highest and best use of the remainder site, as it would be consistent with its current use for utility purposes and not harm future residential development. Further, acquisition of the site for residential purposes would also not damage the remainder of the property due to its non-evasive physical nature and complimentary use to residential development (which is typical for most residential development).



SUBJECT PLAT MAP

EXHIBIT "B"
PLAT TO ACCOMPANY DESCRIPTION



ZONING

The subject's zoning requirements are detailed below.

ZONING SUMMARY	
Current zoning:	R1, Residential
Legally conforming	Yes
Uses permitted:	Single-family homes together with the schools, parks, open spaces, and other public services required for a satisfactory family environment.
Zoning change	Not likely
Source: City of Wheatland Municipal Code	
Compiled by: BAAR	

ZONING ANALYSIS AND CONCLUSIONS

The subject appears to be a legally conforming use within the current zoning code.

TAX AND ASSESSMENT DATA

Real estate in Yuba County is assessed at 1% of the assessor's estimated market value plus special assessments and bonds if applicable. The subject property is tax exempt as the owner is a public utility company. If the subject sold for the value estimate in this report to a non-public entity, a reassessment at that value would most likely occur, with tax increases limited to 2% annually thereafter until the property is sold again.

HIGHEST AND BEST USE

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria that the highest and best use must meet are:

- legal permissibility;
- physical possibility;
- financial feasibility; and
- maximum profitability.

Highest and best use is applied specifically to the use of a site as vacant. It is recognized that in cases where a site has existing improvements, the concluded highest and best use as if vacant may be different from the highest and best use given the existing improvements (as improved). The existing use will continue, however, until the land value, in its highest and best use, exceeds that total value of the property under its existing use plus the cost of removing or altering the existing structure.

Implied in the highest and best use is recognition of the contribution of a specific use to the community environment or to the community's development goals, in addition to wealth maximization of individual property owners. Also implied is that the conclusion of highest and best use results from the appraiser's judgment and analytical skill, i.e., that the use determined from the analysis represents an opinion, not a fact to be found.

Highest and best use analysis involves assessing the subject as if vacant for the whole property.

HIGHEST AND BEST USE AS THOUGH VACANT

Legal Permissibility

The legally permissible uses were discussed in detail in the site analysis and zoning sections of this report. Overall, based on our review of the zoning restrictions and of the title restrictions, the site is limited to public utility / residential use.

Physical Possibility

The physical characteristics of the subject site were discussed in detail in the site analysis section of this report. Overall, the configuration and positioning of the land parcel is suited for public utility or residential surplus land due to the small size and configuration near a residential neighborhood with limited access/visibility.

Financial Feasibility

The test of financial feasibility is put only to those uses, which are legally permissible and physically possible. If the property is capable of generating a sufficient net income to cover the required rate of return on investment and provide a return to the land, then the usage is financially feasible within a defined price limit. Residential use as surplus land or public utility use is the most financially feasible.

Maximum Profitability

The final test of highest and best use of the site as though vacant is that the use is maximally productive, yielding the highest land value. In the case of the subject as though vacant, the analysis thus far has indicated that the maximum profitable use based on its legal and physical configuration is for residential surplus land or public utility use.

Conclusion: Highest and Best Use As Though Vacant

In consideration of the above, it is my opinion the highest and best use of the subject site, as though vacant would be for residential surplus land or public utility use.

APPRAISAL METHODOLOGY

The appraisal process is defined as an orderly program by which the problem is planned and the data involved is acquired, classified, analyzed and interpreted into an estimate of value.

Typically, two methods are applied to the valuation of an easement; 1) "before and after" and 2) "value of the part taken, plus damages". Based on our analysis of the subject easement, we have applied the "value of the part taken, plus damages" methodology that values the entire whole property of which the easement will affect, the value of the rights for the specific part acquired and the value of the remainder (whole property less – easement) after acquisition. The whole property was valued utilizing the Sales Comparison Approach to value.

- 1) Value of the Whole Property
- 2) Value of Part Acquired (Based on qualitative easement matrix)
- 3) Value of the Remainder before the Acquisition
- 4) Value of the Remainder after the Acquisition

Value/Compensation of Easements = Damages (Value of the Remainder before the Acquisition - Value of the Remainder after the Acquisition) + Value of Part Acquired (Based on qualitative easement matrix)

A paired sales analysis was not utilized within this analysis, due to the limited amount of reliable data within the subject's market area. Since there is no associated income stream along with the easement, the discounted cash flow was not applied.

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available. The Cost and Income Approaches were omitted from this analysis.

The final step in the appraisal process is reconciliation -- a process by which BAAR analyzes alternative conclusions and selects a final value estimate from among two or more indications of value. BAAR weighs the relative significance, applicability and defensibility of each approach as it relates to the type of property being appraised.

SALES COMPARISON APPROACH

The Sales Comparison Approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject property. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison

APPRAISAL METHODOLOGY

chosen for the subject is then used to yield a total value. Economic units of comparison are not adjusted, but rather analyzed as to relevant differences with the final estimate derived based on the general comparisons.

The reliability of this approach is dependent upon (a) the availability of comparable sales data; (b) the verification of the sales data; (c) the degree of comparability; (d) the absence of atypical conditions affecting the sales price. Through our search of the subject market, we were able to uncover an adequate quality and quantity of sales through which a reliable and defensible indication of value could be concluded. Therefore, this approach has been employed for this assignment.

SALES COMPARISON/LAND VALUE

In estimating land value for the whole property, it is common to employ the Sales Comparison Approach. Sales prices of similar parcels are compared on a unit basis such as square foot of land or square foot of allowable building area (FAR). An appropriate unit indicator for the subject property type and location is the price per square foot of land.

The entire "base" property is 1.17-acres or 50,965 square feet zoned R1. For purposes of our easement appraisal analysis, we have appraised the whole property based on its current zoning and highest best use as residential surplus / utility easement land.

We have searched within the subject's immediate market area for R1 zoned properties and a search of the entire State of California for land purchased for public utility purposes. We have searched public record, MLS, Loopnet and Co-Star for sales that are comparable to the subject property. Due to the limited amount of transactions within the subject's area, we have searched for sales from 2005 to current date.

A map of the comparables is shown on the following page. We have made separate adjustments for each of the subject sites for land area, configuration and time of sale.

SUMMARY OF COMPARABLE LAND SALES

Sale No.	Address	Buyer/Seller	Sale Date/Terms	Sale Price	Land Size	Price Per S.F. of Land Area	Year Built	Zoning	Occupancy Use	Comments
1	Hope Lane Sacramento, CA 95821 APN: 240-0320-010-0 Document # 100302-1161	Matthew C. Lauppe / Smith I J Trust	3/24/2009 All Cash	\$160,100	0.61 acres or 26,747 SF	\$5.99	N/A	R2	Owner User	Sale of 0.61 acres of land with residential zoning.
2	3420 N. Lakeshore Blvd. Loomis, CA 95650 APN: 037-280-006-000 Document # 93762	Sparks Family/ Wells Eugene Trust	11/02/2009 N/A	\$160,000	2.80 acres or 121,968 SF	\$1.31	N/A	Resid	Owner User	Sale of 2.80 acres of land with residential zoning.
3	Industrial Ave. & Hwy 65 Rocklin, CA 95765 APN: 064-040-071-00 Document # 98690	Donald Mierow/ Caltrans	12/07/2008 N/A	\$60,700	3.22 acres or 140,263 SF	\$0.43	N/A	Ind	Investor	Sale of 3.22 acres of industrial zoned land. Previously an easement only parcel that was owned by CalTrans located within a remote area. There is no dedicated access and sandwiched in between two parcels.
4	31225 Nicolas Road, Temecula, CA 92591 APN: 957-150-001, 002, 003 & 016 Document #0627877	Southern California Edison/ Dse Temecula 1	11/26/2008 N/A	\$2,400,000	19 acres or 827,640 SF	\$2.90	N/A	Ind	Investment	19 acres of land which was purchased for a new utility sub-station by Southern California Edison.
5	Spencerville Rd / Eric Ln Wheatland, CA APN: N/A Document N/A	N/A/ Kent VanDerSchult, Paul Petersen	4/2005 N/A	\$400,000	25.40 acres or 1,106,424 SF	\$0.36	N/A	AG	Investment	Located within the major pathway of residential growth. Property could be rezoned to residential or commercial.

