

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



August 4, 2006

Advice Letter 2738-G/2847-E

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

Subject: Diocese of Oakland storm drain easement – request for approval under Section 851

Dear Ms de la Torre:

Advice Letter 2738-G/2847-E is effective August 3, 2006. A copy of the advice letter is returned herewith for your records.

Sincerely,

Sean H. Gallagher, Director
Energy Division

REGULATORY RELATIONS	
Tariffs Section	
M Brown	D Poster
R DeLa Torre	S Ramaiya
B Lam	
AUG 10 2006	
_____ Records _____	
Return to _____	File _____
cc to _____	



Brian K. Cherry
Senior Director
Regulatory Relations

77 Beale Street, Room 1087
San Francisco, CA 94105

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

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

June 19, 2006

Advice 2738-G/2847-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Diocese of Oakland Storm Drain Easement - Request for
Approval under Section 851**

Purpose

Pacific Gas and Electric ("PG&E") submits this filing seeking approval under Public Utilities Code § 851 to grant to the Roman Catholic Bishop of Oakland ("Diocese of Oakland") an easement for a storm drain across PG&E property.

Background

PG&E requests Commission approval under Public Utilities Code § 851 to grant to the Diocese of Oakland an easement to construct, maintain and use an underground storm drain across PG&E electric and gas transmission property located within the City of Antioch, County of Contra Costa, State of California (the "Property"), more specifically provided in the Easement Agreement ("Agreement") attached hereto as Attachment 1. The property consists of PG&E fee land and the PG&E facilities on that land.

The easement for an underground storm drain is required as part of an expansion project at the Holy Cross Cemetery, which is owned and operated by the Diocese of Oakland. On December 6, 2005, the Zoning Administrator of the City of Antioch approved Resolution 2005-06 amending a Use Permit at Holy Cross Cemetery allowing for the construction of a new 4,100 square-foot indoor/outdoor mausoleum and grading of the property, more specifically described in Resolution 2005-06 as Attachment 4.

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

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

Pacific Gas and Electric Company	Jim McCann, Roman Catholic
Andrew L. Niven	Bishop of Oakland
Peter Van Mieghem	2900 Lakeshore Avenue
Law Department	Oakland CA 94610-3614
P.O. Box 7442	Telephone: (510) 267-8308
San Francisco, CA 94120	Facsimile: (510) 893-0945
Telephone: (415) 973-2902	Email: jmccann@oakdiocese.org
Facsimile: (415) 973-5520	
Email: PPV1@pge.com	
	Reed Smith LLP
	John Kemp, Partner
	Telephone: (415) 659-5993
	Facsimile: (415) 391-8269
	Email: jkemp@reedsmith.com

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

The Property is 8.3 acres in size and is located north of California State Highway 4 and west of California State Highway 160, near the eastern border of the City of Antioch. The Property is owned by PG&E and was acquired for the construction and operation of an overhead electric transmission line and an underground natural gas transmission pipeline. The site is accessible from either East 18th Street or Viera Avenue. The topography of the site is mostly level. The Property is further identified as a portion of Contra Costa County Assessor's Parcel 051-170-010 (SBE 135-07-32E, Parcels 4 and 7). With the exception of PG&E's electric and gas transmission lines, the Property is currently vacant and undeveloped.

(c) Intended Use of the Property:

The Diocese of Oakland intends to construct, maintain and use a single concrete storm drain approximately twenty-four inches in diameter within the portion of the Property more specifically described in Exhibit A and shown on Exhibit B (the "Easement Area"), of the Agreement. The Project will not interfere with PG&E's existing facilities. A map of the proposed area of use is provided in Attachment 2.

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

As provided for in the Agreement, the Diocese has agreed to pay a one-time fee of Two Thousand Five Hundred Dollars (\$2,500) for the easement.

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

The property at issue in this application is non-depreciable land used for electric and gas transmission service and is currently included in PG&E's rate base.

The PG&E electric transmission system is within the control of the California Independent System Operator Corporation and is subject to Federal Energy Regulatory Commission ("FERC") jurisdiction for ratemaking. All costs for PG&E's electric transmission system are now part of FERC ratemaking for transmission service in PG&E's transmission owner cases.

The Property at issue in this advice letter is also used for gas transmission purposes, consists of depreciable gas transmission land, and is currently included in PG&E's rate base. The gas transmission and storage property is subject to the Gas Accord and all costs associated with gas transmission Property are subject to Gas Accord ratemaking for gas transmission service in PG&E's gas transmission and storage rate cases.

In consideration for the easement, the Diocese of Oakland has agreed to pay PG&E a one-time fee of Two Thousand Five Hundred Dollars (\$2,500) for the easement. PG&E will account for the one-time easement fee as an allocation between Electric and Gas Other Operating Revenue. No PG&E property is being sold or disposed of, and as such, there are no changes to PG&E's rate base as a result of the proposed easement.

The service provided under the Agreement is an existing service included under T.C.4 in the Company's Advice Letter 2063-G/1741-E.

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

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

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

Not applicable.

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

Not applicable.

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

The fair market value for the easement was determined by an appraisal, details of which are provided in Attachment 3.

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

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

(k) CEQA Checklist

Exemption

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

No.

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

Not applicable.

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

The applicant contends that the project is exempt from CEQA. The project is Categorically Exempt from the provisions of CEQA, pursuant to section 15303 – New Construction or Conversion of Small Structures. This section of CEQA exempts projects that consist of construction and location of limited numbers of new, small facilities or structures. A copy of the Zoning Administrator of the City of Antioch, County of Contra Costa, State of California, Resolution 2005-06 approved December 6, 2005 is attached as Attachment 4.

Prior or Subsequent CEQA review

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

Need CEQA?

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

Not applicable.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than 30 days after the date of this filing, which is **July 19, 2006**. Protests should be mailed to:

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

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

Pacific Gas and Electric Company
Attention: Brian Cherry
Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

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

Effective Date

Pursuant to the review process outlined in Resolution ALJ-186, PG&E requests that this advice filing become effective on **August 3, 2006**, which is 45 calendar days after the date of filing.

Notice

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

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



Senior Director, Regulatory Relations

Attachments 1-4

cc: Service List - GO 96-A
ALJ Peter V. Allen, CPUC
ALJ Lynn Carew, CPUC
Jim McCann, Roman Catholic Bishop of Oakland
John Kemp, Reed Smith LLP
Ken Lewis, CPUC – Energy Division
Andrew Barnsdale, CPUC – Energy Division
Junaid Rahman, CPUC – Energy Division
Brewster Fong, DRA

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

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

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

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Bernard Lam

Phone #: (415) 973-4878

E-mail: bxlc@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **2738-G/2847-E**

Subject of AL: Diocese of Oakland Storm Drain Easement - Request for Approval under Section 851

Keywords (choose from CPUC listing): Section 851

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

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

ALJ-186

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

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

Resolution Required? Yes No

Requested effective date: **August 3, 2006**

No. of tariff sheets: N/A

Estimated system annual revenue effect: (%): \$2,500 one time payment

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

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

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

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

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

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.,

San Francisco, CA 94102

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

Pacific Gas and Electric Company

Attn: Brian K. Cherry

Director, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

¹ Discuss in AL if more space is needed.

ATTACHMENT 1
Easement Agreement

LD 2102-02-1784

2006005 (22-06-006) 1 06 1

Storm Drain Easement For Holy Cross Cemetery
at Viera Avenue and East 18th Street in Antioch

RECORDING REQUESTED BY, AND
AFTER RECORDING, RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY
3480 Buskirk Avenue, Suite 150
Pleasant Hill, CA 94523
Attention: Land Agent (JPW1)

Location: City/Uninc _____

Recording Fee \$ _____

Document Transfer Tax \$ _____

- Computed on Full Value of Property Conveyed, or
- Computed on Full Value Less Liens &
Encumbrances Remaining at Time of Sale]

Signature of declarant or agent determining tax

(A portion of APN 051-170-010)

EASEMENT AGREEMENT
(Storm Drain Easement)

This Easement Agreement (“**Agreement**”) is made and entered into this _____ day of _____, 200__ (the “**Effective Date**”) by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called “**PG&E**”, and ROMAN CATHOLIC BISHOP OF OAKLAND, a California corporation, hereinafter called “**Grantee**.”

RECITALS

A. PG&E owns certain real property within the City of Antioch, County of Contra Costa, State of California, described in **EXHIBIT “1”**, attached hereto and made a part hereof (hereinafter, the “**Property**”).

B. Grantee proposes to construct a storm drain that crosses the Property, and in connection therewith, Grantee has requested that PG&E grant an easement for that purpose.

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 Two Thousand Five Hundred Dollars (\$2,500.00), 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, the following easement:

(a) Storm Drain Easement. A non-exclusive easement to excavate for, construct, install, repair, replace (with the initial or any smaller size), remove, maintain and use a single concrete storm drain within the portion (the "**Easement Area**") of the Property described in **EXHIBIT A** and shown on **EXHIBIT B**, both of which are attached hereto and made a part hereof.

2. Limitations on Use.

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

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

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

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

(b) Hazardous Substances (as hereinafter defined). For purposes hereof, the term "**Hazardous Substances**" means any hazardous or toxic material or waste which is or becomes regulated by Legal Requirements (as hereinafter defined) relating to the protection of human health or safety, or regulating or relating to industrial hygiene or environmental conditions, or the protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, including, but not limited to, laws, requirements and regulations pertaining to reporting, licensing, permitting, investigating and remediating emissions, discharges, releases or threatened releases of such substances into the air, surface water, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of

such substances. Without limiting the generality of the foregoing, the term Hazardous Substances includes any material or substance:

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

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

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

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

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

(6) which contains radon gas;

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

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

Grantee shall 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. Before commencing construction of any Improvements, Grantee shall obtain all permits, authorizations or other approvals, at Grantee’s sole cost and expense as may be necessary for such construction. Without limiting the generality of the foregoing, Grantee shall be responsible for complying with the requirements of the California Environmental Quality Act (“**CEQA**”) and satisfying, at Grantee’s sole expense, any and all mitigation measures under CEQA that may apply to Grantee’s proposed occupancy and use of the Easement Area, and to the construction, maintenance and use of Grantee’s proposed Improvements and facilities. Grantee shall promptly notify PG&E of any and all proposed mitigation measures that may affect PG&E or the Property. If PG&E determines in good faith that any such mitigation measures may adversely affect PG&E or the Property, or impose limitations on PG&E’s ability to use the Property as specified in Section 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 Property, or to any contamination or suspected contamination on, within or underlying the Property. Such notice shall include a complete copy of any order, complaint, agreement, or other document which may have been issued, executed or proposed, whether draft or final;

(d) Non-Interference. Grantee agrees not to interfere in any way or permit any interference with the use of the Property 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. 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 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 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 Property, 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 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 with the use by PG&E of the Easement Area and PG&E's adjoining lands; and

(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 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**"), which arise from or are in any way connected with the occupancy or use of the Easement Area by Grantee or Grantee's Representatives, or the exercise by Grantee of its rights hereunder, or the performance of, or failure to perform, Grantee's duties under this Agreement, including, but not limited to, Claims arising out of: (1) injury to or death of persons, including but not limited to employees of PG&E or Grantee (and including, but not limited to, injury due to exposure to EMFs and other Potential Environmental Hazards in, on or about the Property); (2) injury to property or other interest of PG&E, Grantee or any third party; (3) violation of any applicable federal, state, or local laws, statutes, regulations, or ordinances, including all Legal Requirements relating to human health or the environment, and including any liability which may be imposed by law or regulation without regard to fault; excepting only with respect to any Indemnitee, to the extent of any Claim arising from the sole negligence or willful misconduct of such Indemnitee. Without limiting the generality of the foregoing, Grantee shall, to the maximum extent permitted by law, indemnify, protect, defend and hold Indemnitees harmless from and against Claims arising out of or in connection with any work of improvement constructed or installed at or on, labor performed on, or materials delivered to, or incorporated in any improvements constructed on, the Easement Area by, or at the request or for the benefit of, Grantee. In the event any action or proceeding is brought against any Indemnitee for any Claim against which Grantee is obligated to indemnify or provide a defense hereunder, Grantee upon written notice from PG&E shall defend such action or proceeding at Grantee's sole expense by counsel approved by PG&E, which approval shall not be unreasonably withheld, conditioned or delayed.

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

(c) Grantee's use of the Property 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 five (5) days following the giving of written notice of termination to Grantee, unless within such time such failure is cured to the reasonable satisfaction of PG&E.

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

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

7. Abandonment, Termination. In the event Grantee abandons the facilities installed hereunder, this Agreement shall terminate and all of the easements and other rights of Grantee hereunder shall revert to PG&E. The non-use of such facilities for a continuous period of two (2) years, unless such 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 facilities and equipment installed pursuant to this Agreement as PG&E may specify. Upon any termination of this Agreement, Grantee shall execute, acknowledge and deliver to PG&E a quitclaim deed or such other 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. Subject to the provisions of Section 10 below, 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 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, the Property, 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 electric and gas transmission facilities on the Property. 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 twenty (20) 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. If no alternate location is available on the Property, this Agreement shall terminate.

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, as well as the deductibles and/or self-insurance retentions in effect from time to time (but PG&E agrees that it will not increase required coverage limits more often than once in any five-year period). All insurance required under this Agreement shall be effected under valid, enforceable policies issued by insurers of recognized responsibility, as reasonably determined by PG&E, and shall be written on forms and with insurance carriers acceptable to PG&E. Grantee is also responsible for causing its agents, contractors and subcontractors to comply with the insurance requirements of this Agreement at all relevant times (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 Property free and clear of all mechanics', material suppliers' or similar liens, or claims thereof, arising or alleged to arise in connection with any work performed, labor or materials supplied or delivered, or similar activities performed by Grantee or at its request or for its benefit. If any mechanics' liens are placed on the Property in connection with the activities or facilities set forth in this Agreement, Grantee shall promptly cause such liens to be released and removed from title, either by payment or by recording a lien release bond in the manner specified in California Civil Code Section 3143 or any successor statute.

