

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

Tel. No. (415) 703-1691



October 18, 2006

Advice Letter 2737-E-A

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

Subject: Section 851 transaction – City of Bakersfield public road easement

Dear Ms de la Torre:

Advice Letter 2737-E-A is effective October 13, 2006 by Resolution E-4040. A copy of the advice letter and resolution 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	
OCT 25 2006	
Return to _____	Records _____
cc to _____	File _____



Brian K. Cherry
Director
Regulatory Relations

77 Beale Street, Room 1087
San Francisco, CA 94105

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

November 14, 2005

Advice 2737-E

(Pacific Gas and Electric Company ID U 39 E)

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

**Subject: Section 851 Transaction – City of Bakersfield Public Road
Easement**

Public Utilities Commission of the State of California

Purpose

Pacific Gas and Electric (“PG&E”) submits this filing seeking approval under Public Utilities Code § 851 to grant the City of Bakersfield (“the City”) an easement for public access over PG&E property.

Background

PG&E requests Commission approval under Public Utilities Code § 851 to grant to the City a public road easement (“Agreement”) to construct, maintain and use a major public access road for subdivision access across PG&E’s electric transmission fee strip property located within the City of Bakersfield in Kern County. On behalf of the City, TK Development, LLC will construct the major public access road for which PG&E will provide a right-of-entry agreement (See Attachment 6). The PG&E property consists of PG&E fee land and the PG&E facilities situated on that land.

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

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

Pacific Gas and Electric Company
Andrew L. Niven
Peter Van Mieghem
Law Department
P.O. Box 7442
San Francisco, CA 94120
Telephone: (415) 973-2902
Facsimile: (415) 973-5520
Email: PPV1@pge.com

City of Bakersfield
James D. Movius, Planning Director
Development Services Department
1715 Chester Avenue
Bakersfield, CA 93301
Telephone: (661) 326-3992
Email: jmovius@bakersfieldcity.us

TK Development, LLC
Ken Koss, Project Manager
14846 Lago Drive
Rancho Murieta, CA 95683
Telephone: (916) 425-2743
Facsimile: (916) 354-8488
Email: SYLKEN1@msn.com

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

The proposed road easement would cross PG&E's electric transmission fee property, which is dedicated to its Westpark-Magunden 115kV transmission line located on the south side of Highway 178, east of Fairfax Road in the City of Bakersfield, Kern County ("Property"). The Property is designated as Assessors Parcel Number (APN) 434-010-32 and, with the exception of PG&E's transmission line, is currently vacant and undeveloped.

As part of a larger residential subdivision project, TK Development, on behalf the City, has requested from PG&E a public road easement for the continuation of Highland Knolls Drive, a 90-foot wide major collector street that will span PG&E's Westpark-Magunden 115kV transmission right-of-way fee strip as more specifically provided in the Agreement (See Attachment 1).

(c) Intended Use of the Property:

On behalf of the City, TK Development intends to construct a 90-foot wide public road west of an existing PG&E transmission tower line right-of-way. Once construction of the road is completed, the City will continue to repair, maintain and use the road for public access. PG&E owns an electric transmission tower that is located approximately 300-feet to the south of the edge of the proposed road and approximately 50-feet above the surface of the proposed road. The proposed 90-foot public street to be placed within the proposed easement area will include sidewalks and various utilities (e.g., telephone, cable television, water, sanitary sewer and storm drain). The Project will not interfere with PG&E's existing facilities. A map of the crossing areas is provided in Attachment 2.

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

As provided for in the Agreement, the City of Bakersfield has agreed to pay a one-time fee of Thirty-Three Thousand Dollars (\$33,000) 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 transmission service and is currently included in PG&E's rate base. The PG&E electric transmission system is within the control of the California Independent System Operator Corporation and is subject to Federal Energy Regulatory Commission ("FERC") jurisdiction for ratemaking. All costs for PG&E's electric transmission system are now part of FERC ratemaking for transmission service in PG&E's transmission owner cases. In consideration for the easement, the City of Bakersfield has agreed to pay PG&E a one-time fee of Thirty-Three Thousand Dollars (\$33,000). PG&E will account for the one-time easement fee as Electric Other Operating Revenue. No PG&E property is being sold or disposed of, and as such, there are no changes to PG&E's rate base as a result of the proposed easement. The service provided under the Agreement is an existing service included under T.C.4 in the Company's Advice Letter 2063-G/1741-E.

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

PG&E has provided information in this advice letter to meet the eligibility criteria under the advice letter pilot program. Under the CEQA Checklist, the activity proposed in the transaction will not require environmental review by the CPUC as a lead agency. The proposed transaction will not have an adverse effect on the public interest. In fact, the proposed transaction will serve the public interest because it is part of a larger residential subdivision project serving the housing needs of the City of Bakersfield. 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?

The proposed transaction was not found exempt from CEQA by the City of Bakersfield.

(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).

TK Development does not contend that the project is exempt from CEQA.

Prior or Subsequent CEQA review

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

The City of Bakersfield has already conducted a CEQA review and issued a Mitigated Negative Declaration ("MND").¹ The City of Bakersfield has concluded that the proposed road easement, and all activities associated with the proposed easement, will not have a significant impact on the environment. Subsequently, on July 14, 2005, the City of Bakersfield adopted a MND and made the necessary mitigation measures a condition of project approval. A Notice of Determination and Certificate of Fee Exemption was filed with the County of Kern on September 1, 2005 (Attachment 4).

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

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

(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.

Please see the Initial Study/Negative Declaration and MND (Attachment 5) which provides the environmental impacts and mitigation measures in the following categories of review:

- Section I. Aesthetics (Review Responses, p. 10)
- Section II. Agricultural Resources (Review Responses, p. 10)
- Section III. Air Quality (Review Responses, p. 10)
- Section IV. Biological Resources (Review Responses, p. 11)
- Section V. Cultural Resources (Review Responses, p. 12)
- Section VI. Geology and Soils (Review Responses, p. 12)
- Section VII. Hazards and Hazardous Materials (Review Responses, p. 13)
- Section VIII. Hydrology and Water Quality (Review Responses, p. 14)
- Section IX. Land Use and Planning (Review Responses, p. 15)
- Section X. Mineral Resources (Review Responses, p. 15)

¹ No State Clearinghouse Number was assigned this project since the City determined the project had no "regional significance."

- Section XI. Noise (Review Responses, p. 15)
- Section XII. Population and Housing (Review Responses, p. 16)
- Section XIII. Public Services (Review Responses, p. 16)
- Section XIV. Recreation (Review Responses, p. 17)
- Section XV. Transportation and Traffic (Review Responses, p. 17)
- Section XVI. Utilities and Service Systems (Review Responses, p. 18)
- Section XVII. Responses to Mandatory Findings of Significance (Review Responses, p. 19)

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

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

Need CEQA?

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

Not Applicable.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than 30 days after the date of this filing, which is **December 14, 2005**. 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 jjj@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 **December 29, 2005**, which is 45 calendar days after the date of filing.

Notice

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

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


Director, Regulatory Relations

Attachments 1-6

cc: Service List - GO 96-A
ALJ Peter V. Allen, CPUC
ALJ Lynn Carew, CPUC
Ken Koss, TK Development, LLC
James D. Movius, City of Bakersfield
Andrew Barnsdale, CPUC – Energy Division
Junaid Rahman, CPUC – Energy Division
Brewster Fong, ORA

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) #: **2737-E**

Subject of AL: Section 851 Transaction – City of Bakersfield Public Road Easement

Keywords (choose from CPUC listing): Section 851

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

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

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

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

Resolution Required? Yes No

Requested effective date: **December 29, 2005**

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): _____

Estimated system average rate effect (%): _____

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

Tariff schedules affected: _____

Service affected and changes proposed¹: _____

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

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

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.,

San Francisco, CA 94102

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

Pacific Gas and Electric Company

Attn: Brian K. Cherry

Director, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

¹ Discuss in AL if more space is needed.

Advice 2737-E

Attachment 1

LD 2229-28-3209

2005087 (22-05-096) 7 05 2
Westpark-Magunden 115 kV T/L
Road Easement to City of Bakersfield
For Tract 6499 (TK Development)

RECORDING REQUESTED BY, AND
WHEN RECORDED RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY
650 O Street, Bag 23
Fresno, CA 93760-0001
Attention: Land Agent

Location: City/Uninc _____
Recording Fee \$0.00 (Government Code Section 27383)
Document Transfer Tax \$0.00 (Revenue and Taxation Code Section 11922)

Signature of declarant or agent determining tax

(A portion of APN 434-010-32)

**EASEMENT AGREEMENT
(Road Easement to City of Bakersfield)**

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 the CITY OF BAKERSFIELD, a Municipal Corporation of the State of California, hereinafter called “**Grantee.**”

RECITALS

A. PG&E owns certain real property within the County of Kern, State of California, commonly known as the Westpark-Magunden Tower Line Strip, and which real property is more particularly described as the portion of the parcel of land described in the deed from Marguerite L. Follansbee Ashe and Peggy Follansbee Webb to PG&E dated July 5, 1958 and recorded in Book 2978 of Official Records at page 159, Kern County Records, lying southerly of the southerly boundary line of the parcel of land described in the deed from PG&E to the State of California dated December 30, 1968 and recorded in Book 4245 of Official Records at page 427, Kern County Records, (hereinafter, the “**Property**”).

B. Grantee proposes to construct a road on the Property and in connection therewith, Grantee has requested that PG&E grant an easement for the excavation, installation, construction, reconstruction, repair, maintenance and use of such road.

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 Thirty Three Thousand Dollars (\$33,000.00), and for other good and valuable consideration, PG&E and Grantee agree as follows:

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

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

2. Limitations on Use.

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

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

(c) Grantee shall not erect or construct any building or other structure other than the road improvements specifically authorized by this Agreement, nor shall Grantee drill or operate any well, within five (5) feet of any of PG&E's electric or gas facilities.

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, including, without limitation, the general public (“**Grantee’s Representatives**”) from risks of harm from Potential Environmental Hazards. Grantee acknowledges that it has previously evaluated the condition of the Easement Area and all matters affecting the suitability of the Easement Area for the uses permitted by this Agreement, including, but not limited to, the Potential Environmental Hazards listed herein.

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

(a) Construction of Improvements. Grantee agrees to construct and install, at no cost to PG&E, such facilities and improvements (“**Improvements**”) as may be necessary and appropriate for Grantee’s permitted use, as specified in Section 1. All such construction shall be performed in accordance with detailed plans and specifications (“**Plans**”) previously approved by PG&E, and shall comply with all Legal Requirements, as defined below in Section 4(b). Before commencing construction of any Improvements, Grantee shall obtain all permits, authorizations or other approvals, at Grantee’s sole cost and expense as may be necessary for such construction. Without limiting the generality of the foregoing, Grantee shall be responsible for complying with any and all applicable requirements of the National Environmental Policy Act (“**NEPA**”) and the California Environmental Quality Act (“**CEQA**”) and satisfying, at Grantee’s sole expense, any and all mitigation measures under CEQA that may apply to Grantee’s proposed occupancy and use of the Easement Area, and to the construction, maintenance and use of Grantee’s proposed Improvements and facilities. Grantee shall promptly notify PG&E of any and all proposed mitigation measures that may affect PG&E 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), 112E (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, electric conduits, tower footings or foundations. Grantee shall provide notice to Underground Service Alert at 1-800-227-2600 at least two (2) business days prior to commencing any drilling, boring or excavating permitted hereunder to assist Grantee with locating any and all underground facilities, including, but not limited to, gas pipelines, valves, regulators or electric conduits;

(e) Avoiding Dangerous Activities. Grantee agrees to conduct its activities and operations within and on the Easement Area in such a manner so as not to endanger the 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 and inconvenience 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 12.

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

(a) PG&E reserves the right to make use of the Easement Area for such purposes as it may deem necessary or appropriate if, and whenever, in the interest of its service to its patrons or consumers or the public, it shall appear necessary or desirable to do so.

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

(c) Grantee shall not make use of the Easement Area in any way which will endanger human health or the environment, create a nuisance or otherwise be incompatible with the use of the Easement Area, 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 112E (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. 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 and Grantee's Representatives 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. For so long as Grantee is an agency or instrumentality of the United States of America, the State of California or any political subdivision thereof, then Grantee may elect to self-insure for any or all of the required coverage. If Grantee is permitted to self-insure hereunder and elects to do so, Grantee shall be liable to PG&E for the full equivalent of insurance coverage which would have been available to PG&E if all required insurance policies had been obtained by Grantee from a third party insurer, in the form required by this Agreement, and shall pay on behalf of or indemnify PG&E for all amounts which would have been payable by the third party insurer. In addition, Grantee shall act with the same promptness and subject to the same standards of good faith as would apply to a third party insurance company. 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.

11. 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.

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

business day if sent by overnight courier, or on the expiration of three (3) business days after the date of mailing.

If to PG&E:

Pacific Gas and Electric Company
Attention: Land Agent
650 O Street, Bag 23
Fresno, CA 93760-0001

With a copy to:

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

If to Grantee:

City of Bakersfield
Development Services Department
1715 Chester Avenue
Bakersfield, CA 93301
Attention: Planning Director

With a copy to:

City of Bakersfield
City Attorney
1501 Truxtun Avenue
Bakersfield, CA 93301

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

14. 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.

15. 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 16). 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.

16. Assignment. Grantee shall not assign, convey, encumber (other than as may be specifically permitted by the terms of this Agreement), or otherwise transfer the easements and other rights herein conveyed, or any portion thereof or interest herein, without the prior written consent of PG&E. Such consent may be given or withheld by PG&E for any reason or for no reason, provided, however, that notwithstanding the foregoing, PG&E agrees that its consent will not be unreasonably withheld, delayed or conditioned in the case of a proposed transfer or dedication to a governmental agency. Grantee acknowledges and agrees that in any instance where PG&E is required not to unreasonably withhold its consent, it shall be reasonable for PG&E to withhold its consent if any regulatory agency having or asserting jurisdiction over PG&E or the Easement Area, or having or claiming a right to review and/or approve the proposed transfer, fails to grant approval thereof (or imposes conditions on such approval which are not acceptable to PG&E, in its reasonable discretion). Grantee further acknowledges and agrees that in any instance where PG&E is required not to unreasonably delay giving or withholding its consent, it shall be reasonable for PG&E to make application for approval to any regulatory agency having or asserting jurisdiction, and to defer the giving or withholding of consent, without liability hereunder for delay, during the pendency and for a reasonable time following the conclusion of any such regulatory proceedings.

17. 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.

18. 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.

19. 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.