Compiled by: BAAR

PRICE PER SQUARE FOOT ANALYSIS

The comparable sales indicate an unadjusted range of \$0.36 to \$5.99 per square foot of land area. The following paragraphs discuss the analysis of the sales and the basis for adjustment.

Sale Number One

This comparable is located at Hope Lane in Sacramento. This is residential land consisting of 26,747 square feet with adequate access and frontage. The property sold in March of 2010 for \$160,100 or \$5.99 per square foot of land area. This comparable was purchased by an owner user.

Downward adjustments were applied for smaller size and superior location.

Sale Number Two

This comparable is located at 3420 North Lakeshore Boulevard in Loomis. This is residential land consisting of 2.80 acres with limited access and frontage. The property sold in November 2009 for \$160,000 or \$1.31 per square foot of land area. This property was purchased by an owner user at market terms.

Upward adjustments were applied for larger size and inferior configuration/access. A downward adjustment was applied for time of sale.

Sale Number Three

This comparable is located between Industrial Avenue and Highway 65 in Rocklin. This is an industrial land parcel consisting of 3.22 acres that was used for public easement purposes with limited access sandwiched in between two parcels. The property sold in October 2008 for \$60,700 or \$0.43 per square foot of land area.

Downward adjustment was applied for time of sale with upward adjustments for larger land size inferior zoning and configuration/access.

Sale Number Four

This comparable is located at 31225 Nicolas Road in Temecula. This is commercial land consisting of 19 acres with adequate access and frontage. The property sold in November

SALES COMPARISON/LAND VALUE

2008 for \$2,400,000 or \$2.90 per square foot of land area. This property was purchased by Southern California Edison for development of a new utility sub-station.

Downward adjustment was applied for time of sale and location with an upward adjustment for larger land size.

Sale Number Five

This comparable is located at Spenceville Road and Eric Lane in Wheatland. This is agricultural zoned land (with potential to rezone to residential/commercial) consisting of 25.40 acres. The property sold in April 2005 for \$400,000 or \$0.36 per square foot of land area.

Downward adjustment was applied for time of sale with an upward adjustment for larger land size. This comparable has been included for general information purposes and represents the most recent sale of land in Wheatland.

SALES COMPARISON/LAND VALUE

**LAND SALES ADJUSTMENT GRID
PER SQUARE FOOT ANALYSIS**

LAND SALE #	SUBJECT	1	2	3	4	5
Address	Main & South A St	Hope Ln 3420 N. Lakeshore Blvd.	Industrial Ave. & Hwy 65	31225 Nicolas Rd.	Spenceville/Eric Lane	
City	Wheatland	Sacramento, CA	Rocklin, CA	Temecula, CA	Wheatland, CA	
Sale Date	-	Mar-10	Oct-08	Nov-08	Apr-05	
Land Area SF	50,965	26,747	140,263	827,640	1,106,424	
Land Area Acres	1.17	0.61	3.22	19.00	25.40	
Sale Price	-	Residential \$160,100	Industrial \$60,700	Industrial \$2,400,000	Agricultural \$400,000	
63						
Unadjusted Unit Value		\$5.99	\$1.31	\$0.43	\$2.90	\$0.36
Property Rights Conveyed		\$0	\$0	\$0	\$0	\$0
Sub-Total		\$5.99	\$1.31	\$0.43	\$2.90	\$0.36
Financing		0.0%	0.0%	0.0%	0.0%	0.0%
Condition of Sale		0.0%	0.0%	0.0%	0.0%	0.0%
Expenditures Immediately After Purchase		0.0%	0.0%	0.0%	0.0%	0.0%
Sub-Total		\$5.99	\$1.31	\$0.43	\$2.90	\$0.36
Time		0.0%	-10.0%	-20.0%	-20.0%	-20.0%
Sub-Total		\$5.99	\$1.18	\$0.34	\$2.32	\$0.29
Physical						
Size		-15.0%	10.0%	10.0%	20.0%	20.0%
Age/Condition		0.0%	0.0%	0.0%	0.0%	0.0%
Quality of Improvements		0.0%	0.0%	0.0%	0.0%	0.0%
Zoning/Density		0.0%	0.0%	15.0%	0.0%	0.0%
Configuration		0.0%	15.0%	15.0%	0.0%	0.0%
Location		-15.0%	0.0%	0.0%	-15.0%	0.0%
Total % Adjustments		-30.0%	25.0%	40.0%	5.0%	20.0%
ADJUSTED VALUE		\$4.19	\$1.48	\$0.48	\$2.44	\$0.55

SALES COMPARISON/LAND VALUE

After various adjustments, the sales indicate a price range between \$0.35 and \$4.19 per square foot of land area or an average price of \$1.79 per square foot of land area. Most of the variance in the price per square foot among the comparables was attributed to size, land configuration, time of sale, zoning and location. Due to the limited amount of comparable transactions within the subject's market, we have relied on all of the comparables within this analysis as they represent either similar current market conditions, similar highest and best use, location proximity, size and/or zoning.

We have also relied upon conversations with local brokers; which have indicated that value for residential land has significantly declined due to the residential slowdown since 2007. Also, selling the land for public utility easement purposes is difficult to ascertain and is estimated to be at the lower end of the range of \$1.00 to \$3.00 per square foot of land area.

Name	Company	Land Value PSF	Date Surveyed
Sharon Bradshaw Broker	Louise Real Estate (530) 701-6851	\$1.00 - \$2.00	3/10
Bob Nowak/Broker	Gold Nuggett Realtors (530) 645-4000	\$2.00 - \$3.00	3/10

Based on the prior discussion and analysis, a value at the lower end of the range is considered appropriate and has been concluded at \$1.80 per square foot of land area.

CONCLUDED LAND VALUE - WHOLE PROPERTY

The concluded estimate of land value for the subject site is \$1.80 per square foot, which results in the following land value indication for the subject:

LAND VALUE – WHOLE PROPERTY				
\$/SF		Subject SF		Total
\$1.80	x	50,965	=	\$91,737
Rounded:				\$90,000
Source: BAAR.				

Value of Part Acquired / Easement (Based on qualitative easement matrix)

In order to determine the value of the easement that affects a portion of the whole property, we have relied upon a qualitative easement matrix (Easement Valuation-Donald Sherwood, SRWA – May/June 2006) that expresses the value of the easement in relation to the land value for the affected area. The easement will affect 1,603 square feet of land area, located on the southeasterly / northwesterly boundary line of the whole property; within a non-buildable/usable area due to its sandwiched location between the remainder property and the neighboring residential property. The estimated percentage of fee for these types of characteristics, according to the easement valuation matrix, is between 26% to 49%. Due to the fact that the easement permits ingress/egress and construction of subsurface fiber optic line, we selected a percentage of fee at the higher end of the range at 40% to yield a value for the part acquired at \$1,154. ($\$1.80 \text{ PSF} \times 1,603 \text{ SF} \times 40\% = \$1,154$)

EASEMENT VALUATION MATRIX

Percentage of Fee	Comments	Potential Types of Easements
90% - 100%	Severe impact on surface use Conveyance of future uses	Overhead electric Flowage easements Railroad ROW Irrigation canals Access roads
75% - 89%	Major impact on surface use Conveyance of future uses	Pipelines Drainage easements Flowage easements
51% - 74%	Some impact on surface use Conveyance of ingress/egress rights	Pipelines Scenic easements
50%	Balanced use by both owner and easement holder	Water or sewer lines Cable line Telecommunications
26% - 49%	Location along a property line, location across non usable land area	Water or sewer line Cable lines
11% - 25%	Subsurface or air rights that have minimal effect on use and utility Location with a setback	Air rights Water or sewer line
0% to 10%	Nominal effect on use and utility	Small subsurface easement

Value of the Remainder before the Acquisition

In order to determine the value of the Remainder portion of the subject before the acquisition, we have removed the value of the part acquired from the whole property in order to arrive at \$88,846 (\$90,000 - \$1,154 = \$88,846); which represents the value of the remainder before acquisition of the easement.