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

If to PG&E:

Pacific Gas and Electric Company
3480 Buskirk Avenue, Suite 150
Pleasant Hill, CA 94523
Attention: Land Agent

With a copy to:

Pacific Gas and Electric Company
P.O. Box 7442, Mail Code B30A
San Francisco, California 94120
Attention: Wendy Coleman, Esq.

If to Grantee:

Roman Catholic Bishop of Oakland
2900 Lakeshore Avenue
Oakland, CA 94610-3614

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. This Agreement and the rights of Grantee hereunder are appurtenant to (i) the parcel of land described and designated Parcel 1 in the deed from Roman Catholic Bishop of Oakland to Roman Catholic Bishop of Oakland dated October 26, 2005 and recorded as Recorder's Serial Number 2005-0477013-00 in the Official Records of Contra Costa County, and (ii) the parcel of land described and designated Parcel 2 in the deed from Roman Catholic Bishop of Oakland to Roman Catholic Bishop of Oakland dated October 26, 2005 and recorded as Recorder's Serial Number 2005-0477012-00 in the Official Records of Contra Costa County, presently owned by Grantee (the "**Benefitted Property**"), and may not be separately assigned, transferred, conveyed or encumbered. Any purported assignment, transfer, conveyance or encumbrance violating the foregoing condition shall be void and of no effect.

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. **VENUE. PG&E AND GRANTEE AGREE THAT THE VENUE OF ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, INCLUDING ANY CLAIM OF INJURY OR DAMAGE, SHALL BE IN THE COUNTY OF SAN FRANCISCO, CALIFORNIA. THE COVENANTS OF THE PARTIES CONTAINED IN THIS SECTION 26 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.**

27. 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

ROMAN CATHOLIC BISHOP OF
OAKLAND, a California corporation

By: _____
Richard A. Gigliotti
Its: Real Estate Manager, Land Services

By: _____
Its: _____

Exhibits 1, A, B and C attached

EXHIBIT "1"

PG&E PROPERTY

(APN 051-170-010)

The portion of the parcel of land situate in the City of Antioch, County of Contra Costa, State of California, described in the deed from The Roman Catholic Archbishop of San Francisco to Arlington Properties Company, Ltd. recorded May 15, 1950 in Book 1557 of Official Records at Page 326, Contra Costa County Records, described as follows:

A strip of land of the uniform width of 40 feet lying 20 feet on each side of the line described as follows:

BEGINNING at a point on the course described as "North 0°08' East, 1131.8 feet" in the deed from the Roman Catholic Archbishop of San Francisco to Arlington Properties Company, Ltd., recorded May 15, 1950 in Book 1557 of Official Records at Page 326, Contra Costa County Records, distant thereon North 0°08' East, 740.00 feet from the southerly terminus of said course; thence South 89°52' East, 177.7 feet, more or less, to the west line of Viera Avenue, said west line being the west line of the strip of land described in the deed from Pacific Gas and Electric Company to the City of Antioch recorded January 23, 1991 in Book 16363 of Official Records at Page 382, Contra Costa County Records.

EXHIBIT A
DESCRIPTION OF EASEMENT AREA

EXHIBIT B

MAP OF EASEMENT AREA

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 \$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 \$1,000,000 per occurrence [and \$2,000,000 aggregate] 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 \$1,000,000 each accident for bodily injury and property damage.

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 including required endorsements.
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
Insurance Department - B24H
Post Office Box 770000
San Francisco, California 94177

Pacific Gas and Electric Company
3480 Buskirk Avenue, Suite 150
Pleasant Hill, CA 94523
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 or require complete certified copies at any time.

DO NOT RECORD THIS PAGE

Attach to LD 2102-02-1784

Area 2, East Bay Region, Diablo Division

Land Service Office: GO

Operating Department: Electric Transmission

T2N, R2E, MDB&M

Sec 20, N2ofSE4

PG&E Drawing Number: 204834

AF: LD 2102-02-0427

RE: LD 2102-02-1650

Ref LD: 2102-02-0420,

TYPE OF INTEREST: 11c

SBE Parcel Number: 135-07-32E-Pcl 4

PM #: 40278320 - 0011

JCN: 22-06-006

County: Contra Costa

Prepared By: TEP

ATTACHMENT 2

Map

ATTACHMENT 3
Appraisal Report

COPY

APPRAISAL REPORT OF
A 12.40 ACRE PARCEL
NEAR THE EASTERN BORDER OF
ANTIOCH, CALIFORNIA

smyers appraisal

real estate appraisal and consulting

June 22, 2005

Mr. Jim McCann
Diocese of Oakland
2900 Lakeshore Avenue
Oakland, CA 94610-3614

RE: 12.40 acre parcel near the eastern border of Antioch, California

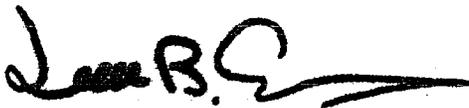
Dear Mr. McCann:

In response to your request, we have completed the following appraisal, which addresses the current market value of the fee simple interest in the proposed storm drain easement that is located on Contra Costa County Assessor's parcel 051-170-010 in the City of Antioch, California.

The purpose of this appraisal is to aid the Diocese of Oakland in purchasing an "underground pipeline easement". This appraisal is intended for the exclusive use of the Diocese of Oakland to be used in negotiations to purchase a proposed underground storm drain easement.

This appraisal has been prepared in compliance with the Uniform Standards of Professional Appraisal Practice and Code of Ethics of the Appraisal Institute. This report is intended as a complete appraisal presented in summary format.

Very truly yours,



Jesse B. Smyers, MAI

JBS/TK:kr

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Legal Description of Property	B
Map of Property	C

SUMMARY OF FACTS AND CONCLUSIONS

Subject Property Identification:

The subject property is a 12.40 acre parcel located north of California State Highway 4 and west of California State Highway 160, near the eastern border of the city of Antioch. The property is held in the name of Pacific Gas and Electric (PG&E). No legal description or Title Report for the subject property was provided to the appraiser. The subject is further identified as Contra Costa County Assessor's Parcel 051-170-010.

Intended Use of the Appraisal:

The purpose of this appraisal is to aid the Oakland Diocese in purchasing an underground drainage easement. A map showing the proposed location of the easement was provided to me, as well as a legal description of the easement. This appraisal is intended for the exclusive use of the Oakland Diocese to be used in negotiations to purchase a proposed underground storm drain easement from PG&E.

Neighborhood Analysis:

The subject property is located in the northeastern corner of the city of Antioch. The subject's neighborhood can be described as the area north of California State Highway 4, west of California State Highway 160, south of Wilbur Avenue, and east of Hillcrest Avenue. This area consists of vacant raw land with single family homes and some light industrial buildings.

Zoning:

The City of Antioch has zoned the property as PD-Planned Development.

General Plan Designation:

Public/Semi Public, City of Antioch

Census Tract:

3060.02

Flood Hazard Zone:

The subject property is located in a Zone C, as designated by FEMA Community Map Panel number 0600260002D (September 4, 1987). Area C is defined as "Areas of minimal flooding".

Site Analysis:

The subject larger parcel is a 12.40 acre site, which is "L" shaped. The property is owned by PG&E, who uses it as an above ground power line right of way. The site has 137.72 feet of frontage along East 18th Street and extends to the south to a maximum depth of 1,292.8 feet, before turning west and extending for another 2,248.3 feet. The site also has approximately 933 feet of frontage along Viera Avenue on its' eastern side. Access to the site is from either East 18th Street or Viera Avenue. The only improvements on the site are four overhead power line towers. The topography of the site is mostly level.

Improvement Analysis:

The only improvements are four overhead power line towers.

Highest and Best Use Estimate:

Based on the surrounding residential uses, I have assumed that were the subject property vacant the City would zone the site for residential use, which would be consistent with the surrounding uses. The highest and best use of the site would, therefore, be to combine the awkward shaped subject parcel with one or more adjacent parcels and develop the site with a residential use.

Final Value Estimate of the

Unencumbered Fee Simple

Interest of the Subject Property: \$1,490,000

Final Value Estimate of the

Fee Simple Interest, Subject to the

Proposed Underground Drainage

Easement: \$1,487,500

Final Value Estimate of the
Encumbered Portion of the Fee
Simple Interest of the Proposed
Easement (1,777 square feet): \$2,500

Date of Value: June 14, 2005

Date of Report: June 22, 2005

Exposure Time: 1 Year

Special Limiting Conditions: The above value estimate specifically ignores any hidden or unapparent environmental and/or adverse subsoil contamination or conditions, or any building materials which may have an impact on the development costs, marketability or mortgageability of the subject real estate.



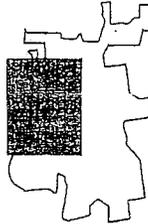
APPROXIMATE SCALE IN FEET
400 0 400

NATIONAL FLOOD INSURANCE PROGRAM

FIRM FLOOD INSURANCE RATE MAP

CITY OF ANTIOCH, CALIFORNIA
CONTRA COSTA COUNTY

PANEL 2 OF 6
(SEE MAP INDEX FOR PANELS NOT PRINTED)