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

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

CITY OF BAKERSFIELD,
a Municipal Corporation of the State of
California

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

By: _____
Name: _____
Its: _____

Exhibits A, B and C attached

Area 4, San Joaquin Valley Region, Kern Division
Land Service Office: GO
Operating Department: Electric Transmission
T29S, R28E, MDB&M
Sec 24, SE4ofNW4
PG&E Drawing Number: 210165, L-8205
AF: LD 2229-28-0671
RE: LD 2229-28-1623
TYPE OF INTEREST: 11c
SBE Parcel Number: 135-15-25A-Pcl 3
Order #: 40248724
JCN: 22-05-096
County: Kern
Prepared By: TEP
Revised: TEP (10-26-05)

EXHIBIT A
LEGAL DESCRIPTION OF EASEMENT AREA
(Attached)

EXHIBIT A

LEGAL DESCRIPTION FOR EASEMENT ON PG&E FEE PARCEL

BEING A PORTION OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 24, TOWNSHIP 29 SOUTH, RANGE 28 EAST MOUNT DIABLO BASE AND MERIDIAN, IN THE CITY OF BAKERSFIELD, COUNTY OF KERN, STATE OF CALIFORNIA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER OF SAID SECTION 24; THENCE S89°55'21"W A DISTANCE OF 434.15 FEET (ALSO SHOWN AS S89°26'44"W A DISTANCE OF 433.92 FEET ON RECORD OF SURVEY BOOK 12 PAGE 30) ALONG THE EAST-WEST MIDSECTION LINE OF SAID SECTION TO THE SOUTHWEST CORNER OF PROPERTY OWNED BY CESAR GAONA, PER DEED RECORDED NOVEMBER 12, 2004 AS DOCUMENT NO. 0204278250 IN THE KERN COUNTY RECORDER'S OFFICE; THENCE N00°26'16"E A DISTANCE OF 387.93 FEET (ALSO SHOWN AS N00°25'53"E ON RECORD OF SURVEY BOOK 12 PAGE 30) ALONG THE WEST LINE OF SAID PROPERTY TO THE TRUE POINT OF BEGINNING.

1. THENCE, CONTINUING N00°26'16"E ALONG SAID WEST LINE A DISTANCE OF 97.17 FEET TO A POINT ON A NON-TANGENT CURVE, CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 1545.00 FEET, A RADIAL TO WHICH POINT BEARS N21°11'49"W;
2. THENCE ALONG SAID NON-TANGENT CURVE AN ARC LENGTH OF 18.33 FEET, THROUGH A CENTRAL ANGLE OF 0°40'47";
3. THENCE S68°07'28"W A DISTANCE OF 80.63 FEET TO THE EAST LINE OF TRACT 5696 RECORDED JULY 13, 2004 IN BOOK 51 OF MAPS AT PAGE 150 IN THE KERN COUNTY RECORDER'S OFFICE;
4. THENCE S00°25'33"W A DISTANCE OF 97.28 FEET ALONG SAID EAST LINE;
5. THENCE N68°07'24"E A DISTANCE OF 98.99 FEET TO THE POINT OF BEGINNING.

CONTAINING 8,905 SQUARE FEET MORE OR LESS

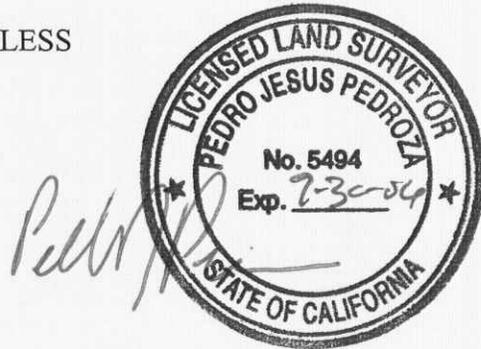
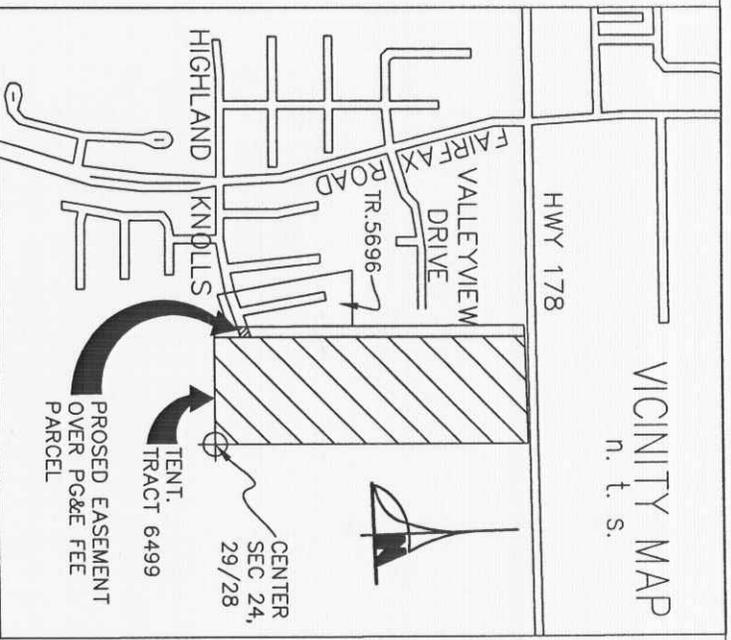


EXHIBIT B

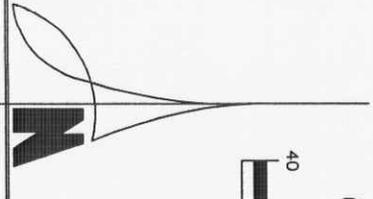
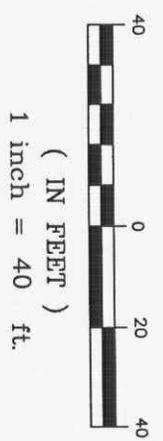
MAP OF EASEMENT AREA

(Attached)

EXHIBIT "B"



GRAPHIC SCALE



BEING A PORTION OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 24, T.29S., R.28E., M.D.M.

PEDRO J. PEDROZA

P.L.S. 5494

DATE

EXP. DATE 9-30-06

DATE

DATE: 6-20-06 DRAFTER: PCI CHECKED BY: PJP JOB NO.: 826-01-00

EXHIBIT B
EASEMENT ON PG&E
FEE PARCEL

DEVELOPMENT BY:
CESAR GAONA /
TK DEVELOPMENT



CORNERSTONE ENGINEERING, INC.
2505 "W" Street
Bakersfield, CA 93301
TEL: (661) 325-9474
www.corstoneeng.com

2191 S. El Camino Real, Ste. 208
Oceanside, CA 92054
TEL: (760) 722-3495



SW CORNER OF
APN: 434-010-13

EXHIBIT C

INSURANCE REQUIREMENTS

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

A. Workers' Compensation and Employers' Liability

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

B. Commercial General Liability

1. Coverage shall be at least as broad as the Insurance Services Office (ISO) Commercial General Liability insurance "occurrence" form with no additional coverage alterations.
2. The limits shall not be less than Five Million Dollars (\$5,000,000) per occurrence for bodily injury, property damage and products and completed operations. Defense costs are to be provided outside the policy limits.
3. Coverage shall include: a) an "Additional Insured" endorsement (ISO Additional Insured form CG 2010 or equivalent coverage) adding as additional insureds PG&E, its affiliates, subsidiaries, and parent company, and PG&E's directors, officers, agents and employees with respect to liability arising out of work performed by or for Grantee. If the policy includes "blanket endorsement by contract," the following language added to the certificate of insurance will satisfy PG&E's requirement: "by blanket endorsement, PG&E, its affiliates, subsidiaries, and parent company, and PG&E's directors, officers, agents and employees with respect to liability arising out of the work performed by or for the Grantee are included as additional insured"; and b) an endorsement or policy provision specifying that the Grantee's insurance is primary and that any insurance or self-insurance maintained by PG&E shall be excess and non-contributing.

C. Business Auto

1. Coverage shall be at least as broad as the Insurance Services Office (ISO) Business Auto Coverage form covering Automobile Liability, code 1 "any auto."
2. The limit shall not be less than One Million Dollars (\$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
650 O Street, Bag 23
Fresno, CA 93760-0001
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.

Advice 2737-E

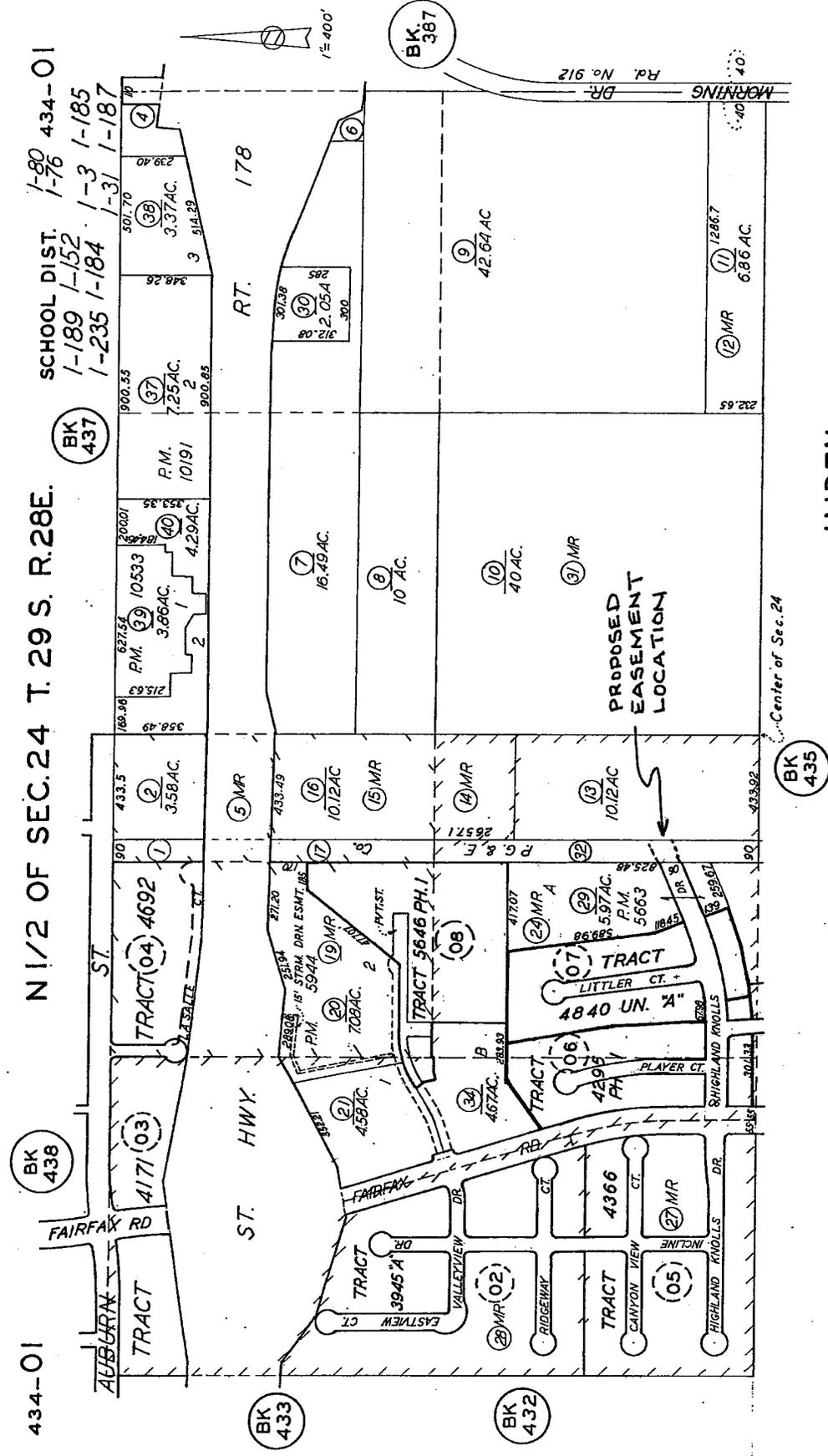
Attachment 2

APN MAP

434-01

N 1/2 OF SEC. 24 T. 29 S. R. 28 E.

SCHOOL DIST. 434-01
 1-80 1-76 1-85 1-87
 1-189 1-152 1-3 1-185
 1-235 1-184 1-31 1-187



INDEX
 BOOK 434

Note: This map is for assessment purposes only. It is not to be construed as conveying legal ownership or divisions of land for purposes of zoning or subdivision law.

ASSESSORS MAP NO 434-01
 COUNTY OF KERN

Advice 2737-E

Attachment 3

COMPLETE APPRAISAL SUMMARY REPORT

OF

**Single-Family Residential Land
Highland Knolls Drive Extension
Bakersfield, CA 93306**

For

**Mr. Ken Koss
TK DEVELOPMENT LLC
14846 Lago Drive
Rancho Murieta, CA 95683**

As Of

June 16, 2005

Prepared By

Randall Franz, MAI, SRA

**KERN APPRAISAL COMPANY
Real Estate Appraisal Services
5401 Business Park South, Suite 103, Bakersfield, CA 93309**

LAND APPRAISAL REPORT

Case No

Borrower: n/a Census Tract: 0009 10 Map Reference: 2443-G2
 Property Address: Highland Knolls Drive +/- 900 feet east of Fairfax Road (A Portion of APN #434-010-32)
 City: Bakersfield County: Kern State: CA Zip Code: 93306
 Legal Description: A portion of the SE 1/4 of the NW 1/4 of Section 24 Township 29S, Range 28E, City of Bakersfield, County of Kern
 Sale Price \$: n/a Date of Sale: 06/16/05 Loan Term: n/a yrs Property Rights Appraised: Fee Leasehold De Minimis PUD
 Actual Real Estate Taxes \$: n/a (yr) Loan Charges to be paid by seller \$: n/a Other Sales Concessions: n/a
 Lender/Client: TK Development LLC Address: 14846 Lago Drive, Rancho Murieta, CA 95683
 Occupant: PG & E Appraiser: Randall Franz, MAI, SRA Instructions to Appraiser: Form an opinion of market value for the disposition of the property

NEIGHBORHOOD

Location	Urban	<input checked="" type="checkbox"/>	Suburban	<input type="checkbox"/>	Rural	<input type="checkbox"/>	Employment Stability	Good	Avg	Fair	Poor
Built Up	Over 75%	<input checked="" type="checkbox"/>	26% to 75%	<input type="checkbox"/>	Under 26%	<input type="checkbox"/>	Convenience to Employment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Growth Rate	Fully Dev	<input type="checkbox"/>	Rapid	<input type="checkbox"/>	Steady	<input checked="" type="checkbox"/>	Convenience to Shopping	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Values	Increasing	<input checked="" type="checkbox"/>	Stable	<input type="checkbox"/>	Declining	<input type="checkbox"/>	Convenience to Schools	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Demand/Supply	Shortage	<input checked="" type="checkbox"/>	In Balance	<input type="checkbox"/>	Oversupply	<input type="checkbox"/>	Adequacy of Public Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing Time	Under 3 Mos.	<input checked="" type="checkbox"/>	4-6 Mos.	<input type="checkbox"/>	Over 6 Mos.	<input type="checkbox"/>	Recreational Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Present Land Use	50 % Family	5 % 2-4 Family	5 % Apts	0 % Condo	20 % Commercial		Adequacy of Utilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Change in Present Land Use	Not Likely	<input type="checkbox"/>	Likely (*)	<input type="checkbox"/>	Taking Place (*)	<input checked="" type="checkbox"/>	Property of Compatibility	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Predominant Occupancy	Owner	<input checked="" type="checkbox"/>	Tenant	<input type="checkbox"/>	% Vacant		Protection from Detrimental Conditions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Single Family Price Range	\$ 200,000	to \$ 600,000	Predominant Value	\$ 300,000			Police and Fire Protection	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Single Family Age	new	ys to 50	ys	Predominant Age	25	ys	General Appearance of Properties	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
							Appeal to Market	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments (including those factors favorable or unfavorable affecting marketability (e.g. public parks, schools, view, noise): The subject property is located in Northeast Bakersfield. Bakersfield College is located 2 1/2 miles northwest. The East Hills Center is located 1 1/2 miles west. Retail development in the neighborhood over the last 15 years has been focused at the East Hills Center, a 100-acre regional retail development with over 825,000 sq ft of building improvements and adjacent Home Depot center. New single family construction is primarily near Panorama Dr. east of Fairfax Rd.
 Dimensions: 90x90 B, 100 Sqft (0.1860 Acres) Corner Lot
 Zoning Classification: R-1, Single Family Dwelling Present improvements: do do not conform to zoning regulations
 Highest and best use: Present use Other (specify):
 Public: Other (Describe):
 Elec: Street Access: Public Private Size: Undulating terrain
 Gas: Surface: Dirt Shape: Being appraised as typical for area
 Water: Maintenance: Public Private View: Irregular
 San. Sewer: Storm Sewer: Curb/Gutter Drainage: FEMA 060077 0009 B, dated 05/01/85, Zone C
 Sidewalk Street Lights Is the property located in a HUD identified Special Flood Hazard Area? No Yes

Comments (favorable or unfavorable including any apparent adverse easements, encroachments or other adverse conditions): A preliminary title report was not provided. However a visual inspection of the site revealed electrical tower lines passing through the site making single-family development improbable. A hypothetical condition of this appraisal is that there are no adverse easements, encroachments or other surface restrictions. See additional comments in the attached Addendum regarding soil conditions.
 The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.