Value of the Remainder after the Acquisition

The installation of the underground fiber optic line along with minimal ingress/egress rights does not materially affect the remainder's value of the property since it only represent 3% of the entire whole property. Further, the location of the easement/affected parcel is situated near a property line in which future builders or developers would not consider as buildable area. However, the current use for public utility purposes would be affected as they would not be able to construct utility improvements on the surface/subsurface area of the affected portion of the property; which places some restrictions on the 1,603 SF of land for the public utility company for these specific rights (surface/subsurface) to ownership. Based on this information, we have estimated that the value of the remainder property after the acquisition would sell for 5% less than the value of the remainder before the acquisition, primarily due to its restriction on surface/subsurface rights for this portion of the building.

$$\$1.71 \text{ PSF} \times 50,965 \text{ SF} = \$87,150$$

Value of the Whole Property	\$90,000
Value of Part Acquired	\$1,154
Value of the Remainder before the Acquisition	\$88,846
Value of the Remainder after the Acquisition	\$87,150
Damages	\$1,696
Total Compensation and Value of Easement	\$2,850 (\$1,154 + \$1,696)

RECONCILIATION AND FINAL VALUE ESTIMATE

Reconciliation is the final step in the appraisal process and involves the weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject properties.

SUMMARY OF VALUE CONCLUSIONS	
"Before and After"	Not Applicable
"Value of the Part Taken, Plus Damages"	\$2,850
Source: BAAR	

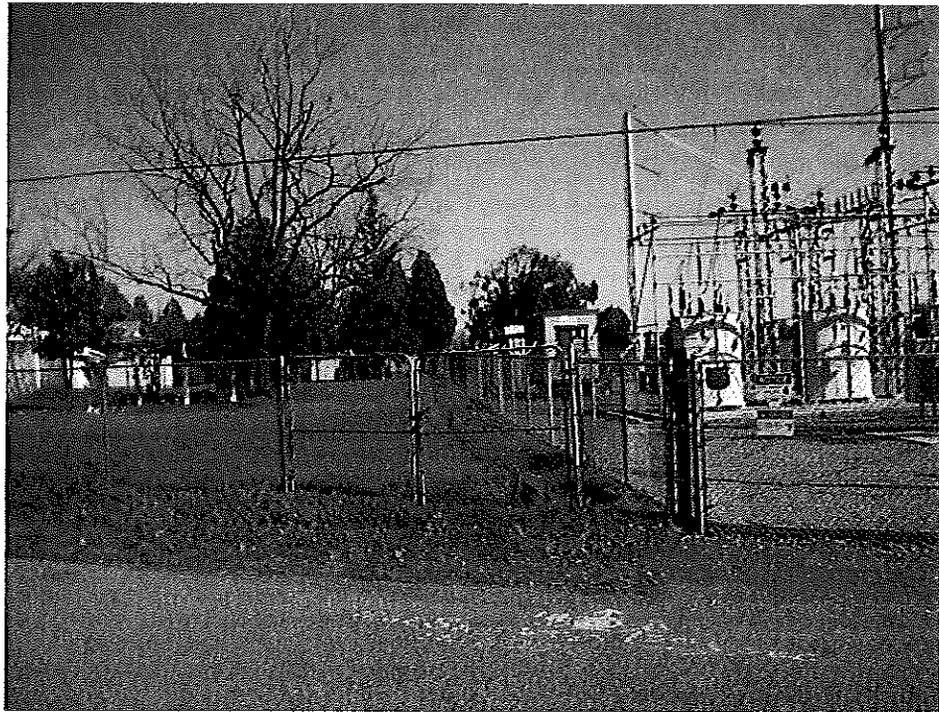
Typically, two methods are applied to the valuation of an easement; 1) "before and after" and 2) "value of the part taken, plus damages". Based on our analysis of the subject easement, we have applied the "value of the part taken, plus damages" methodology that values the entire whole property of which the easement is affected, the value of the rights for the specific part acquired and the value of the remainder (whole property less – easement) after acquisition. This is the most applicable approach, under the current circumstances of the proposed easement.

Based on research and analysis contained in this report, it is estimated that the market value of the proposed easement rights for a portion of Parcel Number 015-360-007 on February 18, 2010, is:

**TWO THOUSAND EIGHT HUNDRED FIFTY DOLLARS
(\$2,850)**

ADDENDUM

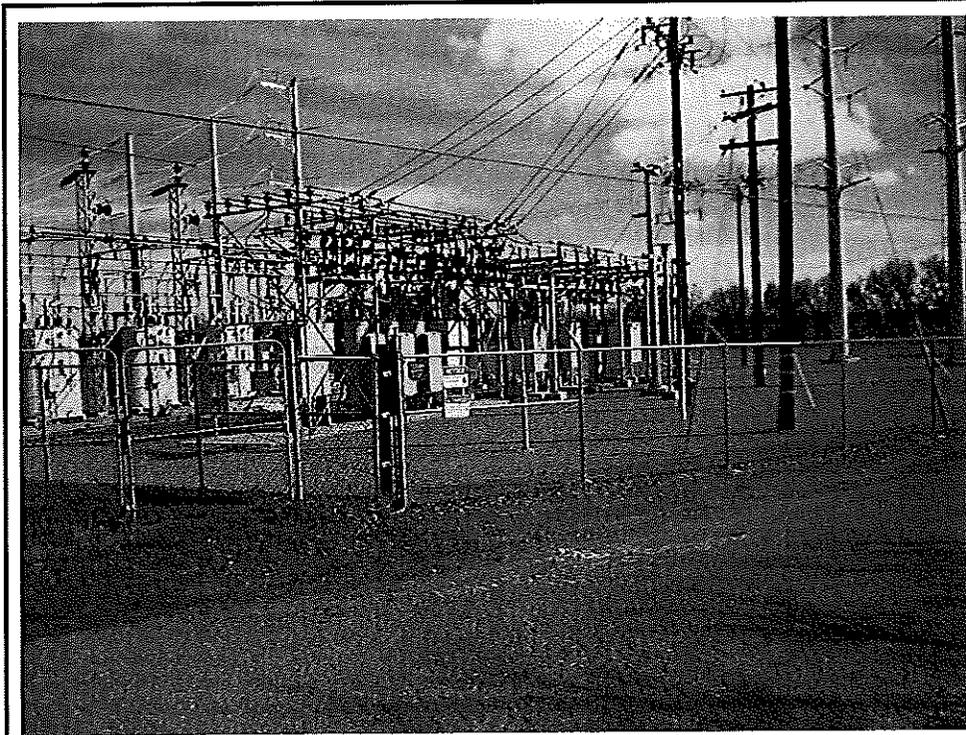
PHOTOGRAPHS OF SUBJECT PROPERTY



VIEW OF SUBJECT FACING NORTHEAST



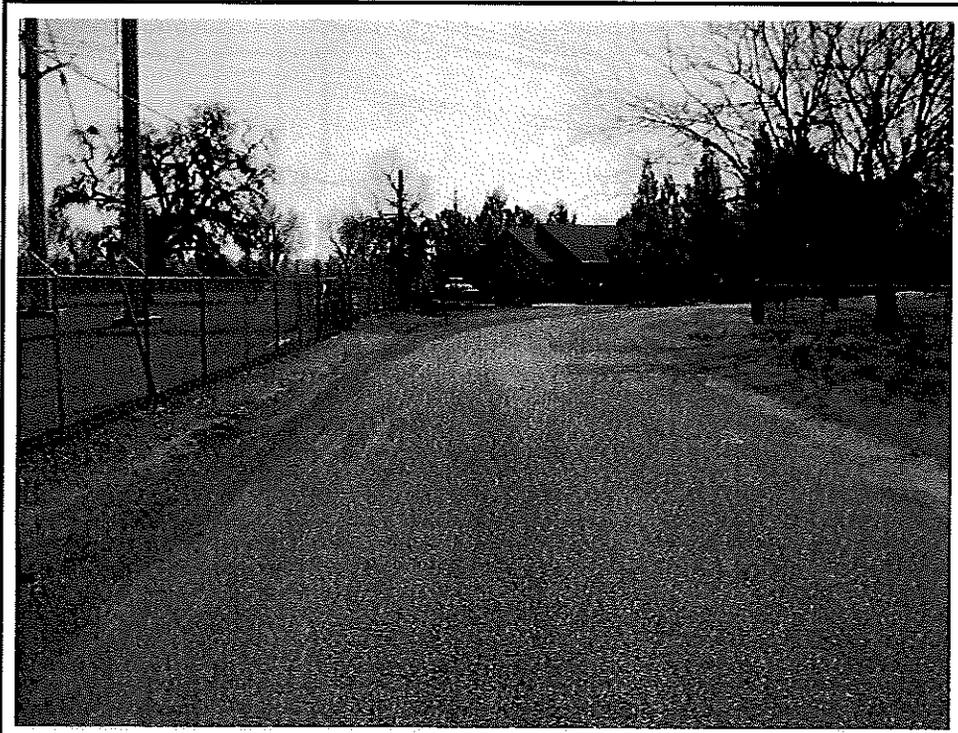
**VIEW OF SUBJECT PROPERTY AND NEIGHBORING
RESIDENTIAL PROPERTY**



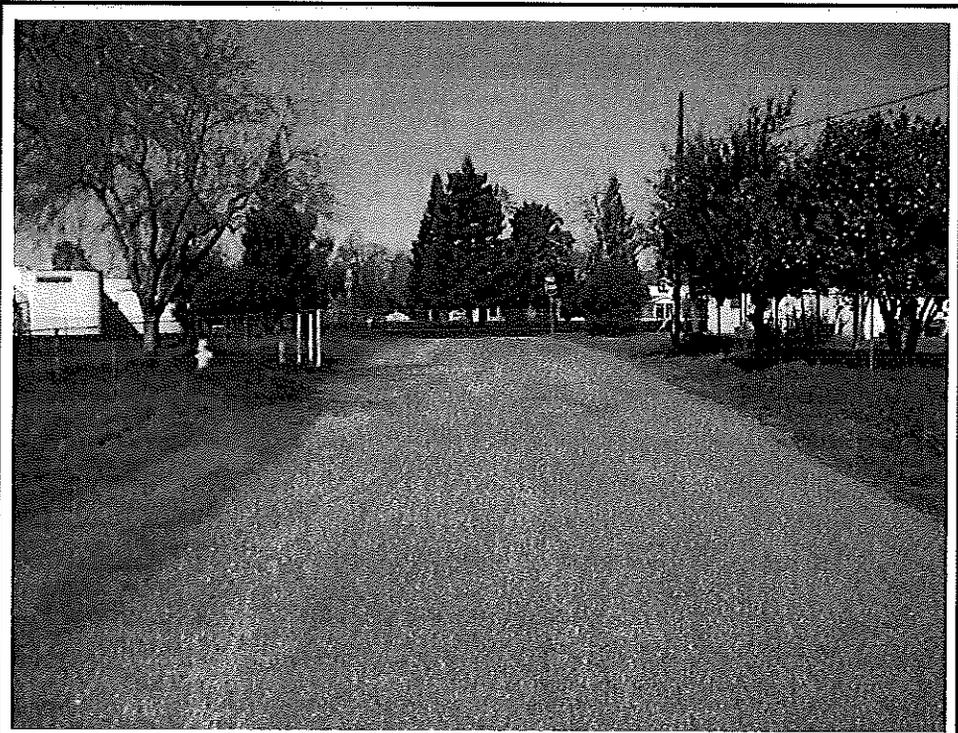
VIEW OF SUBJECT PROPERTY FRONTAGE



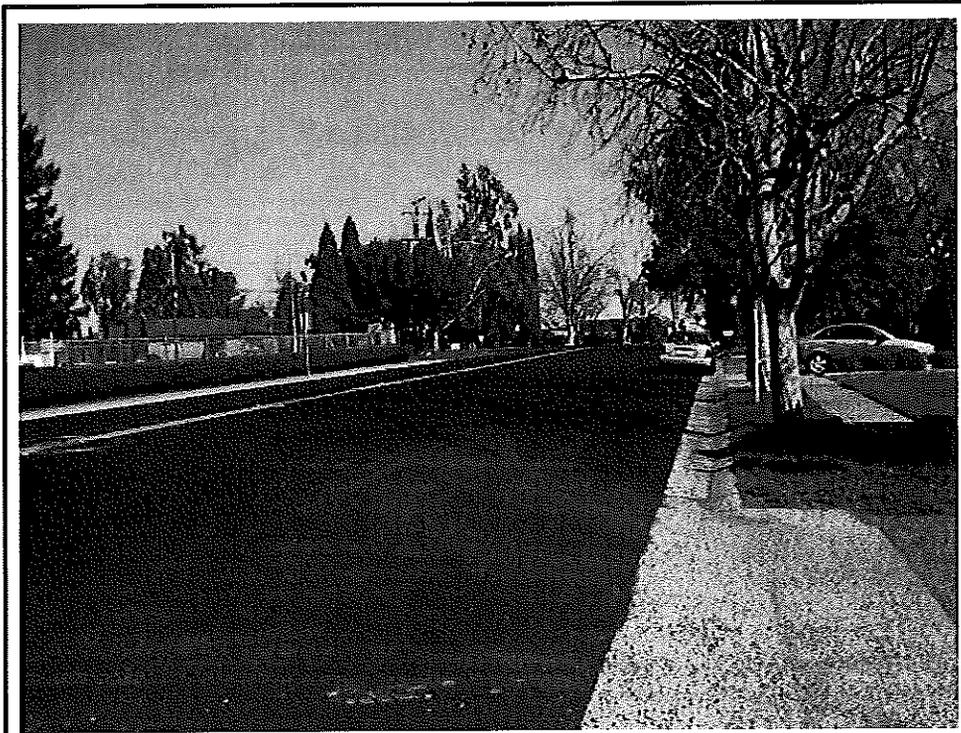
AERIAL VIEW OF SUBJECT (HIGHLIGHTED IN YELLOW)