PANEL LOCATION
COMMUNITY-PANEL NUMBER
060026 0002 D

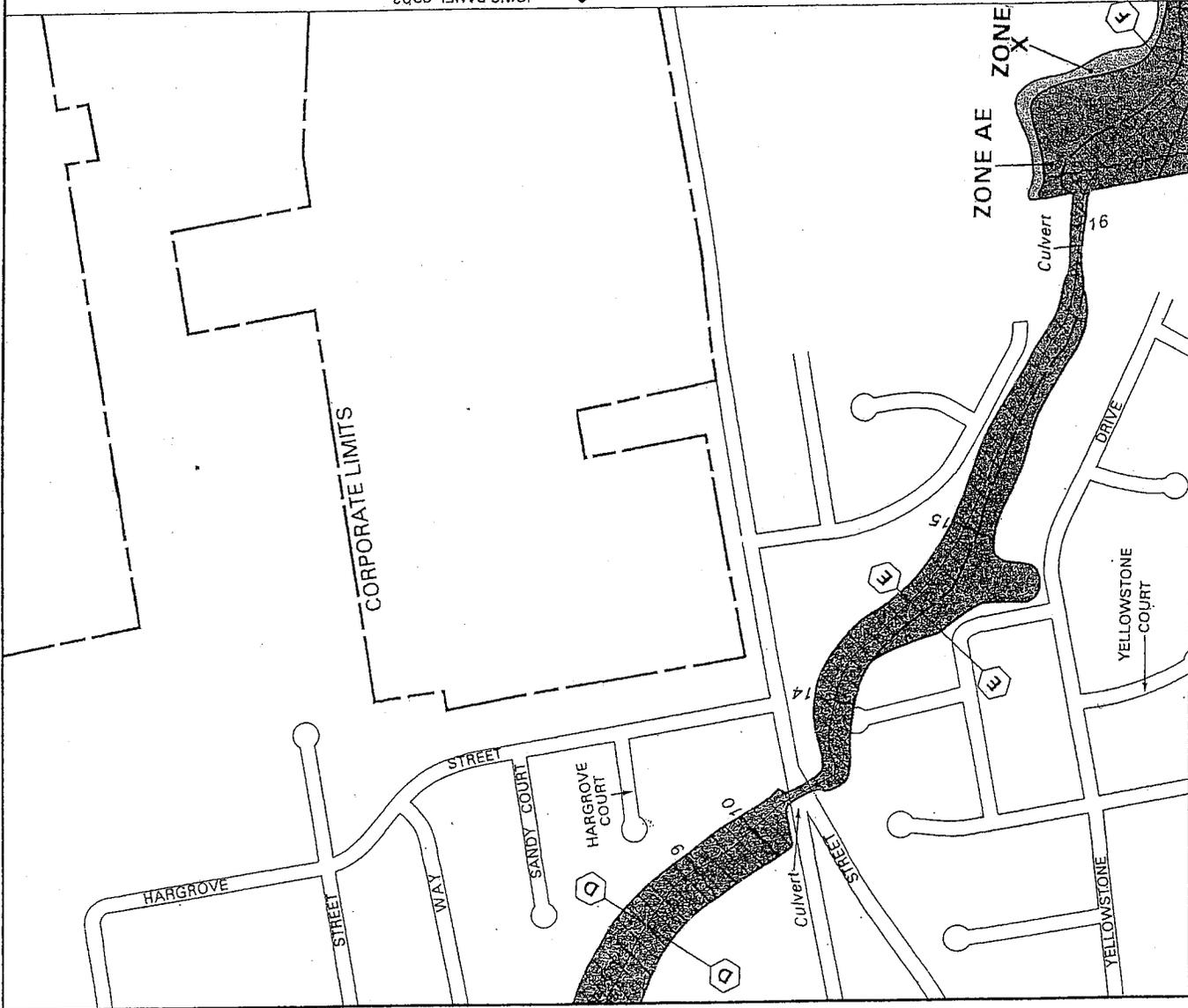
MAP REVISED:
SEPTEMBER 4, 1987

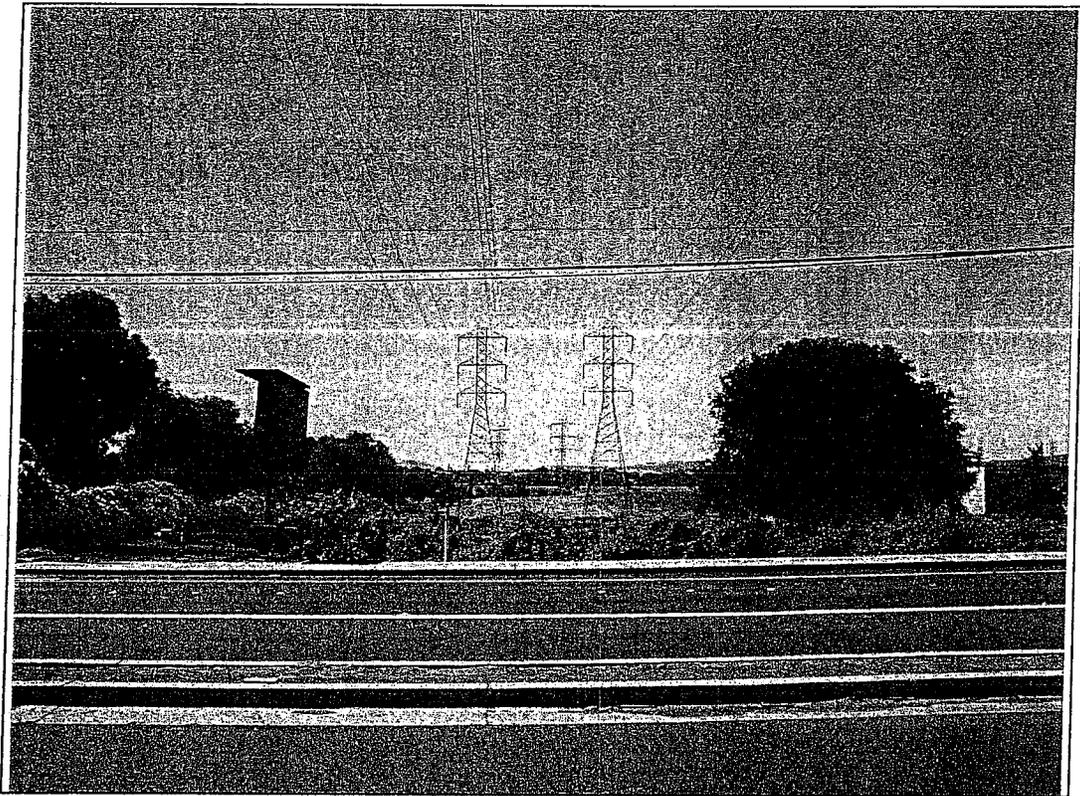


Federal Emergency Management Agency

This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at www.msc.fema.gov

JOINS PANEL 0003





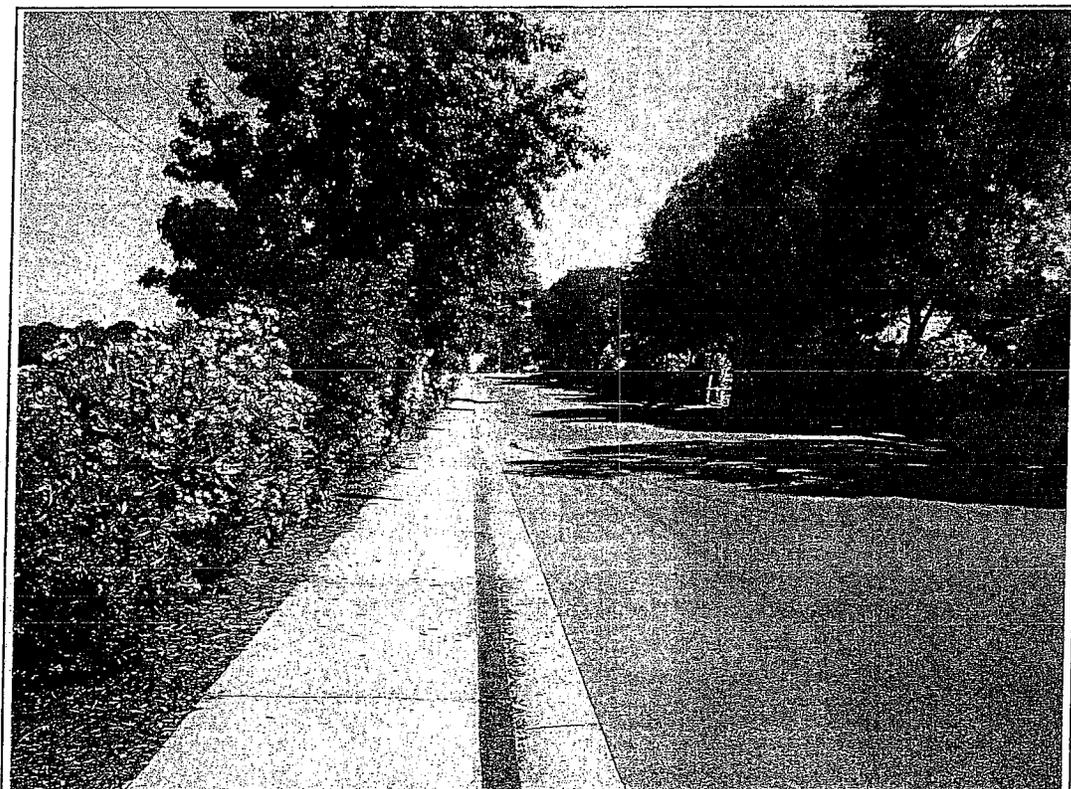
Subject access, looking south from East 18th Street.



View of Subject, looking south.



Subject property looking west, this is the approximate location of the easement.



View from Viera Avenue, looking north. The subject is on the left.

EFFECTIVE DATE AND PURPOSE

The effective date of this appraisal is June 14, 2005, which corresponds to the date of our inspection. The date of this appraisal report is June 22, 2005.

The purpose of this appraisal is to estimate the current market value of the fee simple interest in the proposed underground drainage easement that will be used by our client for a possible acquisition of a 1,777 square foot, underground drainage easement.

Definitions for terms such as market value and fee simple interest as well as others, are included in the addendum of this report.

INTEREST APPRAISED

In this appraisal, I have estimated the market value of the fee simple interest in the subject property subject of a proposed underground pipeline easement, subject to covenants, conditions, restrictions, rights of way, and easements of record. The proposed easement is ten feet wide and 177.7 feet long and is scheduled to be located near the subject property's eastern property line. The total easement area has been estimated to be 1,777 square feet.

A map and legal description showing the exact location of the easement was provided to me and can be found in the addenda of this report. No title report was provided to the appraiser for review. All data pertaining to the size and location of the easement was reported to me by the Diocese of Oakland.

SCOPE OF ASSIGNMENT

This appraisal report is intended to be an "appraisal assignment" as defined in the Standards of Professional Practice of the Appraisal Institute. That is, it is the intent that the appraisal service be performed in such a manner that the results of the analysis, opinion, or conclusion be that of a disinterested third party.

This is a complete appraisal, summary report.

It is the intent that all appropriate data deemed pertinent to the solution of the appraisal problem be collected, confirmed, and reported in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal

Foundation (except that the departure provision of the USPAP does not apply) and the Code of Professional Ethics of the Appraisal Institute. Furthermore, this appraisal is intended to be appropriate in relation to the significance of the appraisal problem.

The appraiser signing this report by virtue of his education and specific appraisal experience has the knowledge and experience to competently complete this appraisal assignment.

Activities undertaken during the course of this appraisal are as follows:

- A physical inspection of the subject property and surrounding neighborhood on June 14, 2005.
- Research and investigation of current market conditions relative to the property type being appraised, as well as the market sector with which the subject is identified.
- Interviews with brokers, appraisers, property owners and/or managers, as well as relevant public agencies or governing bodies.
- Collection, verification and analysis of market data and any other pertinent information necessary to the valuation process.
- And, compilation of the descriptions, reasoning and explanations leading to final value conclusions within this report.

IDENTIFICATION OF THE SUBJECT PROPERTY

The subject parcel from which the proposed easement will be acquired is a 12.40 acre site, located in northeast Antioch, California. The property is currently held in the name of the PG&E.

The subject larger parcel is a 12.40 acre site, which is "L" shaped. The property is owned by PG&E who uses it as an above ground power line right of way. The site has 137.72 feet of frontage along East 18th Street and extends to the south to a maximum depth of 1,292.8 feet, before turning west and extending for another 2,248.3 feet. The site also has approximately 933 feet of frontage along Viera Avenue on its' eastern side. Access to the site is from either East 18th Street or Viera Avenue. The only improvement on the site are four overhead power lines. The topography of the site is mostly level.

The Contra Costa County Assessor identifies the subject property as parcel 051-170-010.

PROPERTY HISTORY

There have been no known sales or transfers of the subject property within the past five years. The current use, as a PG&E right of way, is also the historical use of the site.

REGIONAL ANALYSIS

CONTRA COSTA COUNTY

The subject property is located in the City of Antioch, in eastern Contra Costa County. Contra Costa County is one of eight major counties comprising the greater Bay Area (the other counties being Marin, Napa, Solano, San Francisco, San Mateo, Santa Clara, and Alameda). It is bordered by Alameda County and San Pablo Bay to the west, Solano County and San Pablo Bay to the north, San Joaquin County to the east, and Alameda County to the south.

Contra Costa County is divided into approximately 30 towns or cities, not all of which are incorporated. It has the ninth largest population in the state and is one of the fastest growing counties in the San Francisco Bay Area. Contra Costa County has become the third most populous county in the Bay Area, behind Alameda and Santa Clara Counties. The current population is approximately 940,000 persons.

Between 1980 and 1990, Contra Costa County's population increased by more than 20%, with about 147,350 new residents. During this same time period, the county added approximately 104,000 new jobs, indicating a 52% growth rate, which was twice the growth rate for the overall Bay Area economy. Concord, San Ramon and Walnut Creek are the major business centers in Contra Costa County. About 73% of the new jobs added between 1985 and 1990 occurred in these three areas. As a result of the mid 1990's recession, Contra Costa County experienced a net job loss between 1990 and 1995. This job loss was relatively small, with about 5,400 fewer jobs in 1995 than in 1990. By mid 1997, the regional economy had regained strength with low unemployment and increasing real estate values. A very strong year of recovery for the regional economy was 1998, and real estate values surged in many markets.

During 1999 and 2000, the economy remained strong, with residential real estate values continuing to increase. By 2001 and 2002, the region's high technology companies were suffering from a declining stock market, and the depressed stock prices have resulted in contraction and lay offs, with a softening in some commercial real estate markets. Extremely low interest rates have helped stimulate demand for residential properties, and in many markets, residential values remain at or near all time highs, despite increased unemployment.

The northern portion of the county has 70 miles of shoreline accessible to ocean transportation and it is the site of some heavy industrial development in Richmond, Martinez, Pittsburg, and Antioch. The eastern section of the county was historically agricultural in nature, but over the last two decades it has seen considerable residential development. The central portion of the county including Concord, Pleasant Hill, Walnut Creek, Danville/Alamo, and San Ramon have traditionally been suburban "bedroom" communities for the cities of San Francisco and Oakland. During the 1980's, significant office and commercial growth occurred within the central area of Contra Costa County along the Interstate 680 (I-680) corridor. This growth was facilitated by the construction of the Bay Area Rapid Transit District (BART) in the mid 1970's. Additional factors contributing to Contra Costa County's growth during the 1980's was the availability of relatively inexpensive land providing sites for office and commercial development, as well as housing developments. The following is a summary of the historical and projected population growth for Contra Costa and some of the communities in the eastern portion of the county. This summary was furnished by the Association of Bay Area Governments (ABAG) 2002 *Projections*.

Population	1990 *	2000 *	2005 *	2010
Oakley	18,374 <u>40.6</u>	25,845 <u>18.0</u>	30,500 <u>10.2</u>	33,600
Brentwood	9,815 <u>148.5</u>	24,385 <u>27.5</u>	31,100 <u>21.5</u>	37,800
Antioch	63,062 <u>44.8</u>	91,293 <u>4.1</u>	95,000 <u>8.3</u>	102,900
Contra Costa County	803,732 <u>18.1</u>	948,816 <u>6.8</u>	1,013,200 <u>6.1</u>	1,074,500

(* % change period-to-period)

Transportation

Availability of a broad transportation network has been one of the key factors in the County's economic and population growth. Interstate 680, traverses the county from north to south as well as intersecting with State Highway 24 in Walnut Creek and State Highway 4 in Concord. State Highway 24, which bisects Orinda, heads west towards Oakland and the San Francisco Bay Bridge. State Highway 4 traverses the county in an east-west direction starting at Hercules in the west and extending to Discovery Bay in the east. Interstate 80 traverses the western portion of Contra Costa County in a north-to-south direction. Interstate 80 provides access to the Bay Bridge and connects with Interstates 680 and 780 in the north, providing access to Solano and Sacramento Counties.

The I-680 / Highway 24 corridors in central Contra Costa County have seen the completion in 2002 of an extensive improvement project which included new or revised interchanges at many locations. The 7-phase project included the widening of Interstate 680 from San Ramon in the south to Martinez in the north, as well as the reconstruction of the I-680/SH-24 interchange. The project was the largest reconstruction project in Northern California history. While the project helped reduce congestion along this important freeway corridor, traffic remains a problem during peak commute hours due to continuing residential growth along highway 680 and Highway 4.

In addition to its network of freeways, Contra Costa County is linked to the region by the BART system, which has stations in Alameda, Contra Costa and San Francisco Counties, while the Alameda-Contra Costa (AC) Transit, Tri-Delta Transit and the Greyhound Bus Lines provide bus service to points throughout the county and beyond. The BART system connects the County to Alameda County, San Francisco, Daly City and Colma in San Mateo County with two main lines, one from the San Francisco area to Richmond and the other to the Concord/Walnut Creek/Pittsburg area. The county airport at Buchanan Field in Concord is a private general aviation facility, and it has played an important role in the economic growth of the central Contra Costa County area.

Despite the extensive transportation system, the major transportation arteries remain heavily congested at peak commute periods. Lengthy commutes will continue to plague many of Contra Costa's workers in the foreseeable future. Growing residential centers in the eastern county, such as Antioch, Pittsburg, Oakley, and Brentwood are well removed from the major employment centers. Each of these communities has far more employed residents than jobs which contributes to the traffic congestion. This imbalance is expected to ease somewhat with increased employment opportunities in the east county in the next ten years.

Employment

The county's diversified economy helps make it the sixth most affluent county in California. The leading sources of this income are retail and wholesale trade, services, manufacturing, and government employment. Between 1990 and 2000, Contra Costa County gained 46,560 jobs for a 14.8% increase. This trend is anticipated to continue with a projected 58,030 new jobs created between 2000 and the year 2010 for a 22% increase. For the entire Bay Area, jobs are expected to increase by 471,360 between 2000 to 2010, representing a 12.6% increase. The following chart shows Contra Costa County's top employers.