	SUBJECT PROPERTY	COMPARABLE NO.1	COMPARABLE NO.2	COMPARABLE NO.3
Address	Highland Knolls Drive Bakersfield, CA 93306	East Terminus of Highland Knolls Dr (Tr 5696)	West Side City Hills Dr North of Hwy 178	NEC Mesa Marin Dr & Chase Ave
Proximity to Subject		Next Door to the West	2 miles NE	2 miles East
Sales Price	\$ n/a	\$ 1,000,000	\$ 6,256,800	\$ 1,011,500
Price per acre	\$	\$ 167,504	\$ 132,000	\$ 166,092
Date Source	Inspected	Agent	Confidential	Confidential
Date of Sale and Time Adjustment	DESCRIPTION: 06/16/05	DESCRIPTION: 08/04/04 +20%	DESCRIPTION: 07/16/04 +22%	DESCRIPTION: 02/03/05 +8%
Location	Northeast	Northeast	Northeast	Northeast
Site/View	0.1850 ac	5.97 ac	47.40 ac	6.09 ac
Topography	Undulating	Graded -5%	Undulating	Graded -5%
Utilities	E, G, S, W	E, G, S, W	E, G, S, W	E, G, S, W
Surface Restrictions	None	None	None	None
Zoning	R-1	R-1	R-1	R-1
Sales or Financing Concessions		All Cash to Seller	All Cash to Seller	All Cash to Seller
Net Adj. (Total)		<input checked="" type="checkbox"/> Plus <input type="checkbox"/> Minus \$ 25,126/ac	<input checked="" type="checkbox"/> Plus <input type="checkbox"/> Minus \$ 29,040/ac	<input checked="" type="checkbox"/> Plus <input type="checkbox"/> Minus \$ 4,983/ac
Indicated Value of Subject		Net=0% Gross=0% \$ 192,630/ac	Net=0% Gross=0% \$ 161,040/ac	Net=0% Gross=0% \$ 171,075/ac

Comments on Market Data: Refer to the attached Addendum for comments on the market data.
 Comments and Conditions of Appraisal: Refer to the attached Addendum for the Certification and Assumptions & Limiting Conditions. A hypothetical condition of this appraisal is that there are no adverse easements, encroachments or other surface restrictions.
 Final Reconciliation: Refer to the attached Addendum for comments on the final reconciliation.

RECONCILIATION

ESTIMATE THE MARKET VALUE AS DEFINED, OF SUBJECT PROPERTY AS OF June 16, 2005 to be \$ 33,000

Appraisers: *Randall Franz* Review Appraiser (if applicable):
 Randall Franz, MAI, SRA Did Not Physically Inspect Property
 Date Report Signed: June 17, 2005 Date Report Signed:
 State Certification #: AG004309 State: CA State Certification #:
 Or State License #: State: Or State License #:
 Expiration Date of License or Certification: 12/05/2006 Expiration Date of License or Certification:

PURPOSE AND INTENDED USE

The purpose of this appraisal is to develop an opinion of the market value with the hypothetical condition that there are no adverse easements, encroachments or surface restrictions even though electrical tower lines pass through the site, as of the date of inspection. The property rights appraised are the fee simple interest. The intended use of this report is for the disposition of the property. The report is intended for use only by: TK DEVELOPMENT LLC and persons specifically authorized by the client; state enforcement agencies and such third parties as may be authorized by due process of law; and a duly authorized Appraisal Institute peer review committee.

SCOPE OF WORK

This is a complete appraisal summary report that in my opinion has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the professional standards and ethics of the Appraisal Institute. The appraisal assignment was not based on a specific valuation or any action or event resulting from the analyses.

As part of this appraisal a number of independent investigations and analyses have been conducted. The area and neighborhood analyses include collection, assimilation and analysis of demographic data collected from federal, state, county and city government agencies. The neighborhood, site and improvements have been inspected and investigated. Market data including land sales have been collected, verified and analyzed. The search for applicable market data included Bakersfield and was limited to single-family residential properties. Sources of this data include public records, assessor's records, buyers, sellers, and real estate agents.

MARKET VALUE DEFINITION

"Market Value" as set forth by the Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions [f] and the Office of Thrift Supervision under section 564.2f reads as follows:

"Market Value" means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, 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 normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

Exposure and marketing times are estimated at six months.

OWNERSHIP HISTORY OF PROPERTY

According to the public records and information provided the appraiser, the current owner is Pacific Gas and Electric Company. There has been no change of ownership in the last three years.

ASSUMPTIONS AND LIMITING CONDITIONS

Standards Rule ("S.R.") 2-1(c) of the "Standards of Professional Appraisal Practice of the Appraisal Foundation" requires the appraiser to "clearly and accurately disclose all assumptions, extraordinary assumptions, hypothetical conditions, and limiting conditions used in the assignment." In interpreting this report, such assumptions and limiting conditions are set forth as follows:

Extraordinary Assumptions

None

Hypothetical Conditions

1. On the date of inspection, electrical tower lines passed through the site. This appraisal is made with the hypothetical condition that there are no adverse easements, encroachments or surface restrictions including electrical tower lines.

General Assumptions and Limiting Conditions

1. The conclusions and opinions expressed in this report apply to the date of value set forth in the letter of transmittal accompanying this report. The dollar amount of any value opinion or conclusion rendered or expressed in this report is based upon the purchasing power of the American dollar existing on the date of value.

2. The appraiser assumes no responsibility for economic, physical or demographic factors which may affect or alter the opinions in this report if said economic, physical or demographic factors were not present as of the date of the letter of transmittal accompanying this report. The appraiser is not obligated to predict future political, economic or social trends.

3. In preparing this report, the appraiser was required to rely on information furnished by other individuals or found in previously existing records and/or documents. Unless otherwise indicated, such information is presumed to be reliable. However, no warranty, either express or implied, is given by the appraiser for the accuracy of such information and the appraiser assumes no responsibility for information relied upon later found to have been inaccurate. The appraiser reserves the right to make such adjustments to the analyses, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.

4. No opinion as to title of the subject property is rendered. Title is assumed to be marketable and free and clear of all liens, encumbrances, easements and restrictions except those specifically discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management, and available for its highest and best use.

5. This appraisal should not be considered a report on the physical items that are a part of this property. Although the appraisal may contain information about the physical items being appraised (including their adequacy and/or condition), it should be clearly understood that this information is only to be used as a general guide for property valuation and not as a complete or detailed physical report. The appraiser is not a construction or engineering expert, and any opinion given on these matters in this report should be considered preliminary in nature.

It is assumed that there are no hidden or unapparent conditions of the property, sub-soil, or structures which would render it more or less valuable. No responsibility is assumed for any such conditions or for any expertise or for arranging any engineering, surveys, soil studies, termite inspections or other special inspections or studies. Since no such tests, studies, or inspections were made, no liability is assumed for matters relating to engineering, architectural, structural, mechanical, or soils conditions which may be required to discover such factors. The structures were not checked for building code violations and it is assumed that all buildings meet the building codes unless so stated in the report.

Because no detailed inspection was made, and because such knowledge goes beyond the scope of this appraisal, any observed condition comments given in this appraisal report should not be taken

as a guarantee that a problem does not exist. Specifically, no guarantee is made as to the adequacy or condition of the foundation, roof, exterior walls, interior walls, floors, heating system, air conditioning system, plumbing, electrical service, insulation, soils or sub soils. The presence of radon gas, hazardous waste, asbestos or any toxic and potentially dangerous materials and conditions have not been considered and such conditions may or may not be present. If any interested party is concerned about the existence, condition or adequacy of any particular item or condition, it is strongly suggested that the proper expert be hired for a detailed investigation.

6. Unless otherwise stated, the subject property is appraised assuming it to be in full compliance with all applicable zoning and land use regulations and restrictions. The property is appraised assuming that all required licenses, permits, certificates, consents or other legislative and/or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

No analysis or survey to determine if the property is in compliance with the Americans with Disabilities Act (ADA) has been provided the appraiser or made by the appraiser. Possible noncompliance with ADA was not considered in estimating the value. No responsibility is assumed for determining whether the property is in conformity with the various detailed requirements of the ADA.

7. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area of the subject property was taken from sources considered reliable and no encroachment of the subject property is considered to exist.

8. No opinion is expressed as to the value of subsurface oil, gas, water or mineral rights or whether the property is subject to surface entry for the exploration or removal of such materials, except as is expressly stated.

9. Maps, plats and exhibits included in this report are for illustration only to serve as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced or used apart from the report.

10. No opinion is intended to be expressed for matters which require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers.

11. Possession of this report, or a copy of it, does not carry with it the right of publication. Without the written consent of the appraiser, this report may not be used for any purpose by any person other than the party to whom it is addressed. In any event, this report may be used only with proper written qualification and only in its entirety for its stated purpose.

12. The property which is the subject of this appraisal is within a geographic area prone to earthquakes and other seismic disturbances. Except as specifically indicated in the report, no seismic or geologic studies have been provided to the appraiser concerning the geologic and/or seismic condition of the subject property. The appraiser assumes no responsibility for the possible effect on the subject property of seismic activity and/or earthquakes.

13. Testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal, unless such arrangements are made a reasonable time in advance of said hearing. Further, unless otherwise indicated, separate arrangements shall be made concerning compensation for the appraiser's time to prepare for and attend any such hearing.

14. The liability of KERN APPRAISAL COMPANY, its employees, and independent contractors under agreement is limited to the client only and to the fee actually received by the appraiser. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all assumptions and limiting conditions of the assignment and related discussions. The appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally.

COMMENTS ON SOIL AND SEISMIC CONDITIONS

(These comments are a continuation of the comments from the site section of the form.) Moisture can cause the clay to expand and the rock to settle. Both conditions are detrimental to improvements built on top of the soil. These conditions have caused settlement problems in the area

such as excessive cracking in concrete flatwork and stucco exterior walls; door and window frames shifting out of shape; and large cracks developing in concrete foundations and slab floors.

Soil conditions and topography have caused the grading cost to be significantly higher than competing areas west of Highway 99. Other off-site development costs impacted include adding a 6" aggregate base under the concrete curb and gutter and adding extra sand in all trenches. Home construction is also more expensive due to measures taken to ensure the concrete foundation and slab do not experience excessive cracking. No responsibility is accepted for evaluating subsoil or discovery of unapparent or unusual conditions, as I am not an expert in this field.

Earthquake are common in the Bakersfield area. However, according to Kern County Planning Department, the subject is not located in an Alquist-Priolo seismic special studies zone.

COMMENTS ON MARKET DATA AND FINAL RECONCILIATION

The sales comparison approach to value is the only applicable approach for the valuation of vacant land. The sales selected are recent undeveloped residential land sales in northeast Bakersfield and they are considered the best data available. Market data sheets for each comparable are attached and the sales are further discussed as follows.

Market conditions are improving in northeast Bakersfield. The sales are adjusted based upon an appreciation rate of 2% per month since the deed date or in the case of Sale 2 since opening escrow. Sales 1 and 3 were rough graded for subdivision development at time of sale and adjusted downward 5%.

The comparable sales indicate a range, after adjustments, of \$161,040 to \$192,630 per assessed acre. Sale 1 is located adjacent to the subject and given greater weight in assigning a unit value of \$180,000 per acre for the subject. This unit value indicates an overall market value as of June 16, 2005 as follows:

0.1860 Acres x \$180,000/Acre = \$33,471 Rnd \$33,000

THIRTY-THREE THOUSAND DOLLARS

CERTIFICATION

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

- The statements of fact contained in this report are true and correct.
- Randall Franz has made a personal inspection of the property that is the subject of this report.
- 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.
- 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.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 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.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of

Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice.

- The use of this report is subject to the requirements of the Appraisal Institute relating to review by their duly authorized representatives.
- As of the date of this report, I, Randall Franz, have completed the requirements under the continuing education program of the Appraisal Institute.
- No one provided significant real property appraisal assistance to the person signing this certification.
- I have the knowledge and experience necessary to complete this assignment competently. Please refer to my appraisal qualifications attached with this report.



Randall Franz, MAI, SRA
Certified General #: AG004309
CA Expiration: 12/05/2006



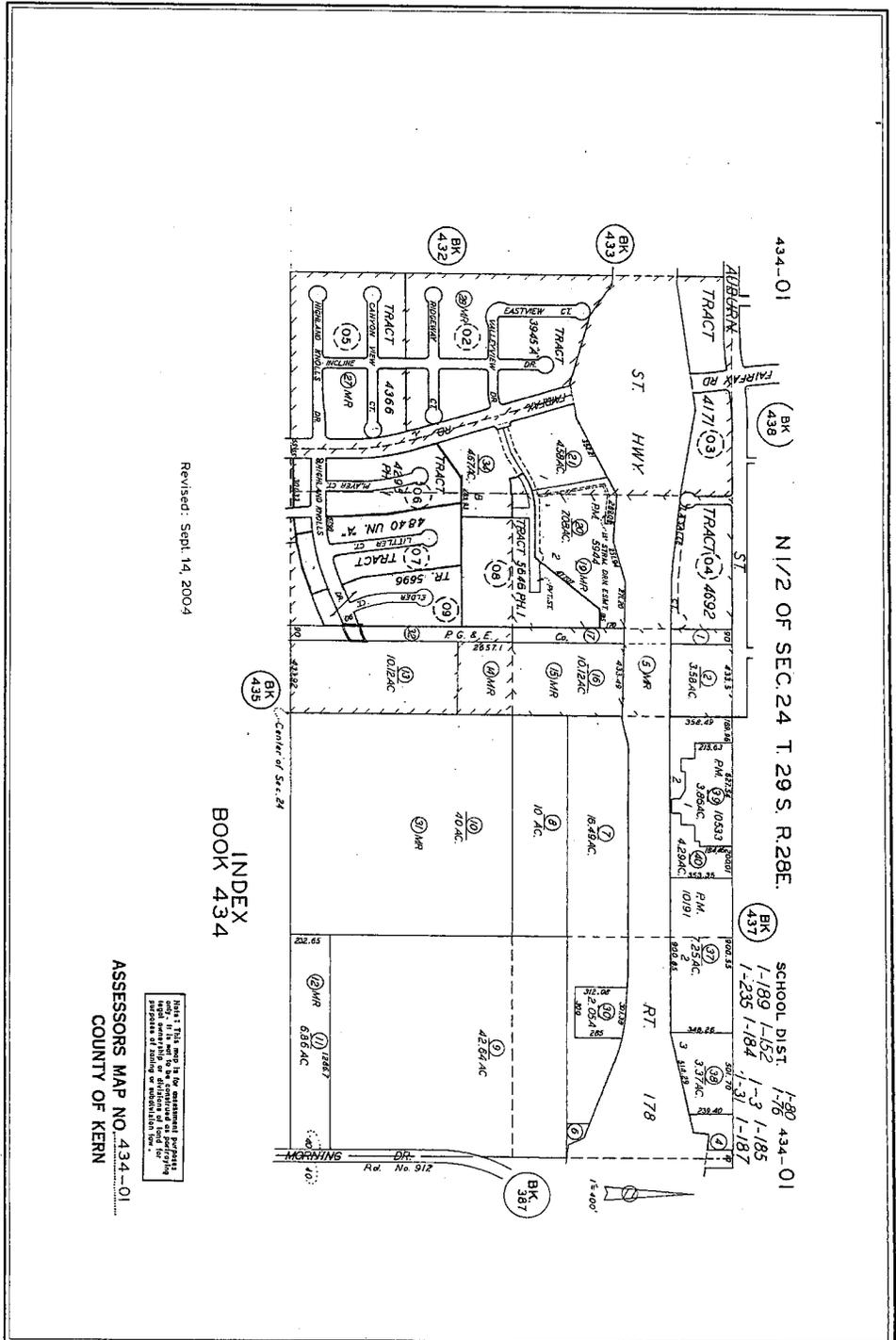
Date

Kern Appraisal Company
PLAT MAP

File No. 2396
 Case No.