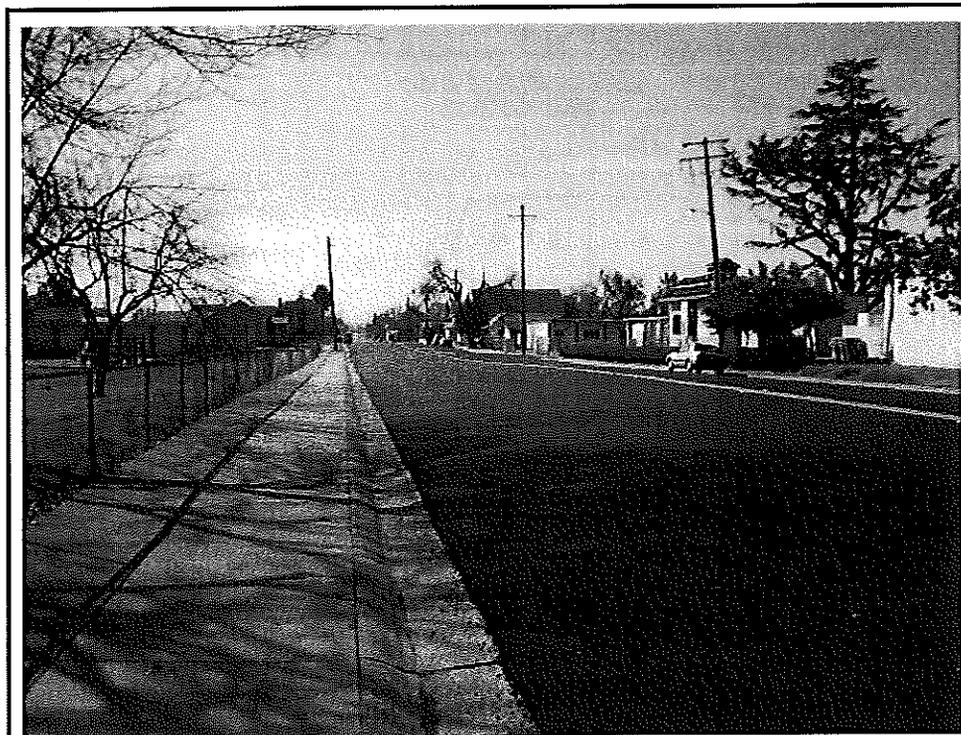
VIEW FROM 6TH STREET FACING SOUTH



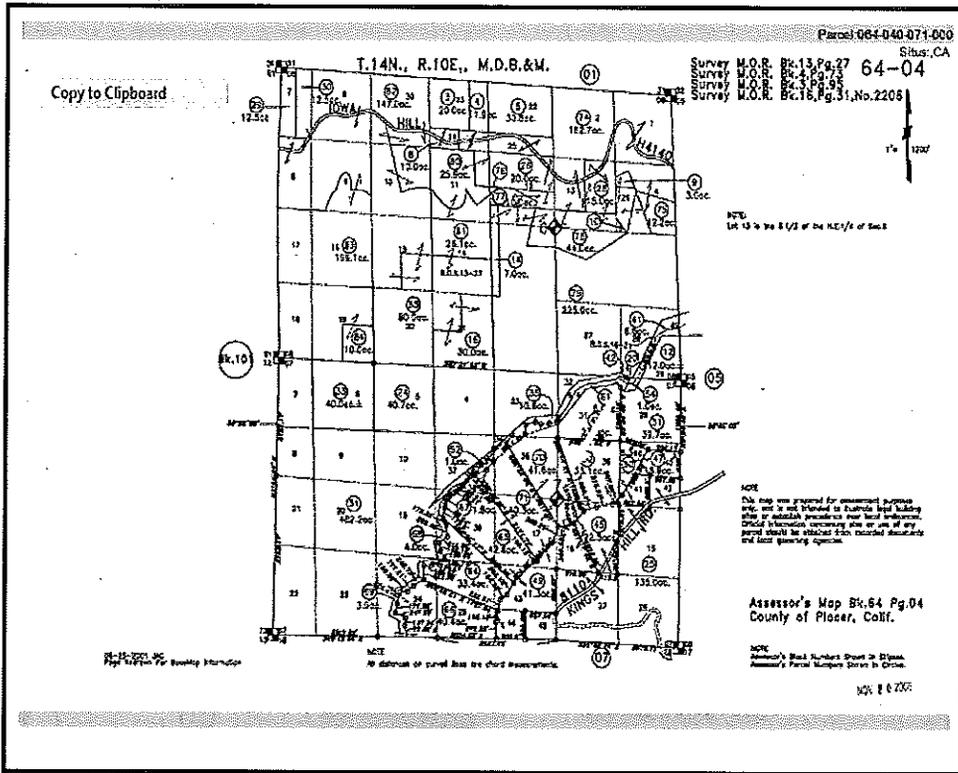
VIEW FROM 6TH STREET FACING NORTH



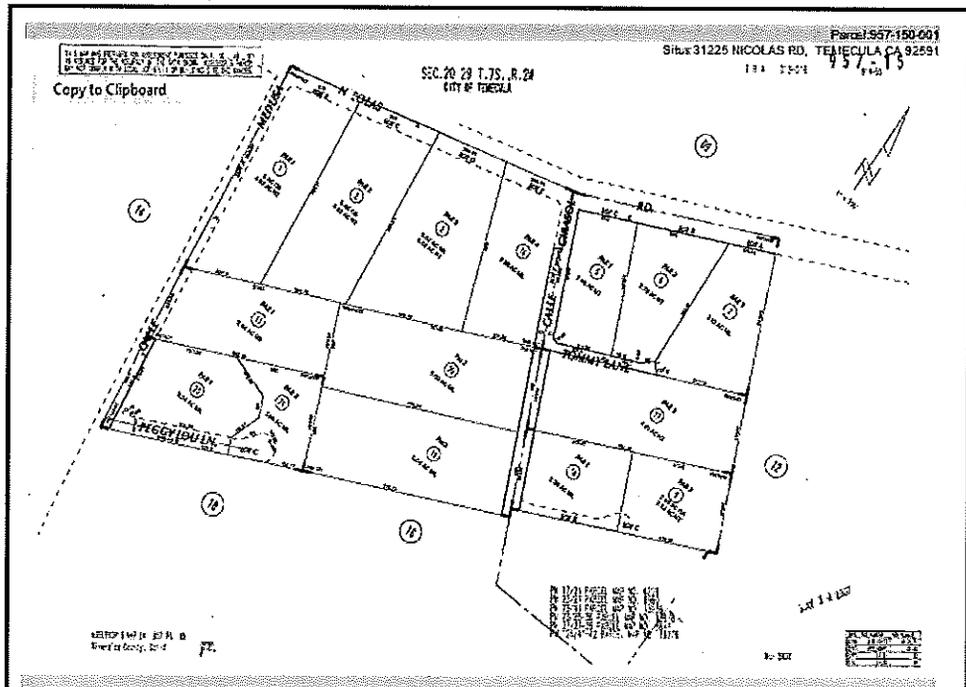
VIEW FROM MAIN STREET FACING NORTHEAST



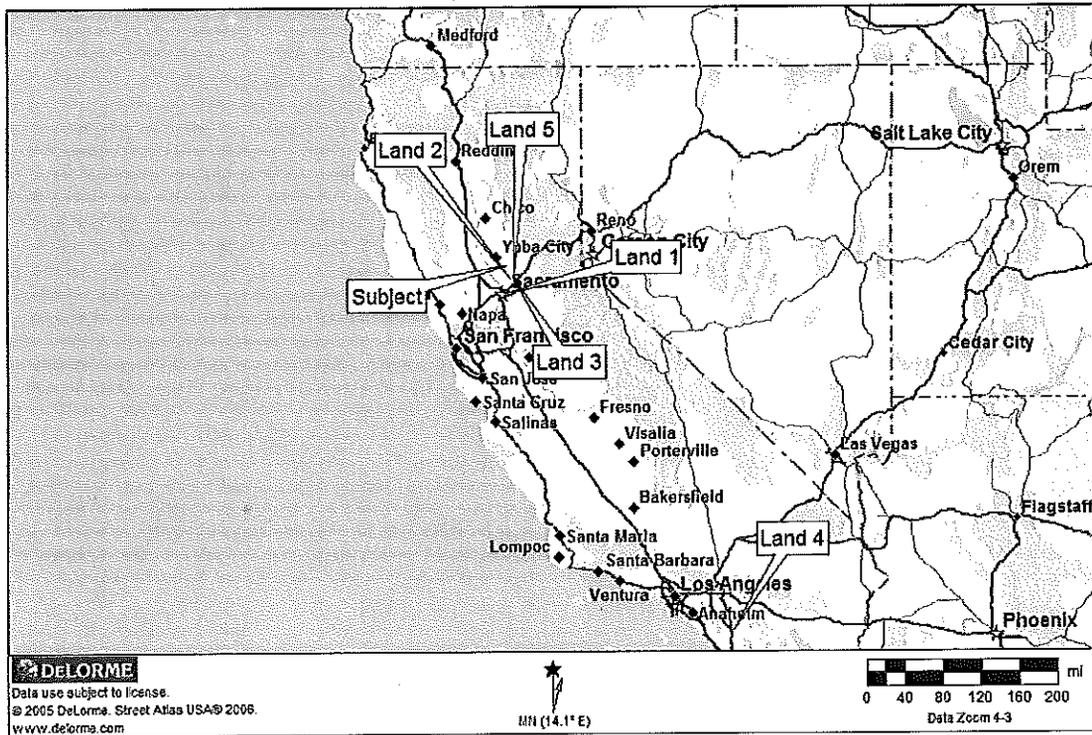
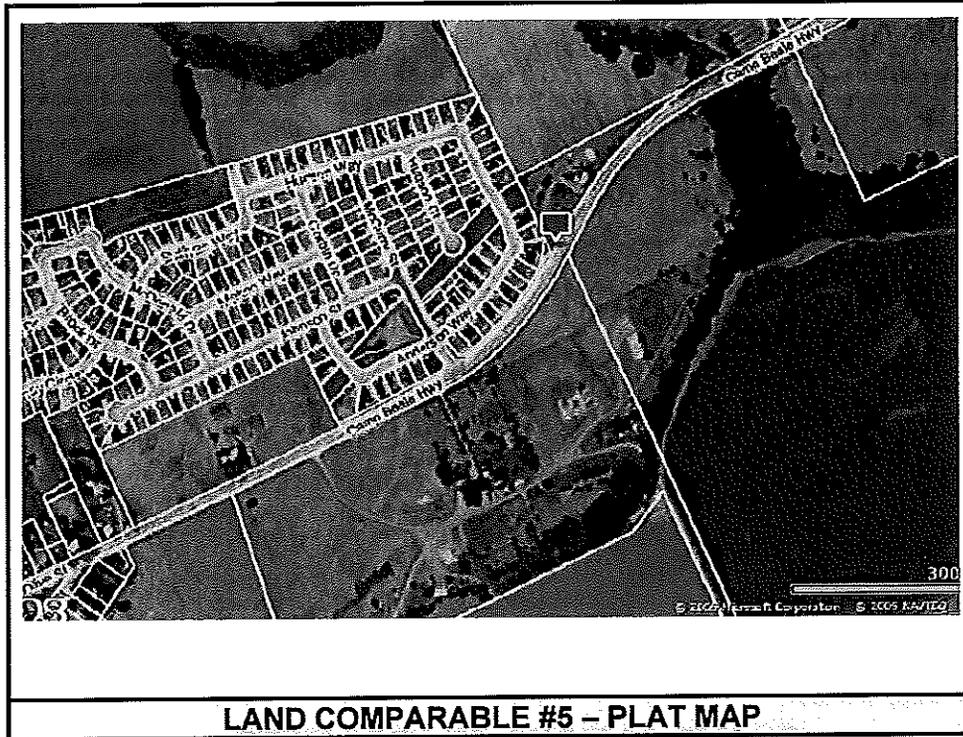
VIEW FROM MAIN STREET FACING SOUTHWEST