Contra Costa County's Largest Employers

SBC (Pacific Bell)	11,800
U.S. Postal Service	10,600
County Government	8,090
Safeway	8,000
Bank of America	7,081
Chevron	6,586
Pacific Gas & Electric	5,200
Kaiser Permanente	4,730
Albertson's Stores	4,631
Wells Fargo & Co.	4,000

ABAG projects that the future will see a continued decentralization of new jobs away from the traditional urban cores. During the 1970's, approximately 13.0% of total Bay Area job growth was in San Francisco County. In the 1980's, this percentage dropped to 5.0% of the total job growth. Future employment growth is expected to occur primarily in the wholesale and retail and service industries.

Below is a table of total jobs in Contra Costa County and its eastern communities, from information provided by ABAG.

	<u>1990</u>	*	<u>2000</u>	*	<u>2005</u>	*	<u>2010</u>		<u>2015</u>
Brentwood	2,970	<u>77.1</u>	5,260	<u>0.1</u>	5,290	<u>30.2</u>	6,890	<u>27.0</u>	8,750
Antioch	13,980	<u>22.0</u>	17,060	<u>6.6</u>	18,190	<u>17.6</u>	21,400	<u>16.6</u>	24,950
Oakley	1,630	<u>140.5</u>	3,920	<u>8.7</u>	4,260	<u>23.0</u>	5,420	<u>27.9</u>	6,930
Contra Costa County	314,550	<u>14.8</u>	361,110	<u>6.6</u>	385,050	<u>8.9</u>	419,140	<u>6.2</u>	445,140

(* % change period-to-period)

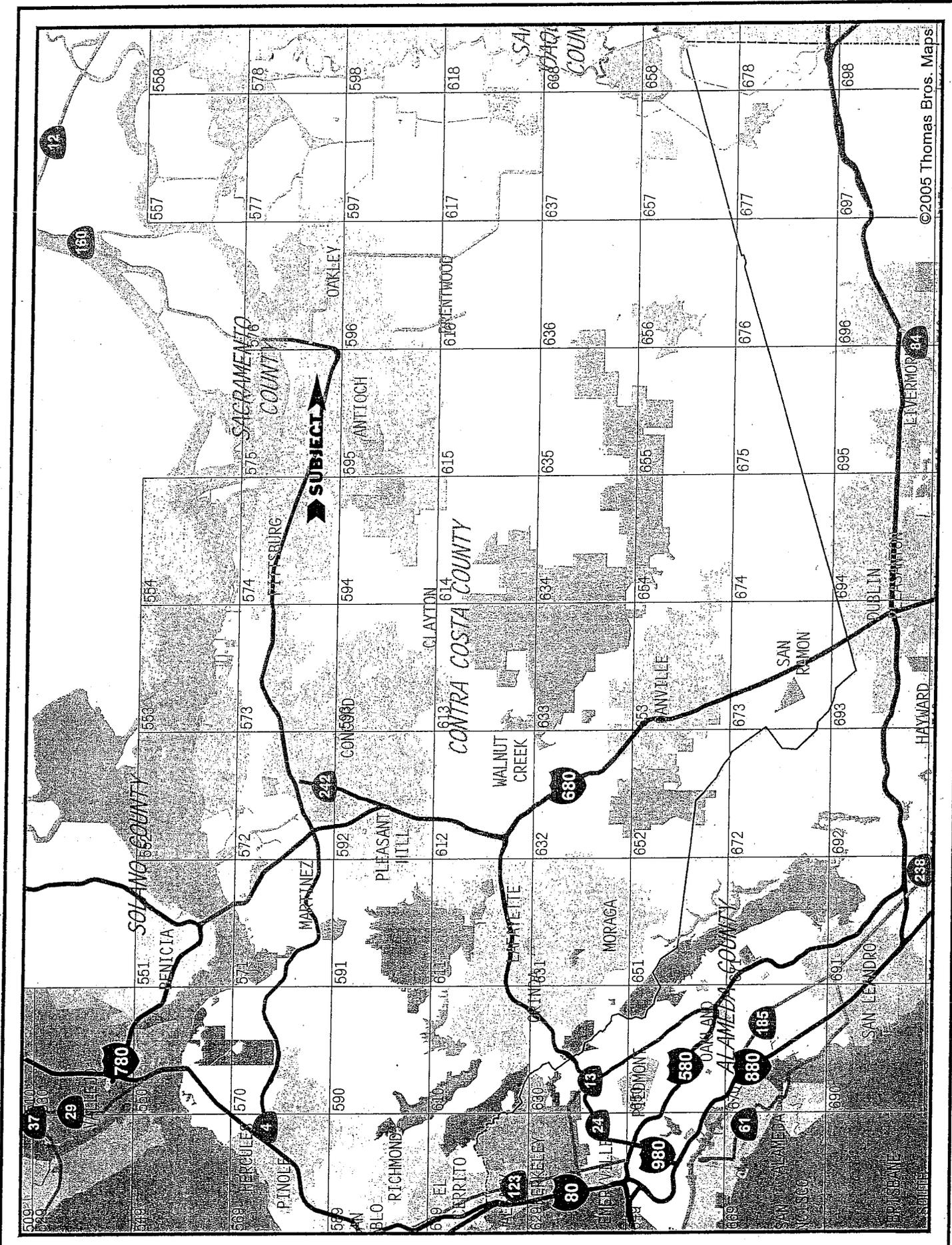
Unemployment Trends

The unemployment rate for Contra Costa County was 4.6% as of April 2005. During this same time period, the unemployment rates for Alameda and San Francisco counties were 4.9% and 4.8%, respectively. The state-wide average for the same time period was 5.2%.

Housing Trends

The San Francisco Bay Area has among the highest housing costs and rental rates in the nation. Contra Costa County, however, offers a wide variety of housing types, price and rental ranges, including some of the most affordable housing alternatives in the Bay Area. Since late 2000, interest rates have been very low by historic standards, and borrowers with good credit are often able to obtain conventional first mortgages at 5.75% to 7%. Spurred by low interest rates and despite the increase in unemployment and declining stock market since 2001, home prices have risen significantly in most areas of Contra Costa County over the past five years.

Much of the new construction in the county is located on agricultural land, which is in transition to residential use. The developing areas are generally located in eastern Contra Costa County, south of Highway 4, and in southern Contra Costa County, east of I-680. Another area of rapid development is the Dougherty Valley, east of San Ramon.



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Regional Map

Conclusion

Contra Costa County is expected to continue its' growth as a commercial and residential center, with the majority of the residential growth occurring in the eastern areas of the county. Significant office and commercial development along the Interstate 680 corridor in the 1980's provides a large employment base for its local residents. Consequently, the county is becoming increasingly urbanized, as evidenced by an increase in traffic along major highways.

CITY OF ANTIOCH

Antioch is an east Contra Costa County city located about 45 miles northeast of San Francisco. Antioch has traditionally been a blue-collar community; however, in recent years, the city has experienced a large increase in population.

As housing in the central Contra Costa County cities of Concord, Pleasant Hill and Walnut Creek have become less affordable, the availability of reasonably priced housing in Antioch has attracted many young families and middle-class buyers. With the regional prosperity between 1997 and 2001, many developers have shifted their product lines toward larger homes, priced in excess of \$500,000. In recent years interest rates have remained low, and home prices have remained at all time highs in most parts of Antioch.

Population

The California State Department of Finance estimated that the City of Antioch had a population of 99,300 as of January 1, 2003. This represents the third largest city in the county in terms of population. Antioch is expected to increase its population by 37% over the years 2000 to 2020. This represents the fourth highest percent change within the cities of Contra Costa County.

Transportation

Antioch is serviced primarily by the State Highway 4 freeway, a major east-west transportation link providing access to the Greater Bay Area to the west and to the Delta and Valley communities to the north and east, respectively. A BART (Bay Area Rapid Transit) station in west Pittsburg provides regional service to the east county area. Automobile transportation is the typical mode of transportation through the city, although, bus service is available through the County Connection, a bus service that connects Antioch with other east county communities, as well as with the central and southern portions of the county.

Commercial Development

Antioch's commercial base is predominantly in the retail and service industries, with some warehouse/manufacturing and agriculture/mining activities as well. As of 2000, approximately 69% of the city's job base includes retail and service employment, with the manufacturing and wholesale trade accounting for less than 10%. This trend is expected to continue, as it is predicted that in 2010, the retail and services sector will take up about 71% of the total job base, and manufacturing/wholesale comprising about 13%.

While residential development began in southeastern Antioch during the late 1980's, commercial development lagged behind. By the mid 1990's, retail development was underway, and by 2001 many of the well-located commercial properties had been developed. Development has included a Wal-Mart at Lone Tree Way and Hillcrest Avenue, Deer Valley Plaza at Lone Tree Way and Deer Valley, and an Orchard Supply Hardware on Lone Tree Way.

There is a 24-acre proposed business park on Somersville Road, just northwest of the subject property. This development is to be known as the Black Diamond Business Park, and the initial phase is to be comprised of 85,000 square feet of building area in two buildings.

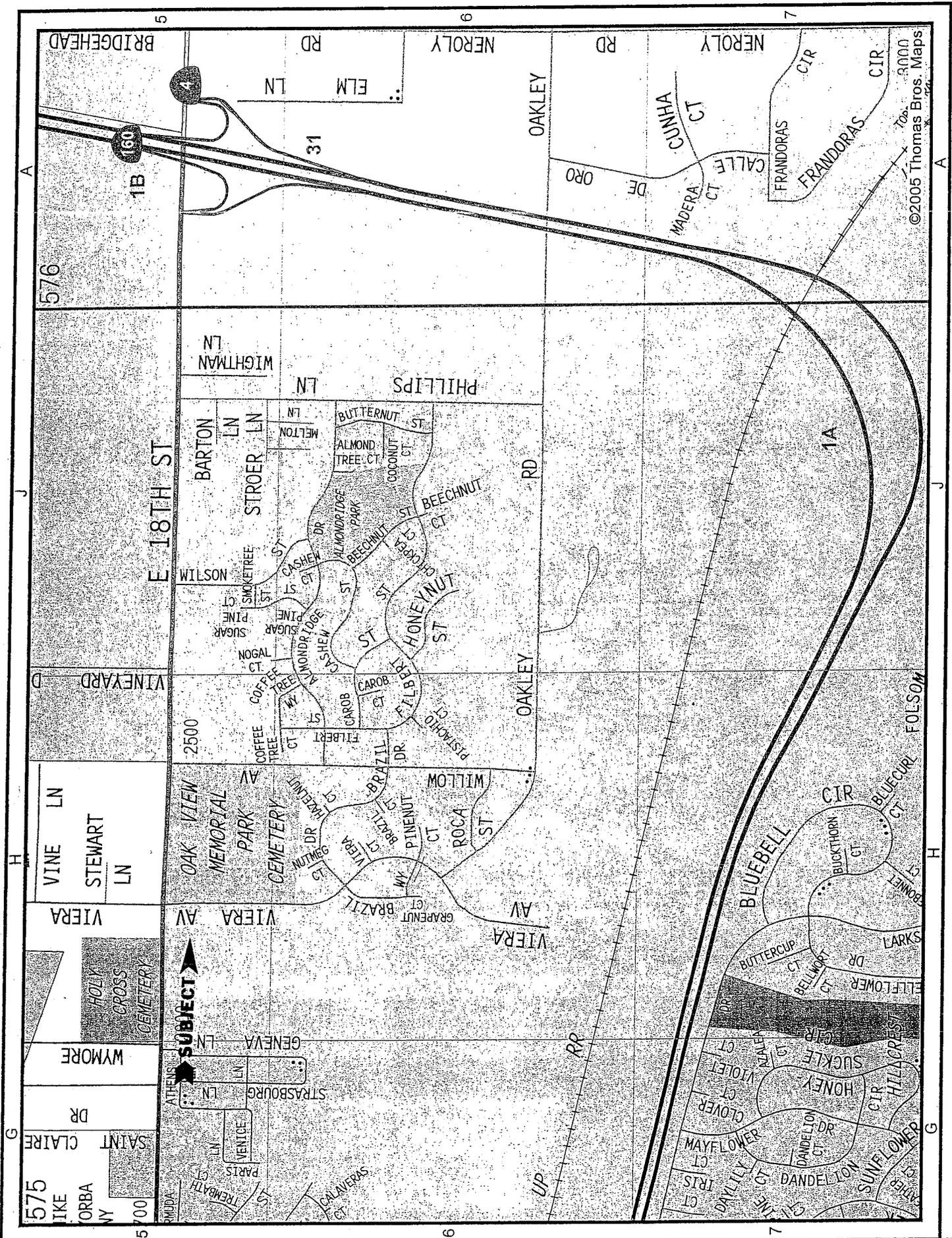
Conclusion

As the third largest community in the county in terms of population, Antioch continues to be a major source of affordable housing for the Bay Area. The hub of the east county, Antioch is well-located to also benefit from the surge in housing development from nearby Brentwood and Oakley, two other cities that are rising up to meet the demands of an affordable housing shortage. The city's major problem, along with neighboring east county communities, is keeping up with the required infrastructure and battling the increased traffic caused by the explosive growth.

NEIGHBORHOOD DESCRIPTION AND ANALYSIS

The subject is located in the northeastern portion of Antioch. Antioch is a bedroom community with most residents commuting to employment centers in central Contra Costa county, farther to the west. State Highway 4 provides the most important transportation link. The nearest BART station is located at Bailey Road and State Highway 4, about 10 miles from the subject. Some residents also commute over Kirker Pass Road to the southwest. From the southeast part of town, other residents commute to regional employment centers in Alameda County, via Vasco Road and Interstate 580.

The Association of Bay Area Governments (ABAG) estimates the mean household income (MHI) for the city of Antioch at \$73,800. For Contra Costa County as a whole, the estimated MHI for the year 2000 is \$86,500. All these figures are from ABAG's *Projections 2002* and are reported in



©2005 Thomas Bros. Maps
100' 3000'

Neighborhood Map

constant 2000 dollars. Compared to Pittsburg, Antioch benefits from a greater percentage of newer, larger and, as a result, more costly homes while Pittsburg's housing stock is generally smaller, older and less costly.