Borrower n/a

Property Address	Highland Knolls Drive +/- 900 feet east of Fairfax Road (A Portion of APN #434-010-32)		
City	Bakersfield	County	Kern State CA Zip Code 93306
Lender/Client	TK Development LLC	Address	14846 Lago Drive, Rancho Murieta, CA 95683



Revised: Sept. 14, 2004

INDEX
 BOOK 434

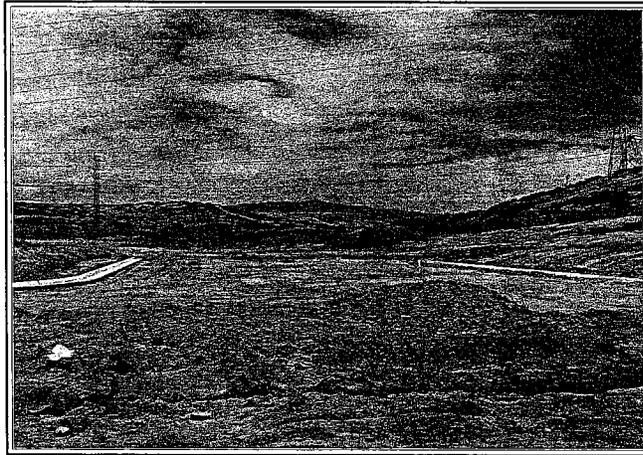
NOTE: This map is for assessment purposes only. It is not to be construed as a guarantee of title or as a warranty of any kind. The assessor's office is not responsible for the accuracy of the information shown on this map.

ASSESSORS MAP NO. 434-01
 COUNTY OF KERN

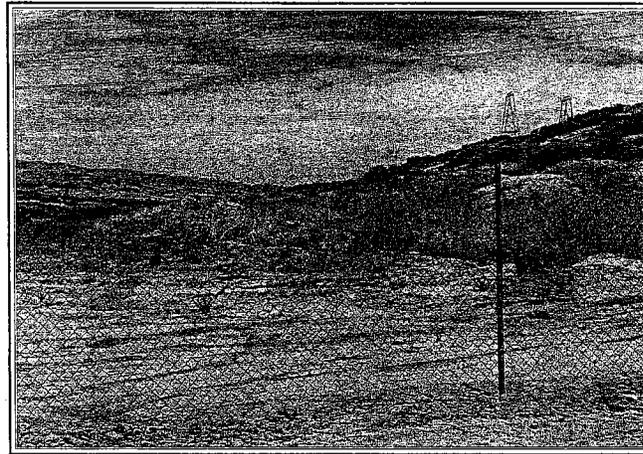
Kern Appraisal Company
SUBJECT PHOTOS

File No. 2396
Case No.

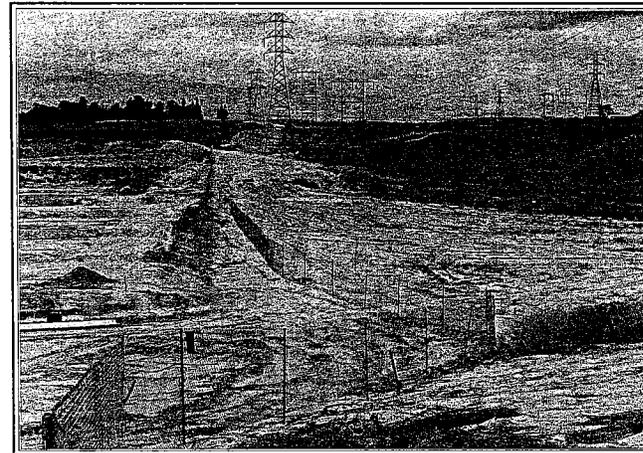
Borrower n/a
Property Address Highland Knolls Drive +/- 900 feet east of Fairfax Road (A Portion of APN #434-010-32)
City Bakersfield County Kern State CA Zip Code 93306
Lender/Client TK Development LLC Address 14846 Lago Drive, Rancho Murieta, CA 95683



Highland Knolls Drive Facing East Toward Subject



View of Subject Facing East

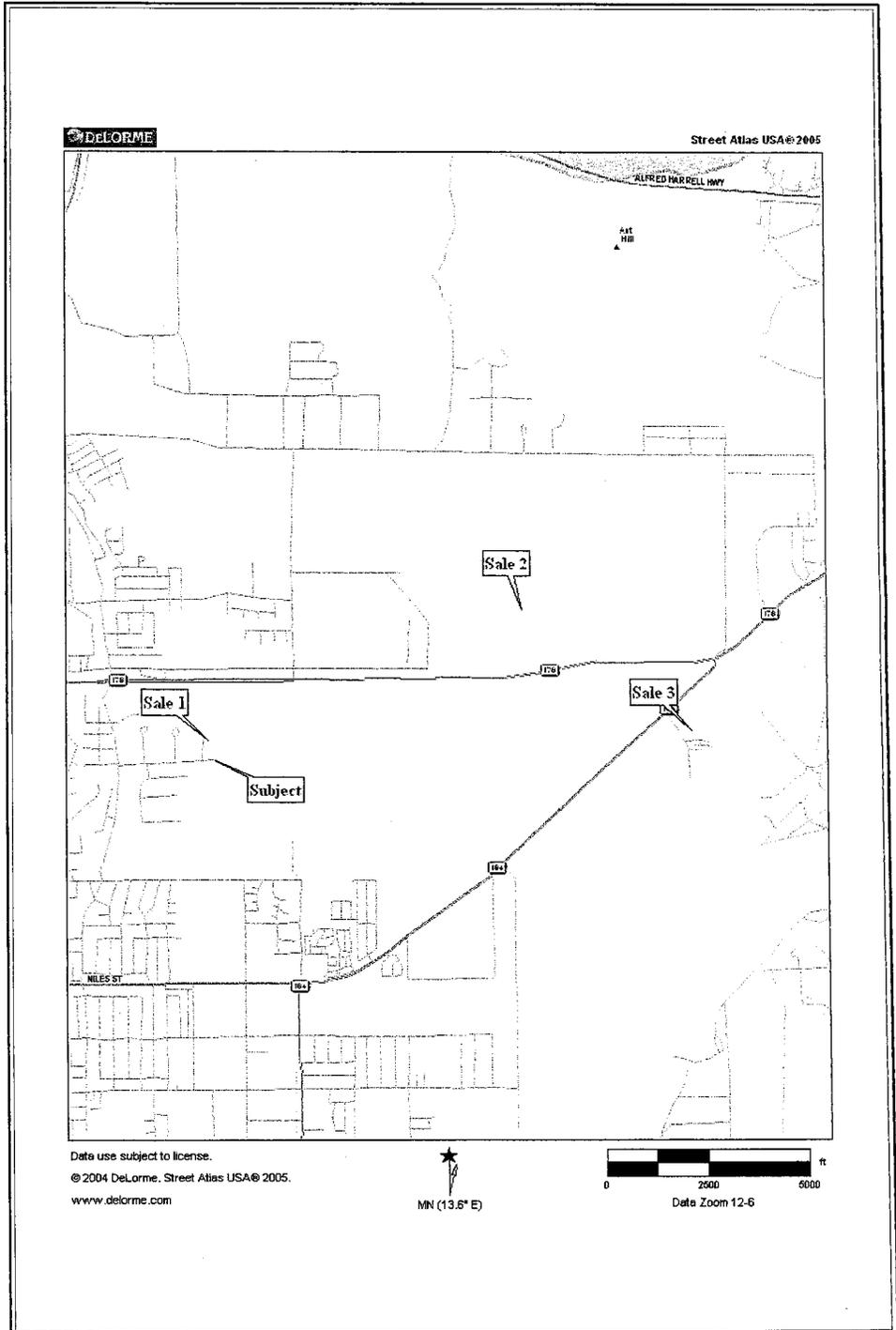


View of Subject Facing North

Kern Appraisal Company
LAND SALES MAP

File No. 2396
Case No.

Borrower n/a
Property Address Highland Knolls Drive +/- 900 feet east of Fairfax Road (A Portion of APN #434-010-32)
City Bakersfield County Kern State CA Zip Code 93306
Lender/Client TK Development LLC Address 14846 Lago Drive, Rancho Murieta, CA 95683



LAND SALE 1

GENERAL INFORMATION

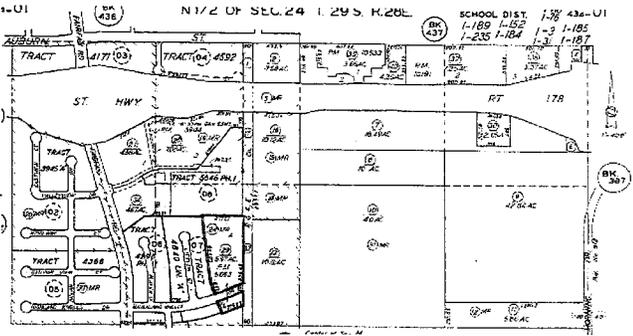
Item Vacant Land Sale
Type Single-Family Residential
Address East Terminus of Highland
Knolls Dr. (Tract 5696)
City, County Bakersfield - Kern
Parcel No. 434-010-29

Map Page 2443-G2
Property Rights Fee Simple

PROPERTY INFORMATION

Size (SF) 260,053
(AC) 5.97
Frontage 330' +/- Highland Knolls

Shape Irregular
Zoning R-1
Topography Undulating
Utilities Electricity, Gas,
Sewer, Water
Street Paved to Property
Line



SALE DETAILS

Seller	COKER ELLSWORTH, INC.	Buyer	JEFFREY D. & MELISSA THORN
Sale Date	8/4/2004	Price/SF	\$3.85
Sale Price	\$1,000,000	Price/Acre	\$167,504.19
Adjustment		Adjusted Price/SF	
Adjusted Sale Price		Adjusted Price/Acre	

RECORDING/CONFIRMATION

Date	9/30/2004	By	Agent
Document No.	237885	With	McKinzie Real Estate

COMMENTS

The property is located three blocks east of Fairfax Road adjacent to 15 to 18 year old homes. It was purchased for development of a residential subdivision. The tract map (#5696) was recorded prior to the sale and consisted of 20 lots (10,000 +/- sf). The site was rough graded approximately 15 to 20 years ago with some terracing of lots. The buyer will be required to re-grade and compact the lots. High tension electric tower lines are located along the east boundary. Terms of sale were all cash to the seller.

LAND SALE 2

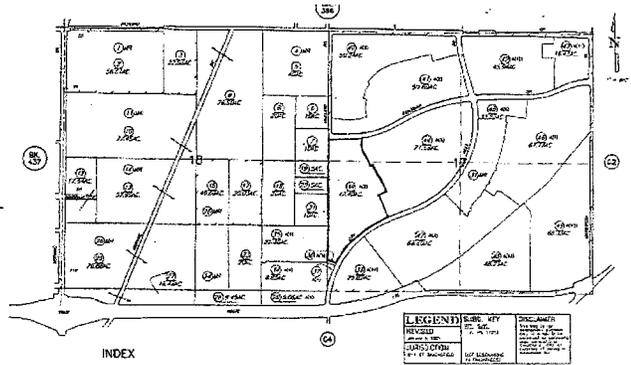
GENERAL INFORMATION

Item Vacant Land Sale
 Type Single-Family Residential
 Address West Side City Hills Dr
 North of Highway 178
 City, County Bakersfield - Kern
 Parcel No. 531-010-39

Map Page 2444-B1
 Property Rights Fee Simple

PROPERTY INFORMATION

Size (SF) 2,064,744
 (AC) 47.40
 Frontage +/-1,300' City Hills Dr
 600+/- Panorama Dr
 Shape Irregular
 Zoning R-1
 Topography Undulating
 Utilities Electricity, Gas,
 Sewer, Water
 Street Asphalt Paved



SALE DETAILS

Seller	MOUNTAIN VIEW BRAVO, LLC	Buyer	D. R. HORTON LOS ANGELES HOLDING CO., INC.
Sale Date	2/1/2005	Price/SF	\$3.03
Sale Price	\$6,256,800	Price/Acre	\$132,000.00
Adjustment		Adjusted Price/SF	
Adjusted Sale Price		Adjusted Price/Acre	

RECORDING/CONFIRMATION

Date	2/1/2005	By	
Document No.	024610	With	Confidential

COMMENTS

The property is located in the Rio Bravo area of northeast Bakersfield. Mesa Marin Speedway is situated one half mile south. An entire section of land (Section 17) is being master planned as the City in the Hills development. This transaction represents the first of three takedowns involving a total of 119.09 acres. The sale includes a tentative tract map (#6406) with 397 lots. The seller is responsible for backbone improvements including the major arterial streets through the development and providing utilities to the site. Terms of sale were all cash to the seller. The grant deed states that escrow instructions were dated July 16, 2004.