LAND COMPARABLE #3 - PLAT MAP



LAND COMPARABLE #4 - PLAT MAP



**QUALIFICATIONS OF APPRAISER
ASSUMPTIONS AND LIMITING CONDITIONS**

APPRAISER RESUME

APPRAISER'S NAME: **Adam J. Hardej, Jr., MAI**

TEL: 800-851-1855

FIRM NAME: **BAAR Realty Advisors**

FAX: 800-851-1855

COVERAGE AREA: **Nationwide**

Employment for the Last Ten Years

BAAR Realty Advisors

2001 - Present

PRESIDENT – FULL-SERVICE APPRAISAL FIRM

- **Appraisal & Consulting**
- **Expert Witness Services**

KEY GLOBAL FINANCE (WHOLLY-OWNED SUBSIDIARY OF KEYCORP)

1996 - 2001

VICE PRESIDENT, UNDERWRITING AND ACQUISITIONS

- **Direct national acquisitions, due diligence and underwriting in 20+ states.**

CB Richard Ellis

1994 - 1996

VICE PRESIDENT, REGIONAL MANAGER – APPRAISAL & CONSULTING SERVICES

- **Golf and lodging group specialist**

Education

MBA, THE HAAS SCHOOL OF BUSINESS, THE UNIVERSITY OF CALIFORNIA, Berkeley, CA

1989 - 1991

BA, Classics / Economics, BOWDOIN COLLEGE, Brunswick, ME

1979 - 1983

Appraisal Courses and Seminars for the last ten years:

USPAP Update	7 hrs	2/10	Appraisal Institute
USPAP Update	7 hrs	5/08	Appraisal Institute
USPAP Update	7 hrs	2/06	Appraisal Institute
USPAP	16 hrs	4/04	Appraisal Institute
USPAP	16 hrs	3/02	Appraisal Institute
Economic Outlook	2 hrs	1/01	Appraisal Institute
Seaport Planning	2 hrs	5/00	Appraisal Institute
General Comp Exam	MAI	2/99	Appraisal Institute
Demo Writing Seminar	15 hrs	9/97	Appraisal Institute
Valuation Analysis	40 hrs	6/96	Appraisal Institute
Advanced Applications	40 hrs	9/95	Appraisal Institute
Adv. Income Capitalization	40 hrs	6/94	Appraisal Institute
USPAP, Part B	11 hrs	9/93	Appraisal Institute
Appraisal Procedures	39 hrs	7/93	Appraisal Institute
Basic Income Cap	39 hrs	7/93	Appraisal Institute
USPAP, Part A	16 hrs	11/92	Appraisal Institute

Professional Licenses & Designations

- **Certified General Appraiser – Multiple States**
- **Designated Member of the Appraisal Institute – MAI**
- **Qualified Expert Witness: Real Estate and Municipal-based Receivables (i.e. tax liens) related cases**

Business References

Available upon request

Business, Transportation & Housing Agency

OFFICE OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE



OREA APPRAISER IDENTIFICATION NUMBER

AG018716

ADAM J. HARDEJ

has successfully met the requirements for a license as a general real estate appraiser in the State of California and is, therefore, entitled to use the title "Certified General Real Estate Appraiser".

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

OFFICE OF REAL ESTATE APPRAISERS

Bob Clark

Date Issued: May 7, 2009

Date Expires: May 6, 2011

Audit No. 115914

ASSUMPTIONS AND LIMITING CONDITIONS

1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the property or properties appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions to total that would adversely affect marketability or value. BAAR is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. BAAR, however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject property's title should be sought from a qualified title company that issues or insures title to real property.
2. It is assumed that improvements have been constructed or will be constructed according to approved architectural plans and specifications and in conformance with recommendations contained in or based upon any soils report(s).

Unless otherwise specifically noted in the body of this report, it is assumed: that any existing improvements on the property or properties being appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are, or will be upon completion, in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that it or they will withstand any known elements such as windstorm, hurricane, tornado, flooding, earthquake, or similar natural occurrences; and, that the improvements, as currently constituted, conform to all applicable local, state, and federal building codes and ordinances. BAAR professionals are not engineers and are not competent to judge matters of an engineering nature. BAAR has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of BAAR by ownership or management; BAAR inspected less than 100% of the entire interior and exterior portions of the improvements; and BAAR was not furnished any engineering studies by the owners or by the party requesting this appraisal. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, BAAR reserves the right to amend the appraisal conclusions reported herein.

3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraisers. BAAR has no knowledge of the existence of such materials on or in the property. BAAR, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater 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. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the appraisal.

4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to BAAR. This report may be subject to amendment upon re-inspection of the subject property subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Value is as of the date indicated; based upon the information, conditions and projected levels of operation.
5. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, BAAR has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a

substantial impact on the conclusions reported. Thus, BAAR reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify BAAR of any questions or errors.