The subject property's neighborhood is bounded by Hillcrest Road to the west, Wilbur Avenue to the north, State Highway 4 to the south, and State Highway 160 to the east. Highway 4 is the major east/west highway of Contra Costa county. The highway provides good access to regional employment centers in central Contra Costa county, as well as access to Interstate 680 and 80 to the west and Interstate 5 to the east. Brentwood, a rapidly growing community to the southeast of Antioch, is also reached via Highway 4. The Union Pacific Railroad passes through the neighborhood in an east to west fashion. A park and ride parking lot is located near the corner of Hillcrest Road and Highway 4.

The subject neighborhood is a mixed use neighborhood which includes single family homes, light industrial uses and some commercial uses. Within the neighborhood boundaries of the subject there is a considerable amount of undeveloped land.

Neighborhood and community shopping centers are located along Hillcrest Road to the west. There are also some commercial and retail stores located along East 18th Street. Public uses in the area include Oak View Memorial Park Cemetery. There are no schools located in this area of Antioch.

Most new construction in the city of Antioch has been taking place in the western areas of Antioch. The subject's neighborhood has seen continued development along East 18th Street, including improving East 18th Street with a metered intersection and center median.

SITE DESCRIPTION AND ANALYSIS

Physical Description

The subject parcel from which the proposed easement will be acquired is a 12.40 acre site, located in northeast Antioch, California. The site is "L" shaped, with mostly level topography. The property is owned by PG&E who uses it as an above ground power line right of way. The site has 137.72 feet of frontage along East 18th Street and extends to the south to a maximum depth of 1,292.8 feet, before turning west and extending for another 2,248.3 feet. The site also has approximately 933 feet of frontage along Viera Avenue on its' eastern side. Access to the site is from either East 18th Street or Viera Avenue. The only improvement on the site are four overhead power lines. The topography of the site is mostly level.

The Contra Costa County Assessor identifies the subject property as parcel 051-170-010.

Off-Site Improvements

All public utilities are located to the site, at East 18th Street. It is unclear if the utilities run down the length of the site.

Soils and Drainage

No soils report was provided for the appraiser's review. My inspection of the site did not reveal any apparent surface conditions that would preclude the use of the site as currently developed. Soils and drainage are assumed to be adequate for the existing use.

The concluded value estimate specifically ignores any hidden or unapparent environmental and/or adverse subsoil contamination or conditions or any building materials which may have an impact on the utility, marketability or mortgageability of the subject real estate.

Easements and Encroachments

The subject property is a PG&E right of way, which limits the use of the property to parking, landscaping, etc. but does not allow any buildings on the site. Other than the existing use, as a right of way, the Contra Costa County Assessor's parcel map did not reveal any easements and/or encroachments which would adversely affect the subject's utility, marketability or value. No title report was presented for our review.

Access and Traffic Patterns

Currently, there are two access points to the site; one along East 18th Street, a major arterial road for this area and the other located along Viera Avenue. The site is located less than a mile west of State Highway 160 and State Highway 4, which are the major transportation links for this area. East 18th Street is a major east to west thoroughfare for this area.

Conclusions

This site is an "L" shaped site that is used as a PG&E right of way. Due to the existing use as an above ground power line right of way, most uses are not allowed. In addition to the limitations of the site because it is a right of way, the site's "L" shape further limits the potential uses of the site. Access to the site is considered to be good and the topography of the site is mostly level.

IMPROVEMENT DESCRIPTION AND ANALYSIS

General Description

The only on-site improvements are four overhead power line towers. For the purpose of this appraisal, I have valued the property as if there were no improvements on it. It should be noted that the location of the proposed easement would not interfere with an existing power line tower.

ZONING - LAND USE

Zoning Designation

The subject property is not zoned by the City of Antioch. However, a survey of the surrounding properties revealed that the surrounding parcels are zoned for Planned Development and residential uses.

General Plan Designation

Open Space - areas designated "Open Space" are intended to be left free of improvements. The subject has a generic zoning of open space which is given to right of ways such as the subject. If the site were not used as a PG&E right of way, it would most likely be given a General Plan designation that would be consistent with the surrounding uses. Based on the surrounding uses, I feel that were the site not used as a right of way it would most likely be zoned for single family housing.

Conformance

Currently, the subject is used as a PG&E right of way, which is a legal use of the site.

HIGHEST AND BEST USE

Highest and best use is defined as "The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." This analysis is applied to the property as though vacant and as improved. The as though vacant analysis will determine if the highest and best use is to leave the site vacant or to improve it. If the conclusion is to improve the site, an ideal improvement is also concluded. The as improved analysis compares the existing improvements to the ideal improvements.

The four tests or criteria applied in highest and best use analysis, both as though vacant and as improved are:

- 1) Legally permissible (conforming to zoning, general plan, and any other legal restrictions)
- 2) Physically possible (site topography, size, access, utilities, etc.)
- 3) Financially feasible (Is there market-demand for the site/improvements?)
- 4) Maximally productive (Which use that meets the first three tests will produce the highest return?)

AS THOUGH VACANT

Since the subject property is appraised as land only, only the highest and best use as though vacant will be explored. The subject is not currently zoned by the City of Antioch because it is taxed by the State. The site's General Plan designation is a generic designation given to the property because of its' current use as a PG&E right of way. As a result, I have assumed that were the site to be zoned by the City it would most likely conform with the surrounding uses. For the purpose of this appraisal, I have assumed the subject property would be zoned for residential use.

Legally Permissible

Based on a residential zoning, legal uses for the site would include developing the site with residential uses.

Physically Possible

The site's awkward "L" shape limits the usable area of the site. The topography of the site and the access are considered to be average for the neighborhood. The access, drainage and size of the site are typical to the neighborhood. All standard public utilities are available to the site, although it is unclear if they extend the length of the property. A major limiting factor of the site is the site's awkward shape, other than that it is an average sized parcel for the area.

Financially Feasible

The financially feasible use of vacant land is that use that would provide a positive return after the two previous tests for highest and best use have been met. Based on the site's assumed zoning for residential uses combining the subject property with adjacent land and developing it with residential use would be the most financially feasible use.

Maximally Productive

The maximally productive use of the site would be to develop the site with a residential use.

Conclusion

Based on the surrounding residential uses and the extraordinary assumption that were the subject property vacant, the City would zone the site for residential use, which would be consistent with the surrounding uses. The highest and best use of the site would, therefore, be to combine the awkward shaped subject parcel with one or more adjacent parcels and develop the site with a residential use.

THE APPRAISAL PROCESS

In the appraisal of real property, there are three basic approaches by which market data may be processed into an indication of value. These are the cost approach, the income approach and the sales comparison approach. The last approach, sales comparison, is the only appropriate approach to value for the subject property (vacant land). In the sales approach to value, it is important to select comparables that are similar with respect to location, size and use potential.

Approaches Used: In this report, only the Sales Comparison Approach to value is considered relevant to the subject property and will be explored.

SALES COMPARISON APPROACH

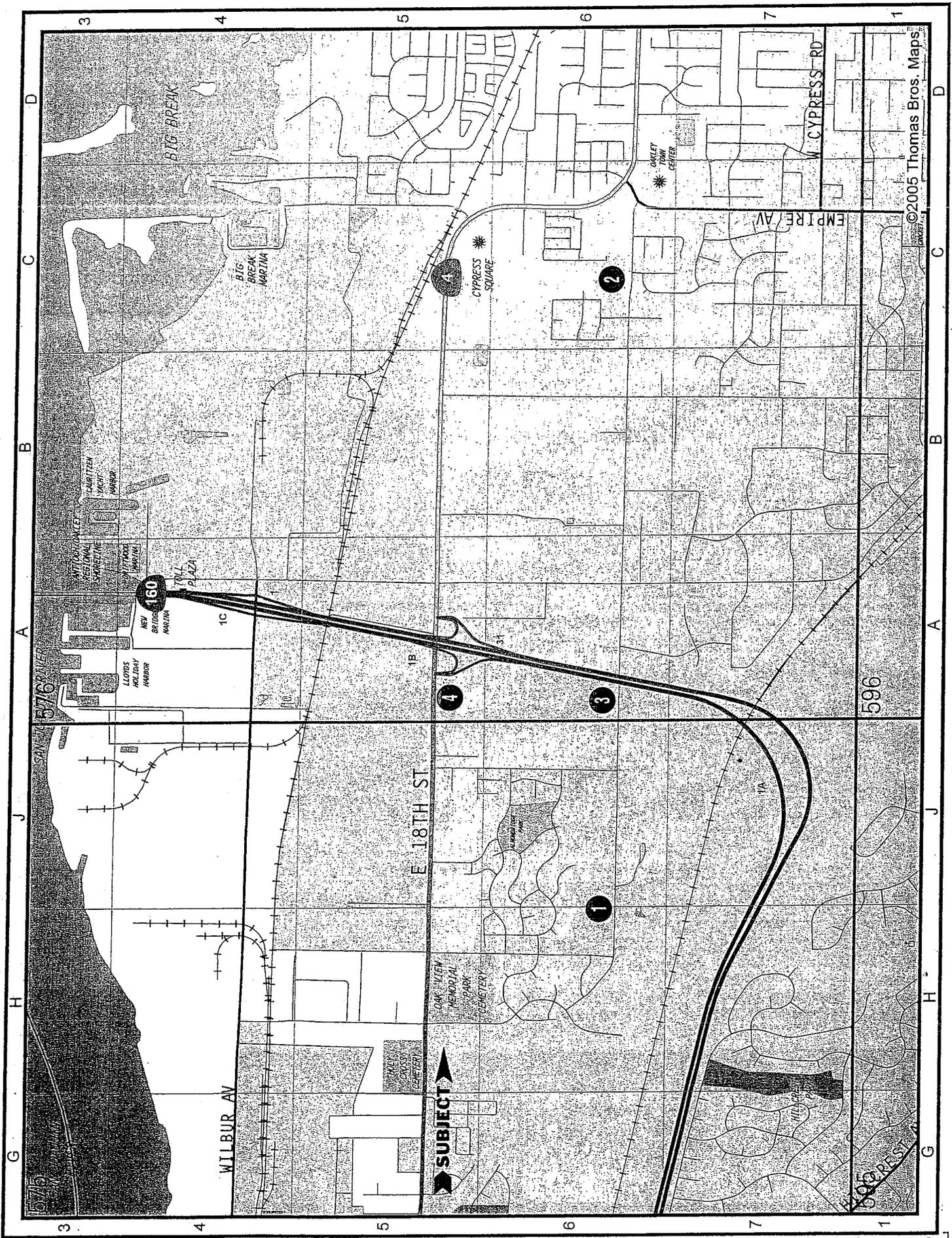
The Sales Comparison Approach is a method of comparing the subject property to recent sales, listings and offers of similar types of properties located in the subject's area or competing areas. The most comparable sales are analyzed based on the degree of comparability between the subject and the sales properties, the length of time since the sales transactions were completed, the accuracy of the sales data, and the absence of unusual conditions affecting the sales. Appropriate units of comparison are identified and compared to the subject property. The unit of comparison most mentioned by market participants is the price per acre.

For this appraisal, I have selected the most comparable land sales available. Because the subject property is not zoned by the city of Antioch, it is reasonable to assume that were it to be zoned it would be zoned with a consistent zoning of the neighboring parcels. For this reason, I have looked for comparables that are zoned for single family uses. I have selected several comparables that I have summarized on the following page to aid me in my estimate of value.

LAND COMPARABLES

#	Address/APN	Acres	Effective Price	\$/square foot \$/acre	Date Doc. No.	Grantor Grantee	Comments
	Sub. East 18th Ave. Antioch, 575-HS 051-170-010	12.4	N/A	N/A	N/A	N/A	The subject is an irregular "L" shaped site.
1	Oakley Rd. Antioch, 575-H6 051-180-014	5.56	\$400,000	\$1.65 \$71,942	Mar-00	Harvey Smith Fred Dillet	This sale was purchased to be developed with single family homes.
2	2200 Oakley Rd. Oakley, 576-C6 037-110-030	9.23	\$ 950,000	\$2.36 \$102,925	Oct-03 03-496504	Montevino Estates LLC Sachimi Higa	This is a rectangular shaped parcel with level topography. The site sold with no entitlements.
3	3415 Oakley Rd. Antioch, 576-A6 051-200-052	9.00	\$990,000	\$2.53 \$110,000	Nov-01	William & Donna Sexton First Assembly of God Lighthouse	Sold to be developed with a church. Zoning allows single family or multi family homes at 6-10 units per acre. Irregular shape, sloping over portions, close to freeway.
4	East 18th Street Antioch, 575-J6 051-200-025	14.28	\$ 1,800,000	\$2.89 \$126,068	Pending	Robert Condon	The subject is a narrow rectangular shaped site with level topography.