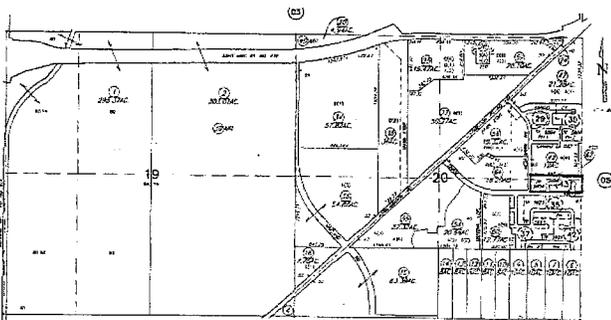
LAND SALE 3

GENERAL INFORMATION

Item Vacant Land Sale
Type Single-Family Residential
Address NEC Mesa Marin Dr &
Chase Ave
City, County Bakersfield - Kern
Parcel No. 387-430-01 to 24
Map Page 2444-C2
Property Rights Fee Simple

PROPERTY INFORMATION

Size (SF) 265,280
(AC) 6.09
Frontage 283' Mesa Marin Dr
922' Chase Ave
Shape Rectangular
Zoning R-1
Topography Level
Utilities Electricity, Gas,
Sewer, Water
Street Asphalt Paved



SALE DETAILS

<i>Seller</i>	JASON L. & MONICA L. MARTIN, ET AL	<i>Buyer</i>	R S & B LAND DEVELOPMENT
<i>Sale Date</i>	2/3/2005	<i>Price/SF</i>	\$3.81
<i>Sale Price</i>	\$1,011,500	<i>Price/Acre</i>	\$166,091.95
<i>Adjustment</i>		<i>Adjusted Price/SF</i>	
<i>Adjusted Sale Price</i>		<i>Adjusted Price/Acre</i>	

RECORDING/CONFIRMATION

<i>Date</i>	2/4/2005	<i>By</i>	
<i>Document No.</i>	29059	<i>With</i>	Confidential

COMMENTS

The property is located in the Rio Bravo Valley area of northeast Bakersfield. It is adjacent to Cesar Chavez elementary school. Mesa Marin Speedway is situated one half mile north. Tract Map No. 5989 with 24 lots was recorded prior to close of escrow. The site was rough graded for the future subdivision and most improvement plans were done. Terms of sale were all cash to the seller.

APPRAISAL QUALIFICATIONS OF

RANDALL FRANZ

EXPERIENCE

Independent Real Estate Appraiser/Owner, KERN APPRAISAL COMPANY, Real Estate Appraisal Services, Bakersfield, California, 1/93 - Present.

Real Estate Appraiser and Analyst, DALLIS HIGDON & ASSOCIATES, Real Estate Analysts and Appraisers, Bakersfield, California, 9/82 - 12/92.

STATE CERTIFICATION

State of California: Certified General Real Estate Appraiser
OREA Appraiser Identification Number: AG004309
Expiration: 12/5/2006

PROFESSIONAL AFFILIATIONS

Appraisal Institute

Awarded MAI (Member Appraisal Institute) Designation 1989
Awarded SRA (Senior Residential Appraiser) Designation 1989
Bakersfield Chapter President (Society of Real Estate Appraisers) 1990

Bakersfield Association of Realtors Multiple Listing Service

Member - Awarded California Real Estate Broker's License, 1992

EDUCATIONAL ACTIVITIES

Awarded B.A. degree in Business Administration from Fresno Pacific College, Fresno, California, 1977
Successful completion of the following real estate courses:

American Institute of Real Estate Appraisers

Real Estate Appraisal Principles 3/88
Basic Valuation Procedures 3/88
Standards of Professional Practice 5/88
Capitalization Theory and Technique Part A 6/87
Capitalization Theory and Technique Part B 6/87
Case Studies in Real Estate Valuation 10/87
Valuation Analysis and Report Writing 6/88

Society of Real Estate Appraisers

Course 101 - Introduction to Appraising Real Property 12/83
Course 102 - Applied Residential Property Valuation 2/84

Appraisal Institute

Standards of Professional Practice Parts A & B 6/91, 9/97
Standards of Professional Practice Part C, 11/99
National Uniform Standards of Professional Appraisal Practice Course 6/04

College Courses

Real Estate Practice - Fresno City College 12/77
Real Estate Appraisal I - Bakersfield College 12/83
Real Estate Appraisal II - Bakersfield College 12/84
Real Estate Law - Bakersfield College 5/84
Real Estate Principles - Bakersfield College 5/87
Real Estate Finance - Bakersfield College 12/89

Seminars (Since 1998)

Expert Witness Seminar - Appraisal Institute 6/98
Trends In Real Estate Debt and Equity Markets - Appraisal Institute 8/98
The Technical Inspection of Commercial Real Estate - Appraisal Institute 8/98
Valuation Of Detrimental Conditions In Real Estate - Appraisal Institute 3/99
Internet Sources For California Appraisers - Appraisal Institute 7/99
Attacking & Defending An Appraisal In Litigation - Appraisal Institute 8/99
Commercial Real Estate Finance For The 21st Century - Appraisal Institute 8/99
The Economics Of Right-Of-Way Appraisal - Appraisal Institute 8/99
Real Estate Fraud & The Appraiser's Role - Appraisal Institute 3/00
Appraisal Of Nonconforming Uses - Appraisal Institute 5/00
Technology and the Appraisal Process, New Tools for Appraisers - Appraisal Institute - 9/01
35th Annual Litigation Seminar - Appraisal Institute 11/01
Highest and Best Use Applications-Appraisal Institute-6/02
Scope of Work - Appraisal Institute - 4/04

COURT QUALIFICATIONS

Testified as expert witness in Superior Court of Kern County, California. Qualified as expert witness for Federal Bankruptcy Court, Fresno, California and Federal Tax Court, Los Angeles, California.

SCOPE OF EXPERIENCE

Commercial

Office buildings, shopping centers, motels, restaurants, convenience stores, banks, retail stores, medical offices

Industrial

Warehouses, shops, office/warehouses, self-storage facilities, industrial subdivisions

Residential

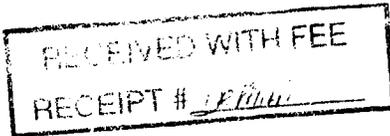
Single family, condominiums, planned unit developments, apartments, mobile home/recreational vehicle parks, subdivisions

Special Purpose

Churches, airplane hangars

Advice 2737-E

Attachment 4



COB

NOTICE OF DETERMINATION

(Filing in compliance with Section 21108 or 21152 of the Public Resources Code.)

TO: Office of Planning & Research
PO Box 3044, 1400 Tenth Street, Room 222
Sacramento, CA 95812-3044

FROM: City of Bakersfield
Development Services Dept. Planning
1715 Chester Avenue
Bakersfield, CA 93301

X County Clerk, County of Kern
1415 Truxtun Avenue
Bakersfield, CA 93301

Project Title: VESTING TENTATIVE TRACT 6499

State Clearinghouse No.
(if submitted to the Clearinghouse)

Louise Palmer
Lead Agency Contact Person

661-326-3733
Area Code/Phone/Ext.

Project Location: Generally located east of Fairfax Road, south of State Highway 178 (APN #434-010-13,16) City of Bakersfield, County of Kern.

Project Description: A proposed vesting tentative subdivision containing 47 lots on 20.20± acres for purposes of single family development, zoned R-1 (One Family Dwelling) including a request for alternate street design.

Determination:

This is to advise that the City of Bakersfield, as the lead agency, has approved the above described project on September 1, 2005 and has made the following determinations regarding said project:

1. The project [will will not] have a significant effect on the environment.
2. A Negative Declaration was prepared and adopted for this project according to the provisions of CEQA.
3. Mitigation measures [were were not] made of condition of project approval.
4. A statement of overriding considerations [was was not] adopted for this project (EIR only).
5. Findings [were were not] made according to the provisions of CEQA.

Record of Project Approval:

This is to certify that the [final EIR negative declaration] with comments, responses, and record of project approval is available to the general public at the City of Bakersfield Development Services Department - Planning Division (1715 Chester Avenue; Bakersfield, California 93301).

Signature: Louise Palmer

Date: September 1, 2005

Title: Associate Planner

Date received for filing at OPR:

Notice of Environmental Document
Posted by County Clerk on 9/7/05
and for 30 days thereafter, Pursuant to
Section 21152(C), Public Resources Code

#8411

CERTIFICATE OF FEE EXEMPTION

De Minimis Impact Finding

Applicant: Cornerstone Engineering
Address: 2505 M Street
Bakersfield, CA 93301

Project Title/Location (include City and County)

Vesting Tentative Tract 6499

Generally located east of Fairfax Road, south of State Highway 178 (APN #434-010-13,16). City of Bakersfield, County of Kern.

Project Description:

A proposed vesting tentative subdivision containing 47 lots on 20.20± acres for purposes of single family development, zoned R-1 (One Family Dwelling) including a request for alternate street design.

Finding of Exemption:

Based on the absence of evidence in the record as required by Section 21082.2 of the State of California Public Resources Code (CEQA) for the purpose of documenting significant effects, it is the conclusion of the Lead Agency that this project will result in impacts that fall below the threshold of significance with regard to wildlife resources and, therefore, must be granted a "de minimis" exemption in accordance with Section 711 of the State of California Fish and Game Code. Additionally, the assumption of adverse effect is rebutted by the above-referenced absence of evidence in the record and the Lead Agency's decision to prepare an Environmental Impact Report for this project.

Certification:

I hereby certify that the City of Bakersfield has made the above finding(s) and that the project will not individually or cumulatively have an adverse effect on wildlife resources, as defined in Section 711.2 of the California Department of Fish and Game Code.


(Chief Planning Official)

James D. Movius, Planning Director
City of Bakersfield Development Services Dept.
Hearing Date: September 1, 2005

Advice 2737-E

Attachment 5

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages:

- | | | | | |
|--|--------------------------|---|--------------------------|---|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> | <input type="checkbox"/> Agricultural Resources | <input type="checkbox"/> | <input type="checkbox"/> Air Quality |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> | <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> | <input type="checkbox"/> Geology / Soils |
| <input type="checkbox"/> Hazards & Hazardous Materials | <input type="checkbox"/> | <input type="checkbox"/> Hydrology / Water Quality | <input type="checkbox"/> | <input type="checkbox"/> Land Use / Planning |
| <input type="checkbox"/> Mineral Resources | <input type="checkbox"/> | <input type="checkbox"/> Noise | <input type="checkbox"/> | <input type="checkbox"/> Population / Housing |
| <input type="checkbox"/> Public Services | <input type="checkbox"/> | <input type="checkbox"/> Recreation | <input type="checkbox"/> | <input type="checkbox"/> Transportation / Traffic |
| <input type="checkbox"/> Utilities / Service Systems | <input type="checkbox"/> | <input type="checkbox"/> Mandatory Findings of Significance | | |

DETERMINATION: (To be completed by the Lead Agency)

On the basis of this initial evaluation:

I find that the proposed project **COULD NOT** have a significant effect on the environment, and a **NEGATIVE DECLARATION** will be prepared.

I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A **MITIGATED NEGATIVE DECLARATION** will be prepared.

I find that the proposed project **MAY** have a significant effect on the environment, and an **ENVIRONMENTAL IMPACT REPORT** is required.

I find that the proposed project **MAY** have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An **ENVIRONMENTAL IMPACT REPORT** is required, but it must analyze only the effects that remain to be addressed.

I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or **NEGATIVE DECLARATION** pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or **NEGATIVE DECLARATION**, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Louise Palmer

Signature

Date

July 14, 2005

Louise Palmer, Associate Planner, City of Bakersfield Planning Department

EVALUATION OF ENVIRONMENTAL IMPACTS:

I. AESTHETICS – Would the project

- a) Have a substantial adverse effect on a scenic vista?
- b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?
- c) Substantially degrade the existing visual character or quality of the site and its surroundings?
- d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?

Potentially Significant Impact	Less Than Significant W/ Mitigation Incorporation	Less Than Significant Impact	No Impact
--------------------------------------	--	------------------------------------	--------------

- | | | | |
|--------------------------|--------------------------|-------------------------------------|-------------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

II. AGRICULTURE RESOURCES: Would the project:

- a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?
- b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?
- c) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use?

- | | | | |
|--------------------------|--------------------------|-------------------------------------|-------------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

III. AIR QUALITY – Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:

- a) Conflict with or obstruct implementation of the applicable air quality plan?
- b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?
- c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?
- d) Expose sensitive receptors to substantial pollutant concentrations?
- e) Create objectionable odors affecting a substantial number of people?

- | | | | |
|--------------------------|--------------------------|-------------------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

	Potentially Significant Impact	Less Than Significant W/ Mitigation Incorporation	Less Than Significant Impact	No Impact
IV. BIOLOGICAL RESOURCES – Would the project:				
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
V. CULTURAL RESOURCES – Would the project:				
a) Cause a substantial adverse change in the significance of a historical resource as defined in 15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to 15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Disturb any human remains, including those interred outside of formal cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
VI. GEOLOGY AND SOILS – Would the project:				
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:				
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
ii) Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iii) Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iv) Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

VII. HAZARDS AND HAZARDOUS MATERIALS --

Would the project:

a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where urbanized areas and wildlands are intermixed?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
VIII. HYDROLOGY AND WATER QUALITY – Would the project:				
a) Violate any water quality standards or waste discharge requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) Otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map, other flood hazard delineation map?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
j) Inundation by seiche, tsunami, or mudflow?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
IX. LAND USE AND PLANNING - Would the project:				
a) Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
X. MINERAL RESOURCES -- Would the project:				
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
XI. NOISE –				
Would the project result in:				
a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
XII. POPULATION AND HOUSING – Would the project:				
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
XIII. PUBLIC SERVICES				
a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:				
Fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Police protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Parks?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other public facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
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XIV. RECREATION --

- a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?
- b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

XV. TRANSPORTATION/TRAFFIC -- Would the project:

- a) Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)?
- b) Exceed, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated roads or highways?
- c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?
- d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?
- e) Result in inadequate emergency access?
- f) Result in inadequate parking capacity?
- g) Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)?

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

XVI. UTILITIES AND SERVICE SYSTEMS --

Would the project:

- a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?
- b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?
- c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) Comply with federal, state, and local statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

XVII. MANDATORY FINDINGS OF SIGNIFICANCE --

- a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?
- b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?
- c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Environmental Checklist Form
Response Sheet
Vesting Tentative Tract Map 6499

I AESTHETICS

- a The area is not regarded or designated within the Metropolitan Bakersfield Plan as visually important or "scenic". There is no scenic vista that would be impacted as a result of project implementation. No impact has been identified.
- b The project does not include the removal of trees, the destruction of rock out-croppings or degradation of any historic building. There are no highways designated as "scenic" within the Metropolitan Bakersfield area. No impact has been identified.
- c There are visual impacts with any new development but this project is typical of other urban development in the surrounding area. No evidence has been submitted for the record indicating that the project would substantially degrade the existing visual character or quality of the site and its surroundings. No impact has been identified.
- d This project involves incremental growth of urban development typical of the area. Light from this development will not substantially affect views in this area either at night or daytime as the light generated is typical of urban development. No impact has been identified.

II AGRICULTURE RESOURCES

- a. The project will not result in the cancellation of a Land Use Contract made pursuant to the California Land Conservation Act of 1965 (Williamson Act) for any parcel of 100 acres or more. No evidence has been submitted for the record regarding conversion of prime farmland, unique farmland or farmland of Statewide importance. No impact has been identified.
- b. The existing site zoning is R-1 (One Family Dwelling). No Williamson Act Land Use Contracts exist on the site. No impact has been identified.
- c. There are no special attributes of this project site, involving other changes to the existing environment related to location or nature, that will cause or could result in the conversion of farmland to non-agricultural use. This project is in an area designated for urban development by the Metropolitan Bakersfield General Plan. No impact has been identified.

III AIR QUALITY

- a. The Southern San Joaquin Valley Unified Air Pollution Control District encourages local jurisdictions to design all developments in ways that reduce air pollution from vehicles, which are the largest single category of air pollution in the San Joaquin Valley. The Guide to Assessing and Reducing Air Quality Impacts promulgated by Southern San Joaquin Valley Unified Air Pollution Control District, list various land uses and design strategies that reduce air quality impacts of new development. Local standards, ordinances and general plan requirements related to landscaping, sidewalks, street improvements, level of traffic service, energy efficient heating and cooling building code requirements, location of commercial development in proximity to residential development are consistent with the listed strategies. This project is subject to local ordinances which ensure compliance with these air quality strategies and does not conflict with or obstruct implementation of the applicable air quality plan. Impacts are considered to be less than significant.