6. The date of value to which any of the conclusions and opinions expressed in this report apply, is set forth in the Letter of Transmittal. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American Dollar on that date. This appraisal is based on market conditions existing as of the date of this appraisal. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions, which occur subsequent to the date of the appraisal. However, BAAR will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
 7. BAAR assumes no private deed restrictions, limiting the use of the subject property in any way.
 8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposit or subsurface rights of value involved in this appraisal, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
 9. BAAR is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the value of the subject.
 10. The estimate of Market Value, which may be defined within the body of this report, is subject to change with market fluctuations over time. Market value is highly related to exposure, time promotion effort, terms, motivation, and conclusions surrounding the offering. The value estimate(s) consider the productivity and relative attractiveness of the property, both physically and economically, on the open market.
 11. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. BAAR does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of BAAR.
 12. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of BAAR to buy, sell, or hold the properties at the value stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
 13. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated.
 14. This study may not be duplicated in whole or in part without the specific written consent of BAAR nor may this report or copies hereof be transmitted to third parties without said consent, which consent BAAR reserves the right to deny. Exempt from this restriction is duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the party/parties for whom this appraisal was prepared, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of BAAR which consent BAAR reserves the right to deny. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property or to make a "sale" or "offer for sale" of any "security", as such terms are defined and used in the Securities Act of 1933, as amended. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advice for any decision in connection with this property. BAAR shall have no accountability or responsibility to any such third party.
 15. Any value estimate provided in the report applies to the entire property, and any pro ration or division of the title into fractional interests will invalidate the value estimate, unless such pro ration or division of interests has been set forth in the report.
 16. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. Component values for land and/or buildings are not intended to be used in conjunction with any other property or appraisal and are invalid if so used.
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17. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
 18. No opinion is intended to be expressed on matters, which may require legal expertise or specialized investigation, or knowledge beyond that customarily employed by real estate appraisers. Values and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to BAAR unless otherwise stated within the body of this report. If the Consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. BAAR assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
 19. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor BAAR assumes responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate appraisal/consulting profession if so desired.
 20. BAAR assumes that the subject property analyzed herein will be under prudent and competent management and ownership; neither inefficient or super-efficient.
 21. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
 22. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
 23. The *Americans with Disabilities Act (ADA)* became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, BAAR has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the value estimated herein. Since BAAR has no specific information relating to this issue, nor is BAAR qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the value of the subject property.
 24. The liability of the authors of this appraisal report, BAAR Realty Advisors, and any other employees / contractors of BAAR Realty Advisors is limited to the fee collected for preparation of this appraisal report.
 25. Acceptance of, and/or use of, this appraisal report constitute acceptance of the above conditions.
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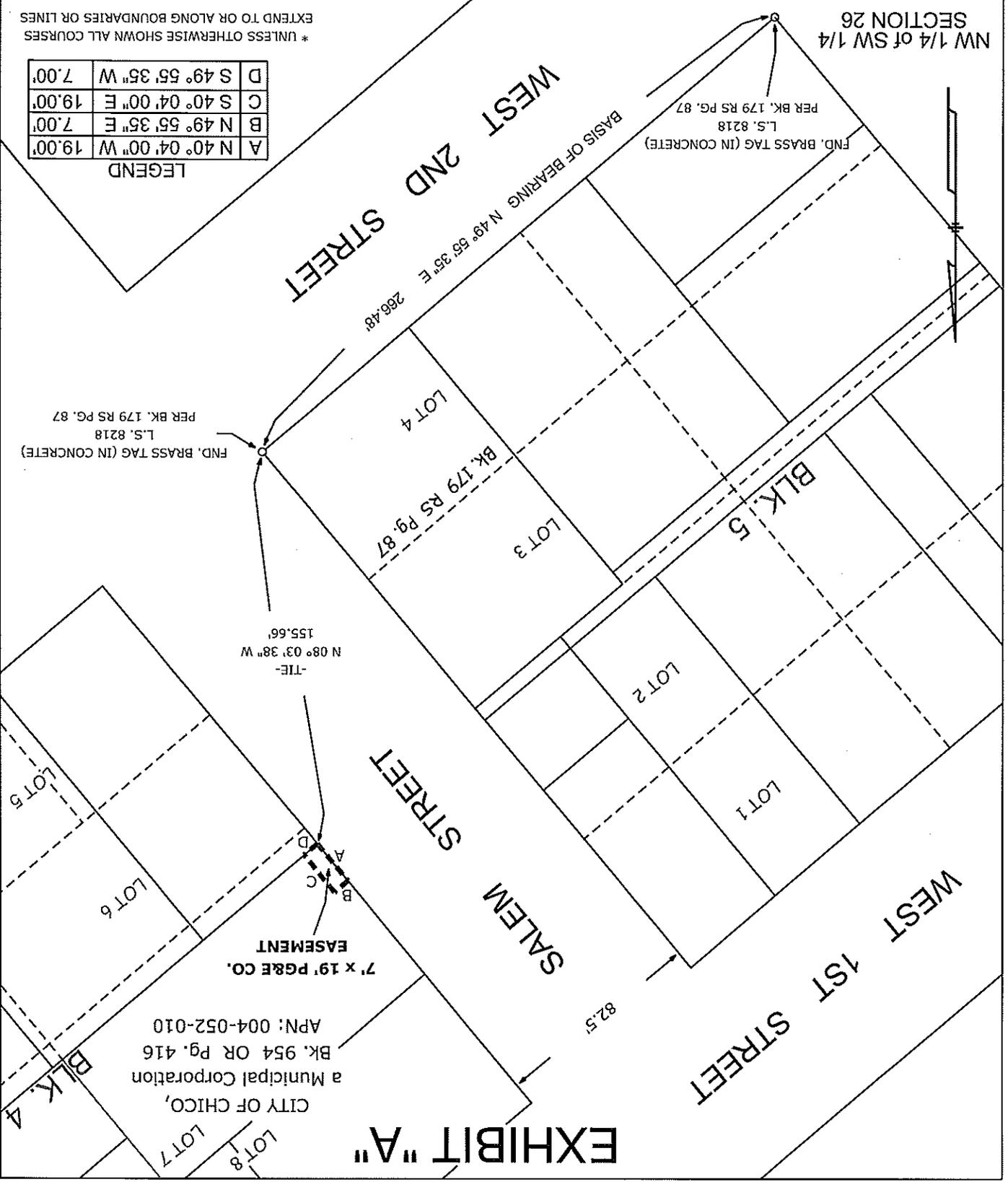
SPECIFIC ASSUMPTIONS AND LIMITING CONDITIONS

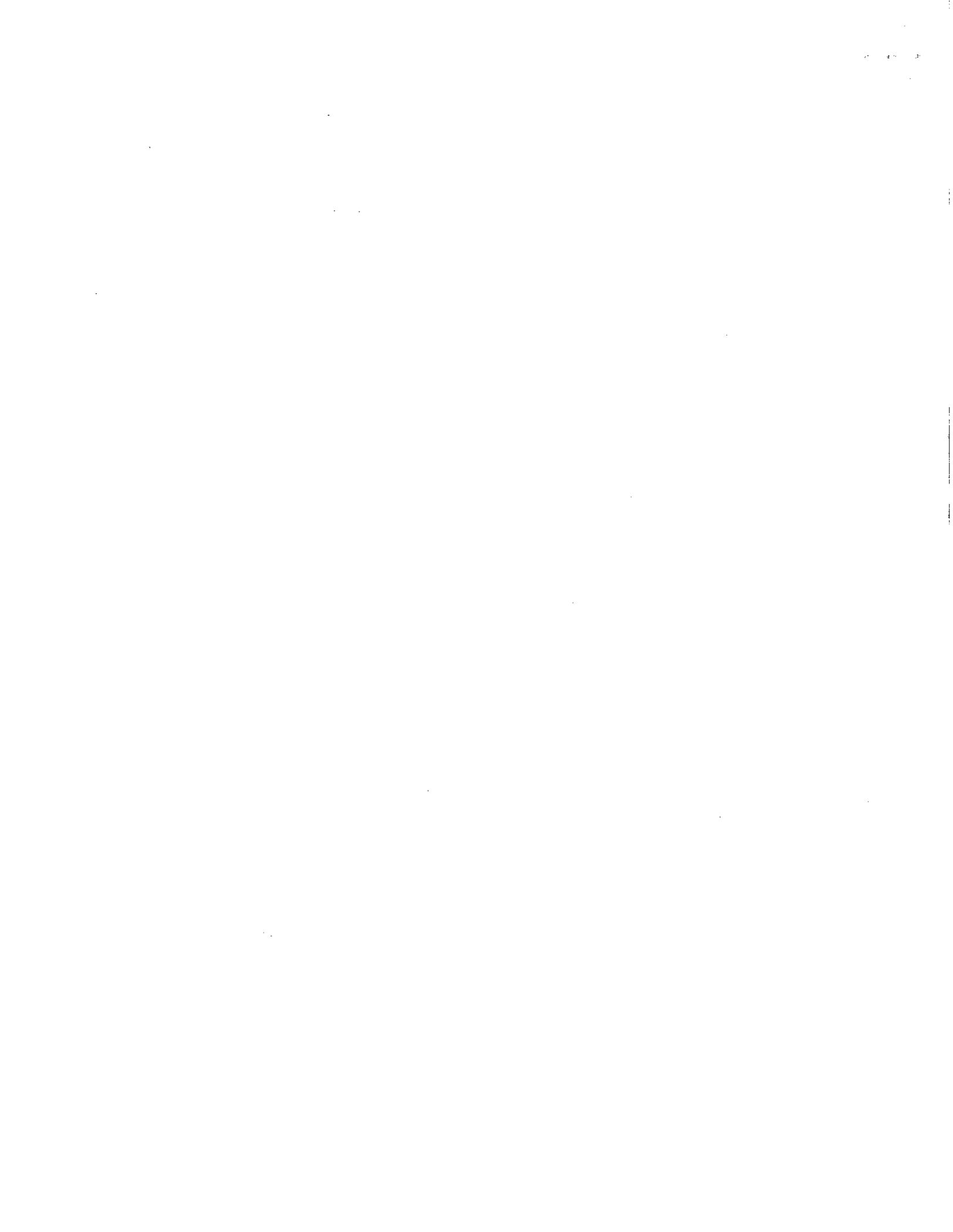
1. The Market Value was based on market conditions at the time of inspection and the appraiser is not responsible for unforeseeable events that alter market conditions prior to February 18, 2010.
2. The estimate of marketing time is less than 12 months based upon such items as statistical information about days on market; information gathered through sales verification; interviews of marketing participants; and anticipated changes in market conditions. The reasonable marketing time is a function of price, time, use, and anticipated market conditions such as changes in the cost and availability of funds; not an isolated estimate of time alone.
3. This appraisal has been prepared from very limited property data provided by the client. Due to the lack of property specific descriptions and economic data from primary sources, BAAR was required to obtain information from best available sources, which included public records, owners, tenants and others. Every effort has been made to verify all information used within this report; however, it was in some instances necessary for BAAR to make critical assumptions to complete this assignment. BAAR reserves the right to amend its opinion of value at a later date should information become available which would significantly change the stated opinion of values.
4. All value opinions expressed herein are as of the date of value. In some cases, facts or opinions are expressed in the present time. All opinions are expressed as of the date of value, unless specifically noted.