SMYERS APPRAISAL

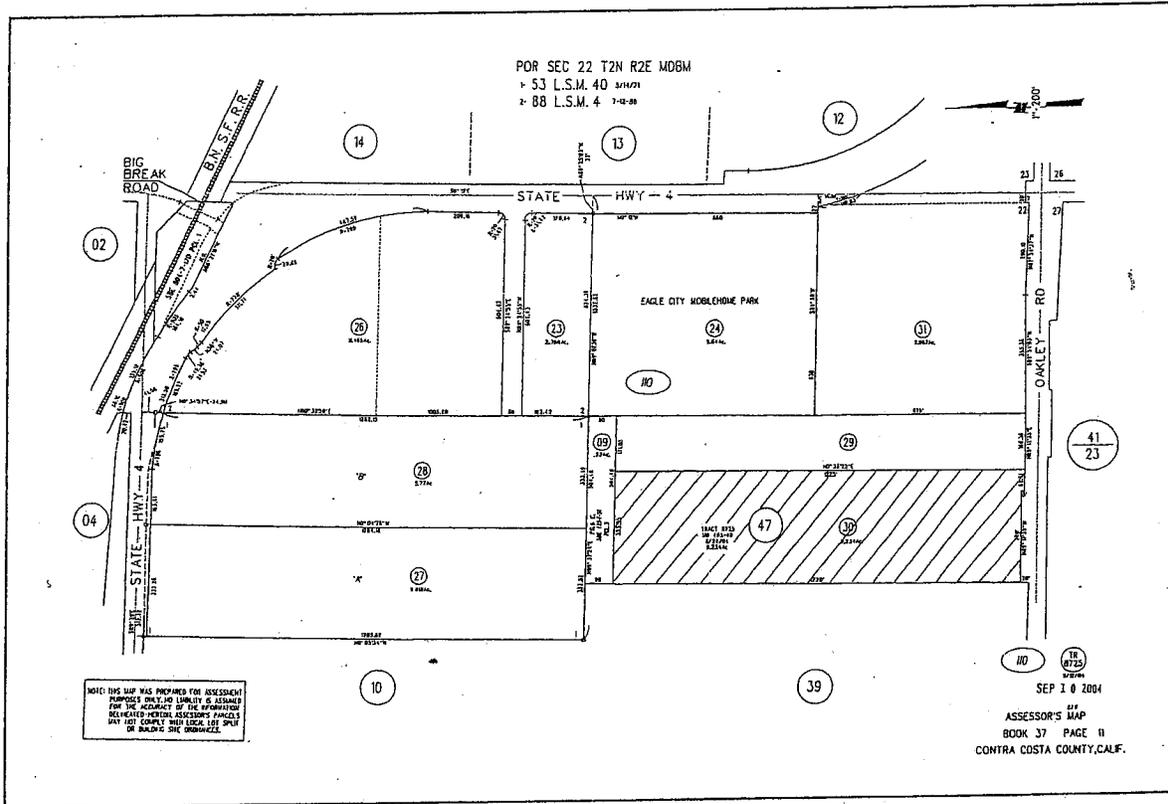


SUBJECT →

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Comparable Land Sales

LAND SALE NO. 2



Location: 2200 Oakley Road, Oakley

Buyer: Montevino Estates LLC

Assessor's Parcel: 037-110-030

Lot Size: 9.23 Acres

Financing: Cash to seller

Description: Narrow rectangular shape, level

TB Map: 576-C6

Source: Public Records; Assessors Office

Document #: 03-496504

Comments: This sale is zoned for light industrial use, which is the same as the subject property. This property has since sold again and is currently being improved with 48 single family homes.

Seller: Sachimi Higa, et al

Date of Sale: October 3, 2003

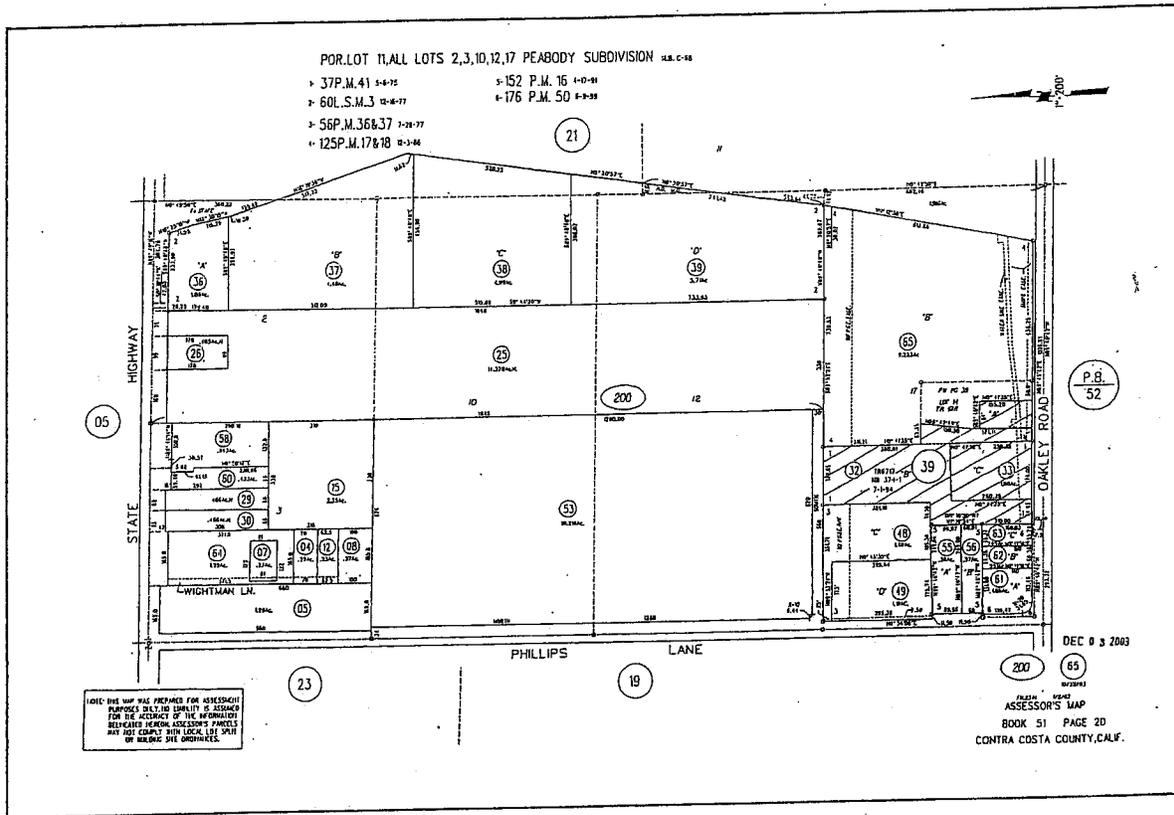
Sale Price: \$950,000

Price Per Acre: \$102,925

General Plan: Light Industrial

File 05-049

LAND SALE NO. 3



Location: 3415 Oakley Road, Antioch

Buyer: First Assembly of God Lighthouse

Assessor's Parcel: 051-200-052

Lot Size: 9.0 acres

Financing: Cash to seller

Description: Irregular shape, rolling

TB Map: 572-H6

Source: COMPS Inc.; Public Records; Assessors Office

Document #: 01-350136

Comments: The buyer intends to build a church on the site. The site has rolling topography.

Seller: M/M William E. & Donna Sexton

Date of Sale: 11/15/2001

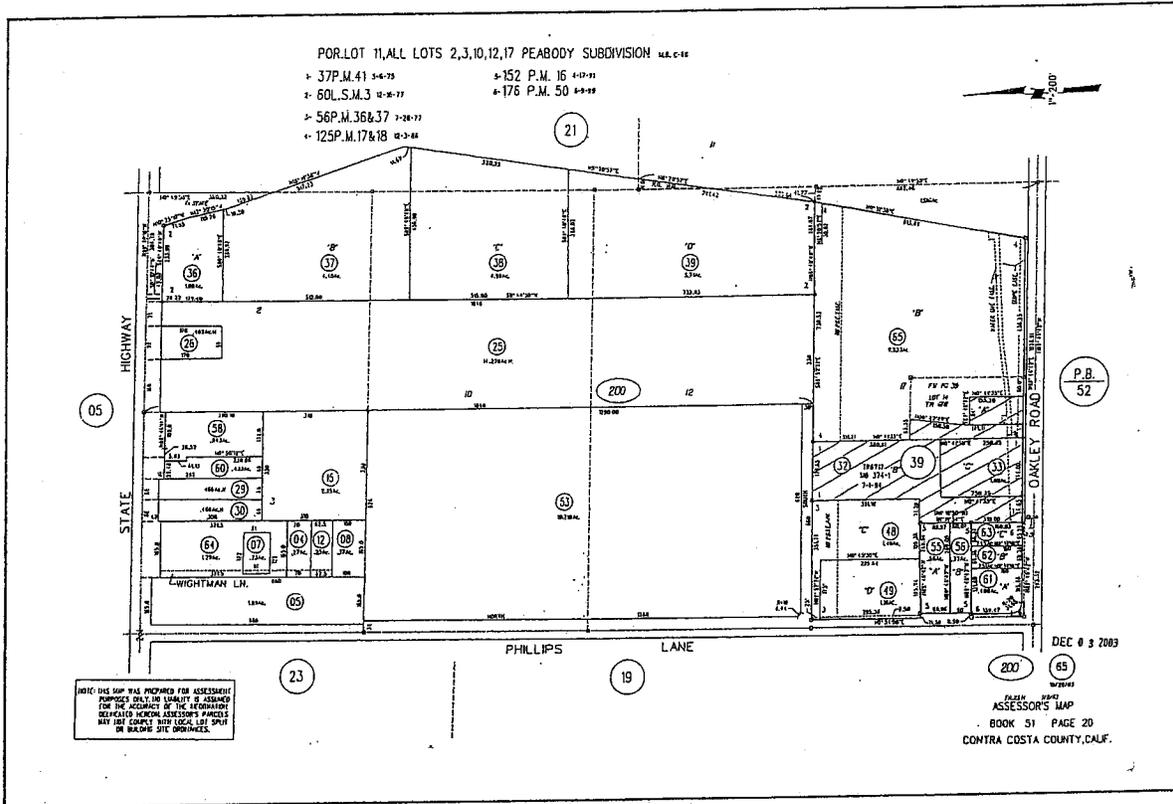
Sale Price: \$990,000

Price Per Acre: \$110,000

General Plan: R10, Antioch

File 05-049

LAND SALE NO. 4



Location: East 18th Street, Antioch

Buyer: Unknown

Assessor's Parcel: 051-200-025

Lot Size: 14.28 acres

Financing: Cash to seller

Description: Rectangular shape, rolling

TB Map: 575-J6

Source: Seller, Rober Condon ; Public Records ; Assessors Office

Document #: N/A

Comments: This is a pending transaction of land that has no entitlements. The site is zoned for industrial use but is surrounded by developing residential uses. The site has rolling topography.

File 05-049

DISCUSSION OF LAND COMPARABLES

Sale #1 (\$71,942 per acre) is a 5.56 acre site located along Oakley Road. This sale was included because of its' close proximity to the subject. The site is square in shape with rolling topography. It is zoned for medium density single family residential housing. At the time of this sale, a subdivision map for 16 single family homes on quarter acre lots had been proposed to the city of Antioch for this site. Since this sale, the site has been re-sold for development of single family homes.

Sale #2 (\$102,925 per acre) is a similar shaped, narrow, rectangular parcel that is located nearby in the city of Oakley. This site has the same zoning as the subject property, light industrial. This is the most recent sale of the three comparables. The site is 9.23 acres in size and has level topography. Since this sale, the site was re-sold in January 2004, to Richmond American Homes, who was able to get the zoning changed and has started construction on 48 single family homes, with an average lot size of 6,000 square feet.

Sale #3 (\$110,000 per acre) is low density residential land that shares a common property line with the subject. The site is located just south of the subject's southern boundary. This site has similar topography. Access to this site is inferior to the subject, as it is located further from the freeway on an off ramp. The site is bordered by Highway 4 on the east. The property is slightly irregular in shape and has slightly sloping topography. This site is below street grade, from Oakley Road. Buyer has since constructed a church on the site. No map was associated with this sale.

Sale #4 (\$126,068 per acre) is located in the subject's neighborhood just east of the subject. The site is 14.28 acres in size with mostly level topography and is rectangular in shape. This is a pending sale. The site is zoned for light industrial use but is in a residential neighborhood. Land to the west of this site is being developed with a single family subdivision by Kaufman and Broad.

ANALYSIS OF SALES DATA AND INDICATION OF MARKET VALUE

All of the comparables are located in similar neighborhoods to the subject and benefit from superior shapes. All of the comparables are smaller than the subject except for Sale #4, but are still considered to reflect similar property values. The comparables have prices ranging from \$72,000 per acre to \$126,000 per acre (rounded).

Sale #1 sets the low end of the range of the comparables. This sale is the oldest sale and it is expected that it would sell at a premium in today's market. The location and topography of this sale is similar to the subject. The site is zoned for single family homes, which is generally a superior zoning. In order to account for the change in the real estate market since the date of this transaction, I have adjusted this sale up by 25%. This yields an adjusted sales price of \$90,000 per acre ($\$71,942 * 1.25$, rounded).

Sale #2 is located in the neighboring city of Oakley. This location is considered to be similar to the subject, but is further from the freeway access. I have adjusted this sale up by 10% to account for the change in the real estate market since the date of this transaction. This yields an adjusted sales price of \$110,000 per acre ($\$102,925 * 1.1$, rounded).

Sale #3 is located east of the subject property. This sale has identical topography and is located in the same neighborhood as the subject. Access to this property is considered to be inferior, because it has no frontage along East 18th Street and is a further distance from the freeway. This is an older sale that I would expect to sell at a premium in today's market. I have adjusted this sale up by 15% to account for the change in the real estate market since the time of this sale. This yields an adjusted sales price of \$125,000 per acre ($\$110,000 * 1.15$, rounded). This sale benefits from zoning that allows single family homes or even multi-family homes. This zoning allows the property to be improved with a maximum of 6-10 single family homes per acre. Single family homes are currently in strong demand in this area.

Sale #4 is a pending sale but is considered to be a good indicator of value for the subject. This sale sold with no entitlements and is located in the same neighborhood. Due to the recent transaction date of this sale, I have made no adjustments.

The above sales represent what I determined to be the best of many comparables that were reviewed for the purpose of this appraisal. For the purpose of this appraisal, the land is valued on an as is basis given its' current use. No consideration is given to any value that could be added as a result of an approved development plan or other superior entitlements. These sales provide an adjusted per acre range of \$90,00 to \$126,000. Out of these three comparables, I feel that Sales #2, #3 and #4 are the most similar to the subject property. These sales provide an adjusted range of \$110,000 to \$126,000 per acre.

In arriving at a conclusion of value for the subject property, it is important to keep in mind that the site is a large, awkward shaped property, which faces many obstacles before it can be developed. The location of the property is considered to be superior to most of the comparables because of its' close proximity to the freeway on and off ramps, as well as its' good frontage along East 18th Street. The sales listed above are the best measures of value for the subject property and suggest an "As Is" market value for the subject of \$120,000 per acre. Next, I will address the unencumbered and the encumbered value of the subject property, based on the proposed easement.

Final Value Estimate - Unencumbered Fee

The forgoing data and analysis has addressed the market value of the fee simple interest in the 12.40 acres of land held in the name of PG&E. The final estimated market value is that value which most nearly represents what the typical informed purchaser would pay for the subject property if it were available for sale on the open market as of the date of the appraisal, given all the data utilized by the appraiser in this analysis. The date of valuation is June 14, 2004. For the purpose of this appraisal, I have used a Sales Comparison Approach to value the property.