- b. In considering the air quality impacts of the project, the request to change the zoning from an A (Agriculture) to E (Estate) would not result in significant increases in air emissions. The project would not trigger "project screening trigger levels" for potential odor sources (Guide to Assessing Mitigation and Air Quality Impacts). In addition, dust suppression measures listed as Regulation VIII are required for all construction in the City of Bakersfield and are regarded by Southern San Joaquin Valley Air Pollution Control District as sufficient mitigation to reduce PM-10 impacts to a less than significant level.
- c. The project will not increase any criteria pollutant (for which the Southern San Joaquin Valley is in nonattainment) beyond the level of significance as defined by Southern San Joaquin Valley Air Pollution Control District. Pollution from this project was taken into consideration in previous environmental analysis (Metropolitan Bakersfield General Plan Final Environmental Impact Report) which identified the amount of urbanization and resultant air pollution, which would be generated within the general plan area. Mitigation from the Final Environmental Impact Report was incorporated into various policies, implementation measures and ordinances. No evidence has been submitted for the record to indicate that this project will have a significant impact on air resources. Impacts are considered to be less than significant.
- d. CEQA Section 15183(c) states: "If an impact is not peculiar to the parcel or the project, has been addressed as a significant effect on the prior EIR, or can be substantially mitigated by the imposition of uniformly applied development policies or standards, as contemplated by subdivision (e) below, then an additional EIR need not be prepared for the project solely on the basis of that impact." The Metropolitan Bakersfield General Plan Update EIR considered the impact from the development of existing land uses in the City limits. The study considered the cumulative effect of air emissions to be significant, and a Statement of Overriding Considerations was adopted. Since the impact was addressed in an earlier EIR, the cumulative impacts need not be considered again.
- e. There is no evidence that this project creates any pollutant "hot spot" that would expose sensitive receptors to substantial pollution receptors. The only potential "hot spots" are located at intersections which are "severely" congested. There are no adjacent intersections which are at a level of service "F" and therefore by definition no significant pollutant "hot spot" impacts are identified for this project. No impact has been identified.
- f. The land use proposed as a result of this project does not likely have the potential to create objectionable odors. This proposal is not on the list of those land uses generally regarded as the type to have site odor problems (for the list of projects please see table 4-2, Southern San Joaquin Valley Air Pollution Control District Guide for Assessing and Mitigating Air Quality Impacts). No impact has been identified.

IV BIOLOGICAL RESOURCES

- a. The project is subject to the terms of the Metropolitan Bakersfield Habitat Conservation Plan and associated Section 10 (a) (1) (b) and Section 2081 permits issued to the City of Bakersfield by the United State Fish and Wildlife Services and California State Department of Fish and Game, respectively. Terms of the permit require applicants for all development projects within the plan area to pay habitat mitigation fees, excavate known kit fox dens, and notify agencies prior to grading in areas of known dens. With implementation of the Metropolitan Bakersfield HCP, impacts are considered to be less than significant.
- b. See "IVa." above.
- c. The project crosses no stream, either perennial or intermittent based on the United States Geological Survey topographic sheet for the area. There are no "Federally Protected Wetlands" identified in the project area. No impact has been identified.

- d. The project is not within the Kern River flood plain, or along a canal, which has been identified by United States Fish and Wildlife Services as a corridor for native resident wildlife species. There is evidence in the record that the project area is a nursery site for native wildlife species. No impact has been identified.
- e. The Metropolitan Bakersfield Habitat Conservation Plan has been adopted as policy and is implemented by ordinance. The plan addresses biological impacts within the Metropolitan Bakersfield General Plan Area. The development entitled by this proposal will be required to comply with this plan and therefore will not be in conflict with either local biological policy or ordinance. No impact has been identified.
- f. The existing Metropolitan Bakersfield HCP is the only plan applicable to this area, which relates to biological resources. There are no other adopted plans. See answer to IVe., above. No impact has been identified.

V CULTURAL RESOURCES

- a. There are no structures on the site. Resources on site are not listed in a local register of historical resources as defined in Section 5020.1 (k) of the Public Resource Code and are not found to be significant historical resources meeting the requirements of Section 5024.1 (g) of the Public Resources Code. A cultural resources study prepared by Hudlow Cultural Resources Associates, dated February 2005, determined there were no significant cultural resources on-site (Exhibit B.1) No impact has been identified.
- b. The California Archaeological Inventory at California State University Bakersfield has reviewed the existing literature for archaeological resources for this project and did not indicate an adverse change in the significance of any on site archaeological resource. No impact has been identified.
- c. This project is not located in the Shark Tooth Mountain bone bed which is the only unique paleontological resource identified in the Metropolitan Bakersfield area. No evidence has been submitted to indicate that implementation of the project will destroy any unique geologic structure. No impact has been identified.
- d. There is no evidence in the record to indicate that the project is located within an area likely to produce human remains. If any human remains are discovered, all work shall stop until the Kern County Coroner has been notified and has evaluated the remains. If any other archaeological artifacts are discovered during site development, all work shall stop until the find has been evaluated by a qualified archaeologist or historian. No impact has been identified.
- e. There is no evidence in the record to indicate that the project is located within an area likely to produce human remains. If any human remains are discovered, all work shall stop until the Kern County Coroner has been notified and has evaluated the remains. If any other archaeological artifacts are discovered during site development, all work shall stop until the find has been evaluated by a qualified archaeologist or historian. No impact has been identified.

VI GEOLOGY AND SOILS

- a.i. The proposed project is not within an area delineated on the most recent Alquist - Priolo Earthquake Fault Zoning Map. No other evidence has been presented to indicate that the project is located in a fault area. No impact has been identified
- a.ii. Bakersfield, located in the San Joaquin Valley, has been a seismically active area. According to Metropolitan Bakersfield General Plan, major active fault systems border the southern portion of the San Joaquin Valley. Among these fault systems are the San Andreas, the Breckenridge-Ke

County, the Garlock, the Pond Poso and the White Wolf. There are numerous additional faults suspected to occur within the Bakersfield area which may or may not be active. The active faults have a maximum credible Richter magnitude that ranges from 6.0 (Breckenridge -Kern Canyon) to 8.3 (San Andreas). Potential seismic hazards in the planning area involve strong ground shaking, fault rupture, liquefaction, and earthquake induced landslides.

Future structures proposed on the project site will be constructed in accordance with the Uniform Building Code (seismic zone 4, which has the most stringent seismic construction requirements in the United States), and will adhere to all modern earthquake standards, including those relating to soil characteristics. This will ensure that all seismically related hazards remain less than significant. In addition, because of the relatively flat topography of the project site, landslides are not considered to be a potentially significant geologic hazard. Impacts are considered to be less than significant.

- a.iii. Liquefaction potential is a combination of soil type, ground water depth and seismic activity. This project site does not demonstrate the three attributes necessary to have a potentially significant impact. Also, see answer to a VI a i. and VI a ii.
- a.iv. See answer to VI a ii.
- b. The soil types prevalent on the proposed site are listed in the Kern County California Soil Survey for the Northwestern region. Due to the characteristics of the on-site soil type and the relatively flat terrain, implementation of the project will not result in significant erosion, displacement of soils, or soil expansion problems. The project will be subject to City ordinances and standards relative to soils and geology. Standard compliance requirements include detailed site specific soil analysis prior to issuance of building permits and adherence to applicable building codes in accordance with the Uniform Building Code. City standards generally require the installation of sanitary sewers with residential development projects. No impact has been identified.
- c. See answer to VI a ii. In addition, the Seismic Hazard Atlas map of Kern County prepared by the United States Department of the Interior Geological Survey does not indicate that the project area is subject to subsidence, liquefaction or other unique geological hazard. No impact has been identified.
- d. and e. See answer to VI b.

VII HAZARDS AND HAZARDOUS MATERIALS

- a. There is no evidence in the record which indicates this project (or this type of land use in general) involves the transport or use of hazardous materials in any quantity which has been identified by responsible agencies as having the potential to be a significant environmental impact. The proposed project, typical of urban development in Bakersfield, is not inconsistent with the adopted City of Bakersfield Hazardous Materials Area Plan (Jan.1997). This plan identifies responsibilities and provides coordination of emergency response at the local level in response to a hazardous materials incident. No impact has been identified.
- b. See answer to VII a.
- c. There is no evidence that this project or this category of projects has been identified by responsible agencies as having the potential to emit hazardous emissions at a level which is potentially significant. No impact has been identified.
- d. This project is not located on any site catalogued on the most recent hazardous materials list compiled pursuant to Government Code § 65962.5. No impact has been identified.

- e. This project is not located within any area subject to the land use restrictions within the adopted Kern County Airport Land Use Compatibility Plan (1996) (ALUCP) which covers all of Kern County. The proposed project is not located within Zone A, B1, B2 or C as defined in the ALUCP; therefore there is no identified safety hazard resulting from the project. No impact has been identified.
- f. See answer VII e. No impact has been identified.
- g. The proposed project, typical of urban development in Bakersfield, is not inconsistent with the adopted City of Bakersfield Hazardous Materials Area Plan (Jan. 1997). This plan identifies responsibilities and provides coordination of emergency response at the local level in response to a hazardous materials incident. The proposed project would not interfere with emergency response or evacuation plans adopted by public safety agencies. No impact has been identified.
- h. This project is not located adjacent to a wildland area. No impact has been identified.

VIII HYDROLOGY AND WATER QUALITY

- a. The proposed project will be implemented in accordance with all applicable water quality standards and waste discharge requirements, which will ensure that the quality and quantity of surface water flowing from the site would not be substantially affected. No impact has been identified.
- b. The proposed development would not result in a need for significant additional systems, substantially alter the existing water utilities, deplete groundwater supplies, or interfere with groundwater recharge in the area. The project applicant has submitted a "will serve" letter from City of Bakersfield Water Resources Department which indicates that the district has adequate capacity to serve the subject site. The appropriate water utility company to serve the subject site may require the project applicant to provide some water system improvements, if necessary, to adequately service the subject site. Impacts are considered to be less than significant.
- c. There are no streams or rivers on the project site. All projects must comply with Bakersfield Municipal Code Section which will ensure that no significant drainage impacts will result from implementation of the proposed project. No impact has been identified.
- d. See answer to VIII c.
- e. See answer to VIII c.
- f. See answer VIII a.
- g. The project does not propose housing within a 100-year flood plain as identified by Flood Insurance Rate Map or any other flood hazard map. No impact has been identified.
- h. The project does not propose any structures within a 100-year flood hazard area. See answer to VIII. g. No impact has been identified.
- i. The proposed project is not within the Lake Isabella dam failure inundation area or the 100 year flood plain for the Kern River as depicted on figure VIII-2 of the Metropolitan Bakersfield General Plan (Safety Element). The site is not subject to inundation by seiche, tsunami or mudflows. No impact has been identified.
- j. The project site is not located near any significantly sized body of water and is, therefore, not susceptible to a seiche or tsunami. The site is not located at the foot of any significant topographic feature with the potential to be subject to a mudflow. No impact has been identified.

IX LAND USE AND PLANNING

- a. The proposed project is infill development which does not physically divide any existing community. No impact has been identified.
- b. The project is required to be consistent with the Metropolitan Bakersfield General Plan and the City of Bakersfield Zoning Ordinance (BMC Section 17.10 or 17.14) There are no identified conflicts with policies or ordinances which were established to avoid or mitigate environmental effects. No impact has been identified.
- c. See answer to IV. a.

X MINERAL RESOURCES

- a. and b. The project is not located within a state designated oil field or within an area of other important mineral resources. Refer to Figure V-3 Conservation Element, Metropolitan Bakersfield General Plan. No impact has been identified.

XI NOISE

- a. Development of the project will not expose persons or generate noise, in excess of those standards found in the Metropolitan Bakersfield General Plan, Noise Element. See answer XI d. Less than significant impact.
- b. There is no evidence in the record of any noise impacts associated with ground-borne vibration or noise. No impact has been identified.
- c. Ambient noise levels will increase through any urban type of development of the site. Building Code requirements for energy conservation result in a 20 d.b.a. reduction in noise for interior space. In addition, Zoning Ordinance development standards will reduce substantial increases in the ambient noise levels of the adjoining area. The project will not expose people to severe noise levels. Development standards that reduce noise impact include building setbacks (BMC § 17.08.150 and each Zoning designation); walls (BMC § 16.28.170; 17.08.180), and landscaping (BMC § 17.61.010; Planning Commission Resolution # 58-92). The impact is less than significant.
- d. Noise associated with construction of the project is the only temporary (or periodic) increase of ambient noise levels. This temporary change in ambient noise levels is considered to be less than significant.
- e. This project is not located within any area subject to the land use restrictions of the adopted Kern County Airport Land Use Compatibility Plan (1996) which covers all of Kern County. No impact has been identified.
- f. This project is not located within the vicinity of any private airstrip and therefore does not have the potential to cause significant noise impacts (Kern County Airport Land Use Compatibility Plan (1996)). No impact has been identified.

XII POPULATION AND HOUSING

- a. The project will induce population growth in this area but this impact is regarded as less than significant as the project is the logical extension of existing urban development or is an infill project. See Table B:

Population Projections

PROPOSED LAND USE	DWELLING UNITS	PERSON PER HOUSEHOLD	POPULATION
Single Family Residential	47 d.u.	3.01 pphh	141 pop.

- b. The project does not propose displacement of any existing housing. No impact has been identified.
- c. The project will not result in displacement of any persons. No impact has been identified

XIII PUBLIC SERVICES

Fire Protection? Fire protection services for the Metropolitan Bakersfield area are provided through a joint fire protection agreement between the City and County. This proportional increase in need for fire protection services would be paid for by property taxes generated by this development. No impact has been identified.

Police Protection? Police protection will be provided by the Bakersfield Police Department upon project build out. Current City Police services standards require 1.19 officers for each 1,000 people in the city. This proportional increase in services would be paid for by property taxes generated by this development. No impact has been identified.

Schools?

The proposed development of land uses could produce numbers of housing units and could generate approximately 40 school age children as indicated in Table "C". This increase may necessitate the construction of additional school facilities. Existing school impact fees and increased property tax revenues will reduce impacts on schools to less than significant.

TABLE "C"
 SCHOOL CHILDREN GENERATION

TYPE AND NUMBER OF DWELLING UNITS	ELEMENTARY K - 8	HIGH SCHOOL 9 - 12	TOTAL PUPILS
Single Family 47 units	47 x 0.62 = 29	47 x 0.23 = 11	40

Source: 2000 Federal Census; Student Generation Rates - 2003 Kern County Office of Education

Parks?

The project proposes an increase in population of within the area and would result in an impact upon the quality and /or quantity of existing recreational opportunities and create a need for a new parks or recreational facilities. As indicated in Table "D", the parkland requirements for the proposed project is calculated based on the General Plan and City Ordinance Park Standards of 2.5 acres per 1,000 population. Total park acres estimated for the project is acres. In addition, every residential unit must pay a park land development fee at the time of the issuance of building permits. Compliance with the park acreage dedication ordinance and the park development fee ordinance ensures that parks are dedicated and built in accordance with City standards. The impact is not considered significant.