The research and preparation of this appraisal took place from February 15, 2010 through March 15, 2010. The effective date of valuation is February 18, 2010. There are no events that must occur between the date of last inspection of the subject property and the date of valuation in order to conclude the value reported herein. Thus the reported value is predicated on the specific assumption that the status of the property as of the date of valuation is not materially different that it was on the date of BAAR's last inspection of the subject property. The appraisal is based on real estate and economic conditions as best perceived as of the date of the report.

5. The report and parts thereof and any additional material submitted, may not be used in any prospectus or printed material used in conjunction with the sale of securities or participation interests in Public Offering as defined under U.S. Security laws. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media, or other media for public communication without the prior consent of BAAR. The use of all or any part of this report in connection with real estate tax shelters, syndication of interests in real estate, the offering of securities, shares or partnership interests in real estate or any other public or private offering without the specific written consent of BAAR is not authorized. Neither the whole, nor any part of this report, nor any reference thereto may be included in any document, statement, appraisal or circular without the signatories' prior written approval of the form and context in which it is to appear.
 6. Since earthquakes are not uncommon in the area, no responsibility is assumed due to their possible effect unless detailed geologic reports are made available.
 7. Any "after tax" income or investment analysis and resultant measures of return on investment are intended to reflect only the possible and general market considerations, whether as part of estimating value or estimating possible returns on investment at an assumed value or price paid. Any stated conclusion referred to as "Investment Value" should not be construed as being representative of "Market Value" since the prospectus of the Client may be based upon individual investment requirements, as distinguished from the concept of market value, which is impersonal and detached. Market value and investment value may coincide when a client's investment criteria are consistent with prevailing market trends and conditions. In this instance, the two value estimates may be numerically identical, but the two types of value are not interchangeable. BAAR does not claim expertise in tax matters and advises the client to seek competent tax advice from a qualified income tax advisor.
 8. The reasonable exposure time is 12 months based on current market conditions. The reasonable exposure time inherent in the market value concept is always presumed to precede the effective date of the appraisal. We also recognize the exposure time is different for various types of real estate and under various market conditions and that the reasonable exposure time should always incorporate the answer to the question, "For what kind of real estate at what value range?" rather than appear as a statement of an isolated time period.
 9. This study is not being prepared for use in connection with litigation. Accordingly, no rights to expert testimony, pretrial or other conferences, deposition, or related services are included with this appraisal. If, as a result of this undertaking, BAAR or any of its principals, its appraisers or consultants are requested or required to provide any litigation services, such shall be subject to the provisions of BAAR' engagement letter or, if not specified therein, subject to the reasonable availability of BAAR and/or said principals or appraisers at the time and shall further be subject to the party or parties requesting or requiring such services paying the then-applicable professional fees and expenses of BAAR either in accordance with the provisions of the engagement letter or arrangements at the time, as the case may be.
 10. All data considered significant that was requested for this assignment was received by BAAR.
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Applicant:		EXTENSION TO CITY OF CHICO (Salem St.)		SCALE	NONE	DATE	5/12/11
SECTION	26	TOWNSHIP	22N	RANGE	1E	MDB&M	MERIDIAN
COUNTRY OF:	BUTTE	CITY OF:	CHICO	DR. BY:	RTY3	CH. BY:	
PLAT MAP T-2720-D	REFERENCES	2011-30831123CityofChico(Salem)uge.dgn		PG&E	DIVISION	NO. VALLEY	30831123
A-22-1-26	DRAWING NO.			AUTHORIZ			





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

AT&T	Dept of General Services	Occidental Energy Marketing, Inc.
Alcantar & Kahl LLP	Douglass & Liddell	OnGrid Solar
Ameresco	Downey & Brand	Praxair
Anderson & Poole	Duke Energy	R. W. Beck & Associates
Arizona Public Service Company	Economic Sciences Corporation	RCS, Inc.
BART	Ellison Schneider & Harris LLP	Recurrent Energy
Barkovich & Yap, Inc.	Foster Farms	SCD Energy Solutions
Bartle Wells Associates	G. A. Krause & Assoc.	SCE
Bloomberg	GLJ Publications	SMUD
Bloomberg New Energy Finance	GenOn Energy, Inc.	SPURR
	Goodin, MacBride, Squeri, Schlotz & Ritchie	San Francisco Public Utilities Commission
Boston Properties	Green Power Institute	
Braun Blaising McLaughlin, P.C.	Hanna & Morton	Santa Fe Jets
Brookfield Renewable Power	Hitachi	Seattle City Light
CA Bldg Industry Association	In House Energy	Sempra Utilities
CLECA Law Office	International Power Technology	Sierra Pacific Power Company
CSC Energy Services	Intestate Gas Services, Inc.	Silicon Valley Power
California Cotton Ginners & Growers Assn	Lawrence Berkeley National Lab	Silo Energy LLC
California Energy Commission	Los Angeles Dept of Water & Power	Southern California Edison Company
California League of Food Processors	Luce, Forward, Hamilton & Scripps LLP	Spark Energy, L.P.
California Public Utilities Commission	MAC Lighting Consulting	Sun Light & Power
Calpine	MBMC, Inc.	Sunshine Design
Cardinal Cogen	MRW & Associates	Sutherland, Asbill & Brennan
Casner, Steve	Manatt Phelps Phillips	Tabors Caramanis & Associates
Chris, King	McKenzie & Associates	Tecogen, Inc.
City of Palo Alto	Merced Irrigation District	Tiger Natural Gas, Inc.
City of Palo Alto Utilities	Modesto Irrigation District	TransCanada
Clean Energy Fuels	Morgan Stanley	Turlock Irrigation District
Coast Economic Consulting	Morrison & Foerster	United Cogen
Commercial Energy	NLine Energy, Inc.	Utility Cost Management
Consumer Federation of California	NRG West	Utility Specialists
Crossborder Energy	Navigant Consulting	Verizon
Davis Wright Tremaine LLP	Norris & Wong Associates	Wellhead Electric Company
		Western Manufactured Housing Communities Association (WMA)
Day Carter Murphy	North America Power Partners	eMeter Corporation
Defense Energy Support Center	North Coast SolarResources	
Department of Water Resources	Northern California Power Association	