Based on the above comparable sales, I have reconciled to a value of \$120,000 per acre for the subject's 12.40 acres of land. This estimate assumes the land is unencumbered by the proposed underground drainage easement; \$1,490,000 (\$120,000 x 12.40 acres rounded).

ONE MILLION FOUR HUNDRED AND NINETY THOUSAND DOLLARS

-\$1,490,000-

Value Analysis - Subject to Proposed Underground Drainage Easement

In this section of the appraisal, I will estimate the value of the subject's 12.40 acre parcel subject to the proposed underground easement.

The value of any property is a function of its' potential utility. The value estimated above in this report of \$1,490,000 assumes an unencumbered fee interest. The interest addressed here is the fee simple interest which will allow an underground drainage easement to cross the property in an east to west fashion. The uses allowed over the easement would include open space, parks and playgrounds, roads, and parking lots to complement adjacent development, but would not allow construction of any type of building. The value of the land is, therefore, reduced to something less than the value of the unencumbered fee interest.

I have spoken with individuals who have been in the business of buying easements for purposes ranging from underground pipelines to access easements and overhead power line easements. I have also valued many easements for agencies and private interests. Underground easements are often purchased for amounts ranging from 10% to 50% of their fee value. I have found, however, that developers have paid up to 100% of the land value for utility and access easements in residential areas; this is more likely for small easements.

For the purpose of this appraisal, the land is valued on an "As Is" basis given its' current use. No consideration is given to any value that could be added as a result of an approved development plan or other superior entitlements.

The value lost to the fee holder is that he will not be able to build any permanent structures on the affected portion of the subject property. The area that would be affected by the proposed underground easement is equal to 0.003% of the total land area of the property. However, the location of the easement does cross the property in a central location.

Were this property to be developed at some time in the future, the location of this easement would have to be planned around. Although it could still be landscaped, no improvements are allowed on the site. It is my opinion that the narrow width of the easement, 10 feet wide, would have little affect on developing the property or the over all value of the site.

The proposed easement covers an area of 1,777 square feet. The following analysis is based on my previous per acre value estimate of \$120,000 per acre. To estimate the value of the easement, I have taken the above per acre estimate of value of \$120,000, and divided it by 43,560 (the number of square feet in an acre) square feet to get the price per square foot of \$2.75. Multiplying this by 1,777 square feet (the size of the proposed easement) yields an average land value for the 1,777square feet, assuming it is unencumbered of \$5,000 (1,777 square feet * \$2.75, rounded). Next, I discounted the value to account for the loss of value due to the restricted allowable uses of the land. Based on my experience, I have discounted the market value by 50% to reach a value for the encumbered land. This yields an estimated market value of the encumbered portion of the land of \$2,500 (\$5,000 *50%, rounded). In conclusion, my final value estimate for the 1,777 square feet area that will be affected by the proposed easement is \$2,500.

TWO THOUSAND FIVE HUNDRED DOLLARS

-\$2,500-

With this estimate, I can now back into an estimate of value for the total encumbered value of the subject property. Based on our above conclusions, I have concluded with a value for the encumbered value of the subject property of: \$1,487,500 (\$1,490,000 - \$2,500, rounded).

ONE MILLION FOUR HUNDRED EIGHTY SEVEN THOUSAND

FIVE HUNDRED DOLLARS

-\$1,487,500-

STATEMENT OF LIMITING CONDITIONS

CONTINGENT AND LIMITING CONDITIONS

The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The appraiser has made no survey of the property.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.

Statement of Limiting Conditions (cont'd)

7. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.

8. The appraiser has based his appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.

9. This study is to be used in whole and not in part. No part of it shall be used in conjunction with any other appraisal. Publication of this report or any portion thereof without the written consent of the appraiser is not permitted.

10. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the authors, particularly as to valuation conclusions, the identity of the appraiser or firm with which they are connected, or any reference to the Appraisal Institute.

11. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity 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 Act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible noncompliance with the requirements of ADA in estimating the value of the property.

APPRAISER'S CERTIFICATION

The undersigned appraiser certifies and agrees that to the best of my knowledge and belief:

1. The statements of fact contained in this appraisal report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. I have made a personal inspection of the property that is the subject of this report.
8. Trentin Krauss provided appraisal assistance in the preparation of this report.
9. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The Appraisal Institute conducts a program of continuing education for its designated members. As of the date of this report, Jesse B. Smyers has completed the requirements of the continuing education program of the Appraisal Institute.

Appraiser's Certification (cont'd)

11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its authorized representatives.



Jesse B. Smyers, MAI
SCREA No. AG004147

June 22, 2005

JESSE B. SMYERS, MAI
1870 Olympic Boulevard, Suite 105
Walnut Creek, CA 94596-5067
(925) 947-1140
jesse@smyersappraisal.com

EXPERIENCE

Mr. Smyers has 32 years experience as a real estate appraiser. Appraisal assignments have covered a wide range of existing and proposed properties, including residential developments, offices, industrial, retail, raw acreage, and special purpose properties. His clients include individuals, attorneys, lenders, and public agencies. Mr. Smyers has often testified in court as an expert witness with regard to real estate value.

1985 to Present	President, Smyers Appraisal Inc. Walnut Creek, California
1983 to 1985	Vice President/Manager, Commercial Appraisal Dept. American Savings and Loan Association
1979 to 1983	Associate Appraiser The Fordiani Company
1972 to 1979	Associate Appraiser Contra Costa County Assessor's Office

EDUCATION

University of California @ Davis, B.S. - Economics, 1969.

Appraisal Institute

Courses:

Real Estate Appraisal Principles
Capitalization Theory & Techniques (A & B)
Case Studies in Real Estate Valuation
Standards of Professional Practice
Real Estate Investment Analysis
Advanced Applications

Seminars:

Investment Analysis
Subdivision Analysis
Valuation of Syndicated Property and Partnership Interests
The Money Market and its Impact on Real Estate
Contemporary Appraising of Income Properties
Easement Valuation
Report Writing
The Dynamics of Office Building Appraisal
Detrimental Conditions
Appraisal of Non-Conforming Uses
Case Studies in California Eminent Domain

JESSE B. SMYERS, MAI

EDUCATION (continued)

California State Board of Equalization

Course II Residential Cost Estimating
Course III Market Approach to Value
Course IV Income Approach to Value

International Right-of-Way Association

Course: Appraisal of Partial Acquisitions - Course 401

California Society of CPAs

Seminar: Advanced Estate Planning

TEACHING, SPEAKING AND PUBLICATION

Instructor, Diablo Valley College, Real Estate Appraisal II, 1993 & 1994
Instructor, Appraisal Institute Seminar on Eminent Domain, 1995
Speaker at the Valley Seminar, April 1982 - "Small Office Building Appraisal"
Article Published: "Diminution in Value of Single Family Homes"
Contra Costa Lawyer, January 1995

PROFESSIONAL CREDENTIALS

Appraisal Institute, MAI - Certificate No. 6594

Chapter Offices: Board of Directors 1990-1992
Chapter Committees: Admissions Chairman 1989, 1991
Communication Development/Chairman 1983
Education/Chairman 1988
Seminars Chairman 1995
Regional Committees: Regional Professional Standards
Experience Review Committee
National Committees: National Board of Examiners

Certified General Real Estate Appraiser - State of California No. AG004147
Real Estate Broker - State of California
Member - The International Right-of-Way-Association

TESTIMONY

U. S. District Court, San Francisco, California
Superior Court, Alameda, Contra Costa and Solano Counties, CA
Federal Bankruptcy Court, Las Vegas, Nevada; Oakland, CA
Arbitration hearings and numerous depositions

LIST OF CLIENTS

Antioch Unified School District
Assoc. of Bay Area Governments (ABAG)
Assoc. Right of Way Services
Bank of Walnut Creek
Bank of the West
Bardellini, Straw & Cavin
Bay Area Rapid Transit District (BART)
Blanding, Boyer & Rockwell
Bold, Polisner, Maddow, Nelson & Judson
California Dept. of Transportation
Calpine
CalTrans
Chicago Title/Fidelity Title
Citicorp
Cities of: Alameda, Antioch, Brentwood,
Clayton, Concord, Danville, Dublin, El Cerrito,
Fremont, Hercules, Lathrop, Oakdale, Oakland,
Orinda, Pittsburg, Pleasant Hill, Richmond, San
Leandro, Tracy, Walnut Creek
Civic Bank of Commerce
Comerica Bank
Contra Costa County Redevelopment Agency
Contra Costa County Sanitary District
Contra Costa Water District (CCWD)
Crosby, Heafey, Roach & May
East Bay Municipal Utility District
East Bay Regional Park District
Equitable Life Insurance Company
First American Title Guaranty Company
Fremont Bank
GMAC
Gagen, McCoy, McMahon & Armstrong
Gordon, DeFraga, Watrous & Pezzaglia
Internal Revenue Service
Liberty Union High School District
Los Vaqueros Project (CCWD)
McNamara, Dodge, Ney, Beatty, Slattery
Miller, Starr & Regalia
Muir Heritage Land Trust
Oakland Unified School District
Port of Oakland
Prudential Insurance Company of America
Reed Smith LLP
San Ramon Valley Consolidated Fire Dist.
San Ramon Valley Unified School District
Save Mount Diablo
Schofield & Schiller
A. D. Seeno Construction Company
Smith, Lally & Peffer
Solano County
Stone & Youngberg
Sumitomo Bank
Sutro and Company
Tracy Public Schools
Turner, Huguet & Adams
U. S. Army Corps of Engineers
USBancorp/Piper Jaffray, Inc.
USBank
U. S. Bankruptcy Court
Wells Fargo Bank
Westamerica Bank
World Savings

Please call for specific individual references

PRINCIPAL CALIFORNIA ASSIGNMENT LOCATIONS

COUNTIES: Alameda, Contra Costa, Napa, San Joaquin and Solano

EXHIBIT A

DEFINITIONS OF TERMS

The following definitions are reprinted from the *Uniform Standards of Professional Practice* as promulgated by the Appraisal Standards Board of The Appraisal Foundation or *The Dictionary of Real Estate Appraisal*, which is published by the Appraisal Institute.

Market Value

“Market value is the major focus of most real property appraisal assignments; developing an estimate of market value is the purpose of most appraisal assignments. The current definition of market value was first formally identified by Adam Smith and has been continually refined.”

Market value as employed in this report is defined as follows:

“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:

- a. buyer and seller are typically motivated;
- b. both parties are well-informed or well-advised, and acting in what they consider their own best interests;
- c. a reasonable time is allowed for exposure in the open market;
- d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e. 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.”

Cash Equivalent

“A price expressed in terms of cash, as distinguished from a price expressed totally or partly in terms of the face amounts of notes or other securities that cannot be sold at their face amounts.”

Condominium

“A form of fee ownership of separate units or portions of multi-unit buildings that provides for formal filing and recording of a divided interest in real property, where the division is vertical as well as horizontal; fee ownership of units in a multi-unit property with joint ownership of common areas.”

Dedication

“A voluntary gift by the owner of private property for some public use, e.g., the dedication of land for streets and schools in a development.”

Fee Simple Estate

“Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation.”

Floor Area Ratio

“The relationship between the aboveground floor area of a building and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the floor area of a building is twice the total land area.”

Leased Fee Estate

“An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; usually consists of the right to receive rent and the right to repossession at the termination of the lease.”

Leasehold Estate

“The right to use and occupy real estate for a stated term and under certain conditions; conveyed by a lease.”

Right of Way

“A privilege to pass over the land of another in some particular path; usually an easement over the land of another; a strip of land used in this way for railroad and highway purposes, for pipelines or pole lines, and for private or public passage.”

EXHIBIT B

EXHIBIT A

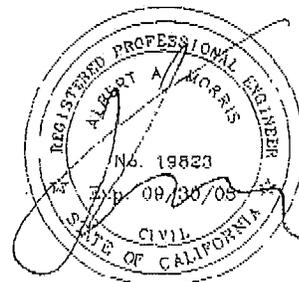
All that certain real property situate in the City of Antioch, County of Contra Costa, State of California, being a portion of the southwest ¼ of Section 20, Township 2 North, Range 2 East, Mount Diablo Base and Meridian, described as follows:

A portion of the parcel described in the deed from the Roman Catholic Archbishop of San Francisco to Arlington Properties Company, Ltd., recorded May 15, 1950 in Book 1557 of Official Records at Page 326, Contra Costa County Records, described as follows:

An easement 10.00 feet in width, for the construction, usage, maintenance, repairs and replacement of storm drainage facilities, the centerline of which is described as follows:

BEGINNING at a point on the course described as "North 0°08' East, 1131.8 feet" in the deed from the Roman Catholic Archbishop of San Francisco to Arlington Properties Company, Ltd., recorded May 15, 1950 in Book 1557 of Official Records at Page 326, Contra Costa County Records, distant thereon North 0°08' East, 740.00 feet from the southerly terminus of said course; thence South 89°52' East, 177.7 feet, more or less, to the west line of Viera Avenue.

Containing an area of 1,777 square feet, more or less.





Scale: 1" = 200'

EAST 18TH ST.

HOLY CROSS CEMETARY
APN 051-170-040

P.O.B.

S89°52'E
177.7±

10'

VIERA AVE.

HOLY CROSS CEMETARY
APN 051-170-041

740.00'

N008°E 1,131.8' REC

PG & E

(ARLINGTON PROPERTIES 1557 OR 326)

D:\DRAWINGS\2003.073.00 Holy Cross Cemetery Orange\03-073 PLAT.DWG



Leptien, Cronin, Cooper, Morris & Poore, Inc.

dba LCC, Inc.