TABLE D
 Park Need -Proposed Project

TYPE OF DWELLING UNIT	DWELLING UNITS	PARK FACTOR	PARK ACREAGE NEEDED
Single Family	47	.0076	0.36

Other Public Facilities? Other public facility improvements from the proposed development and eventual buildup of this area will result in an increase in maintenance responsibility for the City of Bakersfield. The development is required to provide improvements, such as street, sewer, and drainage facilities, in accordance with Bakersfield Municipal Code §16.32.060 and Chapter 13.12, Development Improvement Standards and Specifications. This potential increase in maintaining services would be paid for by property taxes generated by this development. No impact has been identified.

XIV RECREATION

a & b. See answer to "XIII: Parks". No impact has been identified.

XV TRANSPORTATION AND TRAFFIC

a. The proposed project will generate additional vehicular traffic movement within an accepted range as allowed for the land use and zone designations of the project site. The project may potentially cause an increase in traffic in relation to the existing traffic load (volume) and capacity of the street system, and impact existing transportation systems. The project may also alter the present patterns of circulation or movement of people and goods by improving new streets to serve the project.

A traffic analysis has not been required for this proposal. All regional traffic impacts caused by this development shall be mitigated according to the regional impact fee ordinance (BMC §15.84.010) at the time building permits are issued.

In addition, the Bakersfield Municipal Code requires the subdivider to construct street improvements within the development and a proportional share of boundary street improvements to serve traffic generated by this development. All road improvements are subject to compliance with adopted engineering standards as stated in the General Plan and Bakersfield Municipal Code Chapter 13.12, Development Improvement Standards and Specifications, which includes the City's Subdivision Design Manual, and CalTrans Standard Specifications. The impacts are reduced to less than significant.

- b. The project must comply with the Metropolitan Bakersfield General Plan level of service standard "C" which is a higher level than the Congestion Management Plan level of service standard "D." No impact has been identified.
- c. The project does not propose air traffic or impact air traffic patterns. No impact has been identified.
- d. All road improvements are to comply with adopted improvement standards as stated in the General Plan and Bakersfield Municipal Code Chapter 13.12. These standards are intended to reduce traffic hazards. There are no incompatible uses which have been identified with this project. No impact has been identified.

- f. All projects are, by ordinance, subject to the access requirements of the City of Bakersfield Fire Department which includes an evaluation of adequate emergency access. No impact has been identified.
- g. Section 17.58.010 of the Zoning Ordinance requires that parking appropriate to each type of land use be provided. No impact has been identified.
- h. The project would not be inconsistent with policies or programs supporting alternative transportation. Payment of the transportation impact fee (BMC §15.84.010) is required. This fee in part is used to support mass transit. BMC § 16.16.050 requires consultation with responsible transit agencies such as Golden Empire Transit Bus (GET) and KernCOG. No impact has been identified.

XVI UTILITIES AND SERVICE SYSTEMS

- a. This project will be connected to sanitary sewer and will meet the requirements of the Regional Water Quality Control Board. No impact has been identified.
- b. The proposed development would not result in the need for significant additional systems or substantially alter the existing water or wastewater facilities. All affected utility companies have been contacted regarding the proposal and to date, none have identified a significant impact in providing service to the project. Expansion of all utilities would be required to serve this development in accordance with § 16.32.060. No impact has been identified.
- c. New development is required to provide construction of new storm water drainage facilities or provide for approved drainage improvements in accordance with Bakersfield Municipal Code 16.32.060, and Chapter 13.12. Improvements are subject to compliance with accepted engineering standards as stated in the General Plan and Chapter 13.12. No impact has been identified.
- d. The proposed development would not result in a need for significant additional systems or substantially alter the existing water utilities in the area. Expansion of all water utilities would be required to serve this development in compliance with § 16.32.060, and engineering standards of Bakersfield Municipal Code Chapter 13.12. A "will serve letter" from the water purveyor, (see VIII b above), has been submitted for this project. No impact has been identified.
- e. The City of Bakersfield is the wastewater treatment provider and has indicated there is sufficient capacity in the existing plant to serve this project. No impact has been identified.
- f. The Bena Landfill serves the Metropolitan Bakersfield area. In 1991, the California Integrated Waste Management Board issued a permit to the Kern County Public Works Department (Kern County Waste Management Dept.) to operate the Bena Landfill. The facility design and operations are consistent with State Minimum Standards for Solid Waste Handling and Disposal as determined by the Local Enforcement Agency. The landfill will not need significant new or substantially, altered facilities to accommodate this project. No impact has been identified.
- g. The project will not breach published national, state or local standards relating to waste reduction, litter control or solid waste disposal. See answer XVI f. No impact has been identified.



RESPONSES TO MANDATORY FINDINGS OF SIGNIFICANCE

- a. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?

No. Based on the foregoing evaluation, the proposed project is not expected to degrade the quality of the environment, to significantly impact biological or cultural resource in a manner which cannot be reduced to a level of insignificance through implementation of regulatory requirements.

- b. Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?

No. Based on information contained in the record to date, there is no evidence that potential impacts cannot be reduced to a level of insignificance with adherence to local development standards and adopted ordinances.

- c. Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?

No. Implementation of adopted ordinances, development standards, and implementation measures contained in the Metropolitan Bakersfield General Plan will ensure that the project has no adverse consequences for human health, safety, or welfare.

Reference List

1. *The Metropolitan Bakersfield General Plan and Appendices*, City of Bakersfield, County of Kern, February 2003.
2. *The Metropolitan Bakersfield General Plan (Update) Final Environmental Impact Report (FEIR)*, State Clearinghouse (SCH) # 1989070302, City of Bakersfield and County of Kern.
3. *FEIR Metropolitan Bakersfield Habitat Conservation Plan (MBHCP)*, Thomas Reid Associates for the City of Bakersfield and the County of Kern, March 1991.
4. *MBHCP, Advisory Notice to Developers, 10 (a) (1) (b) and 2081 permits*, 1994.
5. *Title 17, Zoning Ordinance*, Bakersfield Municipal Code.
6. *Title 16, Subdivision Map Act*, Bakersfield Municipal Code.
7. *Water Balance Report*, City of Bakersfield, 2000
8. *Guide For Assessing and Mitigating Air Quality Impacts*, San Joaquin Valley Air Pollution Control District, January 10, 2002 as updated.
9. *Northeast Bakersfield Bikepath and Water Facility EIR* (July 1998).
10. *Cultural Resources Study* prepared by Hudlow Cultural Resources, dated February 2005.

EXHIBIT B

CULTURAL RESOURCES STUDY

A
**PHASE I CULTURAL RESOURCE SURVEY
FOR TK DEVELOPMENT AND CESAR GAONA,
CITY OF BAKERSFIELD, CALIFORNIA**

Submitted to:
Cornerstone Engineering, Inc.
2505 M Street
Bakersfield, California 93301

Keywords:
Oil Center 7.5' Quadrangle, City of Bakersfield,
California Environmental Quality Act

Submitted by:
Hudlow Cultural Resource Associates
1405 Sutter Lane
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Scott M. Hudlow

February 2005*

Management Summary

At the request of Cornerstone Engineering, a Phase I Cultural Resource Survey was conducted on the south side of Highway 178, east of Fairfax Road, Bakersfield, California on an exact 20.12-acre tract for a proposed residential development. The Phase I Cultural Resource Survey consisted of a pedestrian survey of the site and a cultural resource record search. **No archaeological resources were identified. No further work is required. If archaeological resources are encountered during the course of construction, a qualified archaeologist should be consulted for further evaluation.**

Table of Contents

Management Summary	2
Table of Contents	3
List of Figures	3
1.0 Introduction.....	4
2.0 Survey Location.....	4
3.0 Record Search	4
4.0 Environmental Background	4
5.0 Prehistoric Archaeological Context.....	4
6.0 Ethnographic Background.....	7
7.0 Field Procedures and Methods.....	10
8.0 Report of Findings.....	10
9.0 Management Recommendations	10
10.0 References	11
Appendix I	13

List of Figures

1 Project Area Location Map.....	5
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1.0 Introduction

At the request of Cornerstone Engineering, *Hudlow Cultural Resource Associates* conducted a Phase I Cultural Resource Survey at an exact 20.12-acre site, for a proposed residential development located on the south side of Highway 178, east of Fairfax Road in the City of Bakersfield, California in accordance with the California Environmental Quality Act. The Phase I Cultural Resource Survey consisted of a pedestrian survey of the site and a cultural resource record search.

2.0 Survey Location

The survey area is in the City of Bakersfield. It consists of the E 1/2 of the NW 1/4 of Section 24, T29S., R.28E., Mount Diablo Baseline and Meridian, as displayed on the United States Geological Survey (USGS) Oil Center 7.5-minute quadrangle map (Figure 1). The proposed residential development is located on the south side of Highway 178, east of Fairfax Road in the City of Bakersfield, California.

3.0 Record Search

A record search of the survey area and the environs within 1 mile was conducted at the Southern San Joaquin Archaeological Information Center. Scott M. Hudlow conducted the record search on February 11, 2005, AIC# 04-067. The record search revealed that eight cultural resource surveys have been conducted within one mile of the project area; no surveys have been conducted adjacent the project area. One cultural resource has been recorded within one mile of the survey area, a historic site, which had been effectively looted and removed from the landscape, KER-1438H.

4.0 Environmental Background

The project area is located at elevations between 720 and 860 feet above mean sea level in the Great Central Valley, which is composed of two valleys—the Sacramento Valley and the San Joaquin Valley. The project area is located in the southeastern portion of the southern San Joaquin Valley on the south side of the Kern River. The project area was covered in a series of domestic weeds, particularly grasses, which covered the project area.

5.0 Prehistoric Archaeological Context

Limited archaeological research has been conducted in the southern San Joaquin Valley. Thus, consensus on a generally agreed upon regional

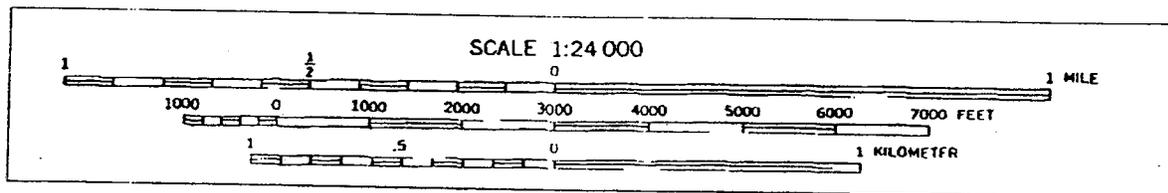
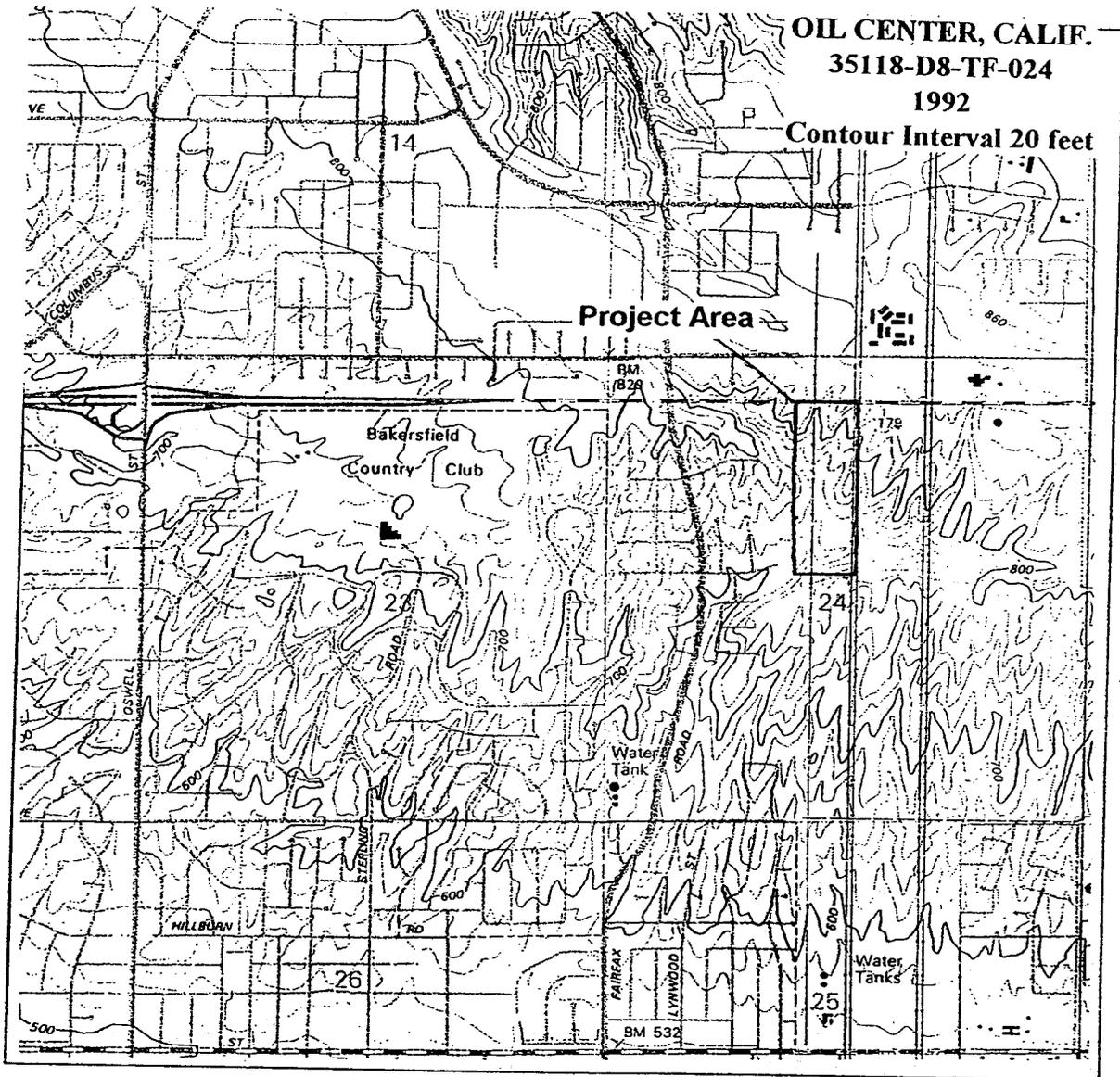


Figure 1
Project Area Location Map

cultural chronology has yet to be developed. Most cultural sequences can be summarized into several distinct time periods: Early, Middle, and Late. Sequences differ in their inclusion of various "horizons," "technologies," or "stages." A prehistoric archaeological summary of the southern San Joaquin Valley is available in Moratto (Moratto 1984).

Despite the preoccupation with chronological issues in most of the previous research, most suggested chronological sequences are borrowed from other regions with minor modifications based on sparse local data.

The following chronology is based on Parr and Osborne's Paleo-Indian, Proto-Archaic, Archaic, Post-Archaic periods (Parr and Osborne 1992:44-47). Most existing chronologies focus on stylistic changes of time-sensitive artifacts such as projectile points and beads rather than addressing the socioeconomic factors, which produced the myriad variations. In doing so, these attempts have encountered similar difficulties. These cultural changes are implied as environmentally determined, rather than economically driven.