Civil Engineering - Land Surveying

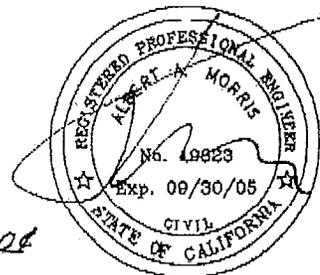
930 Estudillo Street
Martinez, California 94553-1620
(925) 228-4218 Fax (925) 228-4638

November 10, 2004

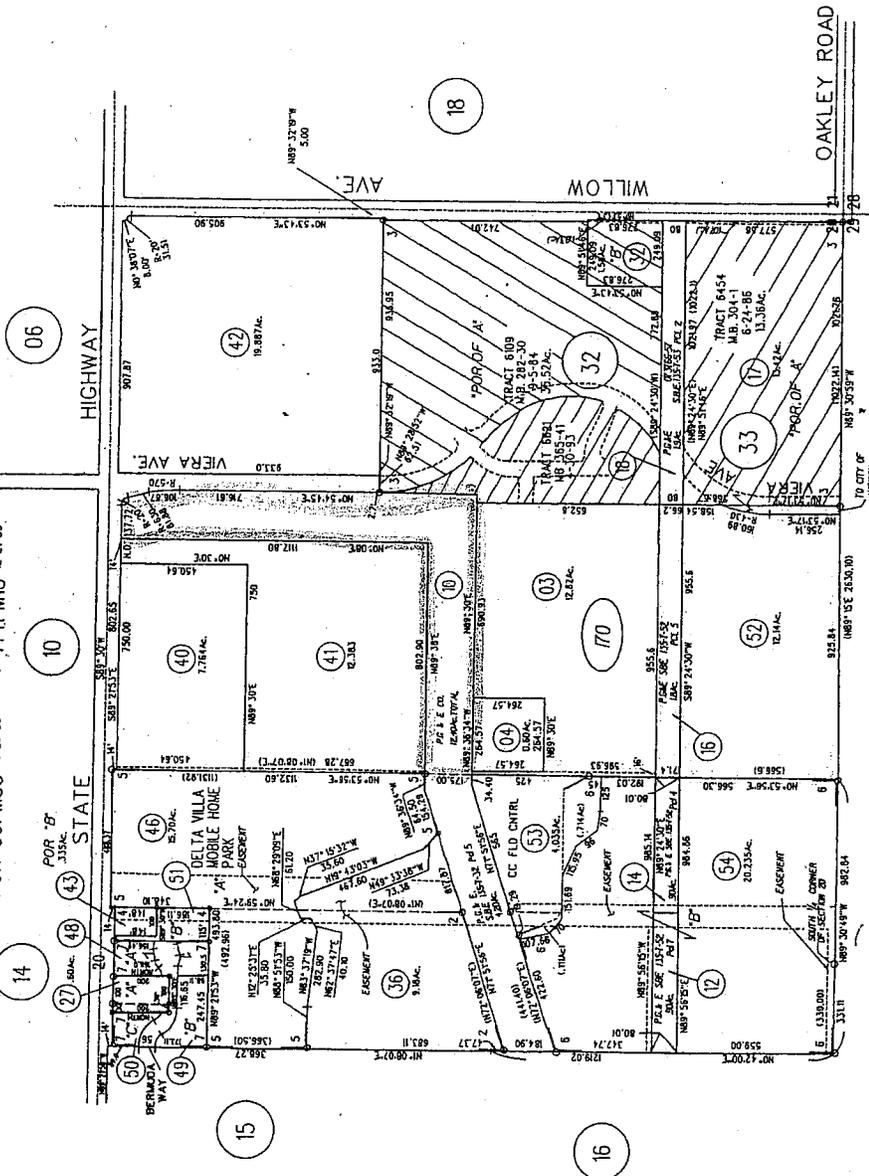
LCC JOB No. 2003.073

EXHIBIT B

10 NOV 04
DATE



POR. S. 1/2 SEC. 20 T2N R2E M.D.B. & M
 1- 9PM31 7-8-89 4- 134PM32 7-20-88
 2- 79PM38 8-7-79 5 & 6 - 143PM6 10-24-89
 3- POR 90PM35 10-29-80 7- 144PM18 12-21-89



170 54 3/25/03

MAY 13 2003
 ASSESSOR'S MAP
 BOOK 51 PAGE 17
 CONTRA COSTA COUNTY, CALIF.

P.B. 52

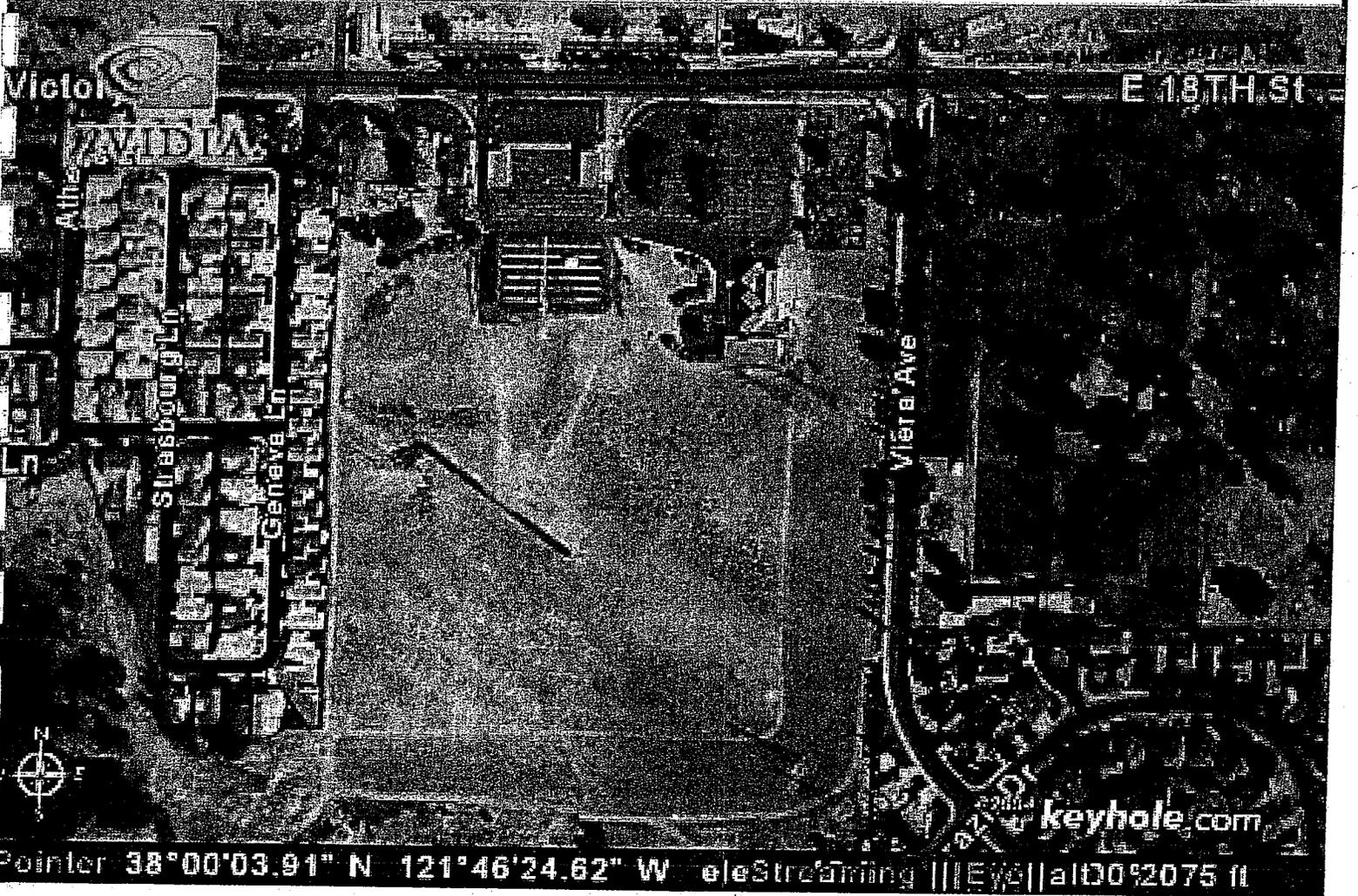
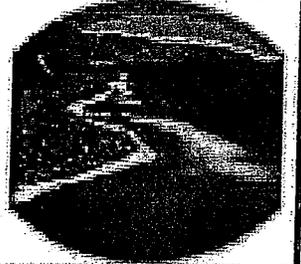
NOTE: THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE INFORMATION OR THE LACK THEREOF. THE INFORMATION MAY NOT COMPLY WITH LOCAL LOT SPLIT OR BOUNDARY SITE ORDINANCES.

EXHIBIT C

Free
Trial

keyhole[®] LT – The Digital Earth
Fly For Fun. Fly To Be Informed.

KEYHOLE.COM



ATTACHMENT 4

Resolution 2005-06

**CITY OF ANTIOCH ZONING ADMINISTRATOR
RESOLUTION NO. 2005-06**

WHEREAS, the Zoning Administrator has received a request from Holy Cross Cemetery to construct a new 4,100 square foot indoor/outdoor mausoleum at 2200 East Eighteenth Street (UP-05-08); and

WHEREAS, pursuant to the California Environmental Quality Act and City implementing procedures, the project has been deemed categorically exempt; and

WHEREAS, the Zoning Administrator duly gave notice of public hearing as required by law; and

WHEREAS, the Zoning Administrator on December 6, 2005 duly held a public hearing, received and considered evidence, both oral and documentary.

WHEREAS, the Zoning Administrator does determine:

1. That the granting of such use permit will not be detrimental to the public health or welfare or injurious to the property or improvements in such zone or vicinity;
2. That the use applied for at the location indicated is properly one for which a use permit is authorized;
3. That the site for the proposed use is adequate in size and shape to accommodate such use, and all yards, fences, parking, loading, landscaping, and other features required, to other uses in the neighborhood;
4. That the site abuts streets and highways adequate in width and pavement type to carry the kind of traffic generated by the proposed use; and
5. That the granting of such use permit will not adversely affect the comprehensive General Plan.

NOW THEREFORE BE IT RESOLVED that the Zoning Administrator of the City of Antioch does hereby **APPROVE** the amendment to UP-05-08, subject to the following conditions:

STANDARD CONDITIONS

1. That the Antioch Municipal Code be complied with.
2. That City Staff inspect the site for compliance with conditions prior to final inspection approval.

3. That conditions required by the Zoning Administrator, which call for a modification or any change to the site plan submitted, be corrected to show those conditions and all standards and requirements of the City of Antioch prior to any submittal for a building permit. No building permit will be issued unless the site plan meets the requirements stipulated by the Zoning Administrator and the standards of the City.
4. That the developer pay all fees required by the City Council.
5. That the developer pay East Contra Costa Regional Traffic Mitigation fees prior to receiving a building permit for structures within this development.
6. That the developer pay any required Drainage Area fees prior to the issuance of any building permits for this project.
7. That the developer pay all applicable Delta Diablo Sanitation District fees prior to the issuance of any building permits for this project.
8. That the developer pay the Contra Costa County Fire Protection District Fire Development Fee in place at the time of permit issuance.
9. That the use of construction equipment be restricted to weekdays between the hours of 8:00 a.m. and 5:00 p.m., or as approved in writing by the City Engineer.
10. That any cracked or broken curb, gutter and sidewalks be removed and replaced as required by the City Engineer.
11. That all mechanical equipment be screened from public view to the maximum extent feasible.
12. That building permits shall be secured for all proposed construction associated with this facility, including any interior improvements not expressly evident on the plans submitted.
13. That all construction conform to the requirements of the Uniform Building Code and City of Antioch standards.
14. That a reduced backflow prevention device be installed on all City water meter services.
15. That the project site be kept clean and litter free at all times.
16. That no illegal signs, pennants, banners, balloons, flags, or streamers are to be used on this site at any time.
17. That all proposed improvements be constructed to the City standards.
18. Prior to issuance of the building permit, the applicant shall obtain an encroachment

permit for all work to be performed within the street right-of-way.

19. That this approval expires two years from the date of approval (Expires December 6, 2007), unless a building permit has been issued and construction has diligently commenced thereon and has not expired, or an extension has been approved by the Zoning Administrator. Requests for extensions must be received in writing with the appropriate fees prior to the expiration of this approval. No more than one, one-year extension shall be granted.
20. That the applicant shall defend, indemnify and hold harmless the City in any action brought by a third party to challenge the land use entitlement.

PROJECT SPECIFIC CONDITIONS

21. That this project shall be built in substantial conformance with the submitted plans received October 19, 2005 and as approved by the Zoning Administrator.
22. DELETED
23. DELETED
24. That details for the decorative benches be submitted with the building permit plans.
25. That detailed landscaping and irrigation plans for the area around the new mausoleum and new driveways shall be submitted to the City for review and approval. The plans need to show the proposed planting pattern in addition to the plant palette. All landscaping and irrigation shall be installed in accordance with approved plans prior to the issuance of a certificate of occupancy for the building.
26. That the allee of trees as shown on the submitted plans along two of the new driveways be shown on the building permit landscaping and irrigation plans.
27. The applicant shall make repairs to the existing curb, gutter, sidewalk, handicap ramps and street as needed to correct the drainage problem along the project frontage on East 18th Street as approved by the City Engineer.
28. That the project shall comply with all California Building Code parking requirements.
29. That the project shall comply with the following conditions provided by the Contra Costa County Fire Protection District:
 - a. Provide access roadways with all-weather driving surfaces of not less than 20 feet unobstructed width, and not less than 13 feet, 6 inches of vertical clearance,

to within 150 feet of travel distance to all portions of the exterior walls of every building. Access roads shall not exceed 16% grade, shall have a minimum outside turning radius of 45 feet, and must be capable of supporting the imposed loads of fire apparatus i.e., 37 tons.

- b. Access gates for emergency vehicles shall be a minimum of 20 feet wide. Electrically operated gates shall be equipped with a Knox Company key-operated switch or approved Fire District lock. Contact the Fire District for information on ordering the padlock or key-operated switch.
- c. Access roads shall be installed, in service and approved **prior to** construction.
- d. Approved premises identification shall be provided. Such numbers shall contrast with their background and be readily visible from the street.

30. That a lot merger or a lot line adjustment for the subject parcels be applied for and approved prior to receipt of building permits for the project.

* * * * *

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the Zoning Administrator of the City of Antioch, County of Contra Costa, State of California at a regular meeting of said Zoning Administrator held on the 6th day of December, 2005.

Debby Moore
Secretary to the Zoning Administrator

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

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