Paleo-Indians, whom roamed the region approximately 12,000 years ago, were highly mobile individuals. Their subsistence is assumed to have been primarily big game, which was more plentiful 12,000 years ago than in the late twentieth century. However, in the Great Basin and California, Paleo people were also foragers who exploited a wide range of resources. Berries, seeds, and small game were also consumed. Their technology was portable, including manos (Parr and Osborne 1992:44). The paleo period is characterized by fluted Clovis and Folsom points, which have been identified throughout North America. The Tulare Lake region in Kings County has yielded several Paleo-Indian sites, which have included fluted points, scrapers, chipped crescents, and Lake Mojave-type points (Moratto 1984:81-2).

The Proto-Archaic period, which dates from approximately 11,000 to 8,000 years ago, was characterized by a reduction in mobility and conversely an increase in sedentism. This period is classified as the Western Pluvial Lake Tradition or the Proto-Archaic, of which the San Dieguito complex is a major aspect (Moratto 1984: 90-99; Warren 1967). An archaeological site along Buena Vista Lake in southwestern Kern County displays a similar assemblage to the San Dieguito type site. Claude Warren proposes that a majority of Proto-Archaic southern California could be culturally classified as the San Dieguito Complex (Warren 1967). The Buena Vista Lake site yielded manos, millingstones, large stemmed and foliate points, a mortar, and red ochre. During this period, subsistence patterns began to change. Hunting focused on smaller game and plant collecting became more integral. Large stemmed, lanceolate (foliate) projectile points

represent lithic technology. Millingstones become more prevalent. The increased sedentism possibly began to create regional stylistic and cultural differences not evident in the paleo period.

The Archaic period persisted in California for the next 4000 years. In 1959, Warren and McKusiak proposed a three-phase chronological sequence based on a small sample of burial data for the Archaic period (Moratto 1984:189; Parr and Osborne 1992:47). It is distinguished by increased sedentism and extensive seed and plant exploitation. Millingstones, shaped through use, were abundant. Bedrock manos and metates were the most prevalent types of millingstones (Parr and Osborne 1992:45). The central valley began to develop distinct cultural variations, which can be distinguished by different regions throughout the valley, including Kern County.

In the Post-Archaic period enormous cultural variations began manifesting themselves throughout the entire San Joaquin Valley. This period extends into the contact period in the seventeenth, eighteenth and nineteenth centuries. Sedentary village life was emblematic of the Post-Archaic period, although hunting and gathering continued as the primary subsistence strategy. Agriculture was absent in California, partially due to the dense, predictable, and easily exploitable natural resources. The ancestral Yokuts have possibly been in the valley for the last three thousand years, and by the eighteenth century were the largest pre-contact population, approximately 40,000 individuals, in California (Moratto 1984).

6.0 Ethnographic Background

The Yokuts are a Penutian-speaking, non-political cultural group. Penutian speakers inhabit the San Joaquin Valley, the Bay Area, and the Central Sierra Nevada Mountains. The Yokuts are split into three major groups, the Northern Valley Yokuts, the Southern Valley Yokuts, and the Foothill Yokuts.

The southern San Joaquin Valley in the Bakersfield and associated Kern County area was home to the Yokuts tribelet, Yawelmani. The tribelets averaged 350 people in size, had a special name for themselves, and spoke a unique dialect of Yokuts. Land was owned collectively and every group member enjoyed the right to utilize food resources. The Yawelmani inhabited a strip of the southeastern San Joaquin Valley, north of the Kern River to the Tehachapi Mountains on the south, and from the mountains on the east, to approximately the old south fork of the Kern River on the west (Wallace 1978:449; Parr and Osborne 1992:19). The Yawelmani were the widest ranging of the Yokuts tribelets. A half dozen villages were located along the Kern River,

including *Woiilo* ("planting place" or "sowing place"), which was located in downtown Bakersfield, where the original Amtrak station was located. A second village was located across the Kern River from *Woiilo*, on the west bank.

The Southern Valley Yokuts established a mixed domestic economy emphasizing fishing, hunting, fowling, and collecting shellfish, roots, and seeds. Fish were the most prevalent natural resource; fishing was a productive activity throughout the entire year. Fish were caught in many different manners, including nets, conical basket traps, catching with bare hands, shooting with bows and arrows, and stunning fish with mild floral toxins. Geese, ducks, mud hens and other waterfowl were caught in snares, long-handled nets, stuffed decoys, and brushing brush to trick the birds to fly low into waiting hunters. Mussels were gathered and steamed on beds of tule. Turtles and dogs were consumed. The dogs might have been raised for consumption (Wallace 1978:449-450).

Wild seeds and roots provided a large portion of the Yokuts' diet. Tule seeds, grass seeds, fiddleneck, alfilaria were also consumed. Acorns, the staple crop for many California native cultures, were not common in the San Joaquin Valley. Acorns were traded into the area, particularly from the foothills. Land mammals, such as rabbits, ground squirrels, antelope and tule elk, were not hunted often (Wallace 1978:450).

The Yokuts occupied permanent structures in permanent villages for most of the year. During the late and early summer, families left for several months to gather seeds and plant foods, shifting camp locations when changing crops. Several different types of fiber-covered structures were common in Yokuts settlements. The largest was a communal tule mat-covered, wedge-shaped structure, which could house upward of ten individuals. These structures were established in a row, with the village chief's house in the middle and his messenger's houses were located at the ends of the house row. Dance houses and assembly buildings were located outside the village living area (Nabokov and Easton 1989:301).

The Yokuts also built smaller, oval, single-family tule dwellings. These houses were covered with tall mohya stalks or with sewn tule mats. Bent-pole ribs frame these small houses. The Yokuts also built a cone-shaped dwelling, which was framed with poles tied together with a hoop and then covered with tule or grass. These cone-shaped dwellings were large enough to contain multiple fireplaces (Nabokov and Easton 1989:301). Other structures included mat-covered granaries for storing food supplies, and a dirt-covered, communally-owned sweathouse.

Clothing was minimal, men wore a breechclout or were naked. Women wore a narrow fringed apron. Rabbitskin or mud hen blankets were worn during the cold season. Moccasins were worn in certain places; however, most people went barefoot. Men wore no head coverings, but women wore basketry caps when they carried burden baskets on their heads. Hair was worn long. Women wore tattoos from the corners of the mouth to the chin; both men and women had ear and nose piercings. Bone, wood or shell ornaments were inserted into the ears and noses (Wallace 1978:450-451).

Tule dominated the Yokut's material culture. It was used for many purposes, including sleeping mats, wall coverings, cradles, and basketry. Ceramics are uncommon to Yokuts culture as is true throughout most California native cultures. Basketry was common to Yokuts culture. Yokuts made cooking containers, conical burden baskets, flat winnowing trays, seed beaters, and necked water bottles. Yokuts also manufactured wooden digging sticks, fire drills, mush stirrers, and sinew-backed bows. Knives, projectile points, and scraping tools were chipped from imported lithic materials including obsidian, chert, and chalcedony. Stone mortars and pestles were secured in trade. Cordage was manufactured from milkweed fibers, animal skins were tanned, and awls were made from bone. Marine shells, particularly olivella shells, were used in the manufacture of money and articles of personal adornment. Shells were acquired from the Chumash along the coast (Wallace 1978:451-453).

The basic social and economic unit was the nuclear family. Lineages were organized along patrilineal lines. Fathers transmitted totems, particular to each paternal lineage, to each of his children. The totem was a bird or animal that no lineage member would kill or eat; the totems were dreamed of and prayers were given to the totems. The mother's totem was not passed to her offspring, but was treated with respect. Families sharing the same totem formed an exogamous lineage. The lineage had no formal leader nor did it own land. The lineage was a mechanism for transmitting offices and performing ceremonial functions. The lineages formed two moieties, East and West, which consisted of several different lineages. Moieties were customarily exogamous. Children followed the paternal moiety. Certain official positions within the villages were associated with certain totems. The most important was the Eagle lineage from which the village chief was appointed. A member of the Dove lineage acted as the chief's assistant. He supervised food distribution and gave commands during ceremonies. Another hereditary position was common to the Magpie lineage, was that of spokesman or crier.

7.0 Field Procedures and Methods

On February 16, 2005, Scott M. Hudlow (Appendix I for qualifications) conducted a pedestrian survey of the entire proposed project area. Hudlow surveyed in north/south transects at 15-meter (49 feet) intervals. All cultural material more than fifty years of age or earlier encountered during the inventory was recorded.

8.0 Report of Findings

No archaeological resources were identified.

9.0 Management Recommendations

At the request of Cornerstone Engineering, a Phase I Cultural Resource Survey was conducted on the south side of Highway 178, east of Fairfax Road, Bakersfield, California on an exact 20.12-acre tract for a proposed residential development. The Phase I Cultural Resource Survey consisted of a pedestrian survey of the site and a cultural resource record search. **No archaeological resources were identified. No further work is required. If archaeological resources are encountered during the course of construction, a qualified archaeologist should be consulted for further evaluation.**

10.0 References

Moratto, Michael J.

1984 *California Archaeology*. Orlando, Florida, Academic Press.

Nabokov, Peter and Robert Easton

1989 *Native American Architecture*. Oxford University Press, New York, New York.

Parr, Robert E. and Richard Osborne

1992 *Route Adoption Study for Highway 58, Kern County, California*. Report on file, Southern San Joaquin Archaeological Information Center, California State University, Bakersfield, Bakersfield, California.

Wallace, William J.

1978 "Southern Valley Yokuts" in *Handbook of North American Indians*. Vol. 8, California, Robert F. Heizer, ed. Washington, D.C.: Smithsonian Institution, pp. 437-445.

Warren, Claude N. and M. B. McKusiak

1959 A Burial Complex from the southern San Joaquin Valley. Los Angeles: *University of California, Los Angeles, Archaeological Survey Annual Report, 1959*: 17-26.

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1967 "The San Dieguito Complex: A Review and Hypothesis"
American Antiquity 32(2): 168-185.

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Advice 2737-E

Attachment 6

LICENSE AGREEMENT
FOR A RIGHT OF ENTRY FOR TEMPORARY USE

This License Agreement For A Right of Entry for Temporary Use (this “**License 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 TK Development , LLC, a California limited liability company, hereinafter called “**Licensee.**”

R E C I T A L S:

A. PG&E owns the real property commonly known as the *Westpark-Magunden Tower Line Strip*, APN 434-010-32, SBE No. 135-15-25A-3, hereinafter called the “**Property**”, situate in the County of **Kern**, State of California.

B. In conjunction with *Licensee’s development of a residential subdivision adjacent to the Property*, Licensee wishes to temporarily use a portion of the Property *for the construction a roadway, together with all related appurtenances*, on a portion of the Property as shown on **EXHIBIT “A”** attached hereto and by this reference made a part hereof (the “**License Area**”).

C. Licensee has requested permission for Licensee to enter the License Area and conduct certain activities on the License Area as more fully described in this License Agreement, and PG&E is willing to grant such permission subject to the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, PG&E and Licensee hereby agree as follows:

1. Temporary Right of Entry. Subject to the terms and conditions set forth in this License Agreement, PG&E hereby confers to Licensee a temporary, personal, non-exclusive and non-possessory right and license to enter, and for Licensee to allow Licensee’s directors, officers, partners, members, managers, employees, contractors, subcontractors, consultants, representatives, agents, permittees and invitees (“**Licensee’s Representatives**”) to enter, at reasonable times, and from time to time, the Licensed Area for the sole purpose of *the construction of a roadway* hereinafter referred to as “**Licensee’s Activities.**”. All of Licensee’s Activities shall be performed at Licensee’s sole cost and expense. This License Agreement gives Licensee a license only and does not constitute a grant by PG&E of any ownership, leasehold, easement or other similar property interest or estate.

2. Fees. Licensee shall pay to PG&E a license fee of *PG&E’s standard administrative fee* of **\$500.00** on or before the execution of this License Agreement by Licensee.

3. Work Plan. Licensee shall discuss with PG&E any specific requirements for Licensee's Activities on the Property, and shall prepare a work plan that incorporates such requirements and which describes in detail and with specificity the nature, scope, location and

purpose of all of Licensee's Activities to be performed on the Property (the "**Work Plan**"). The Work Plan will be submitted to the following person at PG&E for approval Mr. Jerry J. Wong, Land Agent, at 650 "O" Street, Bag 23, Fresno, CA 93760-0001, (559) 263-5151. PG&E reserves the right to request Licensee to provide additional information, reports, studies or other documents not included in the Work Plan. Licensee acknowledges and agrees that PG&E's review of the Work Plan 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 Work Plan is adequate or appropriate for any purpose, or complies with applicable Legal Requirements, as defined herein. Licensee and Licensee's Representatives shall not enter the Property nor commence any activity on the Property, including, but not limited to Licensee's Activities, without the prior written consent of PG&E to the Work Plan as set forth above, which consent shall be at PG&E's sole and absolute discretion. Licensee agrees and covenants that all of Licensee's Activities shall be performed solely within the License Area and in strict accordance with the approved Work Plan.

4. Term; Termination; Surrender. This License Agreement shall be for a term of *1 year* commencing on the Effective Date of this License Agreement. **Provided however, that PG&E may terminate this License Agreement, at any time, for any reason or no reason, including, without limitation, pursuant to the provisions of General Order No. 69-C of the California Public Utilities Commission (the "CPUC"), upon twenty-four (24) hours written notice to the Licensee.** (Licensee to initial here _____). Upon the expiration or termination of this License Agreement, at Licensee's sole cost and expense, Licensee shall remove all of Licensee's and Licensee's Representative's personal property, remove all debris and waste material resulting from Licensee's Activities, and repair and restore the Property as nearly as possible to the condition that existed prior to Licensee's entry hereunder to PG&E's satisfaction. Licensee shall bear the entire cost of such removal, repair and restoration, and PG&E shall bear no liability for any costs caused or related to any termination of this License Agreement. In the event Licensee fails to comply with the requirements of this Section, PG&E may elect to remove such personal property and effect such removal, repair or restoration as necessary and recover such costs and expenses therefor from Licensee. Licensee shall pay such costs and expenses within ten (10) days of receipt of an invoice therefor. Licensee's obligations under this Section shall survive the expiration or termination of this License Agreement.

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

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

(b) Hazardous Substances (as hereinafter defined). For purposes hereof, the term "**Hazardous Substances**" means any hazardous or toxic material or waste which is or becomes regulated by Legal Requirements, as defined herein, relating to the protection of human

health or the environment, 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

(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.

Licensee shall take all necessary precautions to protect Licensee's Representatives from risks of harm from Potential Environmental Hazards, and Licensee shall be responsible for the health and safety of Licensee's Representatives. Licensee acknowledges that it has previously evaluated the condition of the Property and all matters affecting the suitability of the Property for

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

6. Licensee's Covenants.

(a) Legal Compliance. Licensee covenants and agrees, at Licensee's sole cost and expense, promptly to comply, and cause all of Licensee's Representatives to comply, with (i) 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 laws which relate to the generation, use, storage, handling, treatment, transportation or disposal of Hazardous Substances or to health, safety, noise, environmental protection, air quality or water quality, (ii) with the conditions of any permit, occupancy certificate, license or other approval issued by public officers relating to Licensee's Activities or Licensee's use or occupancy of the Property; and (iii) with any liens, encumbrances, easements, covenants, conditions, restrictions and servitudes (if any) of record, or of which Licensee has notice, which may be applicable to the Property (collectively, "**Legal Requirements**") regardless of when they become effective, insofar as they relate to Licensee's Activities or the use or occupancy of the Property by Licensee. The judgment of any court of competent jurisdiction, or the admission of Licensee in any action or proceeding against Licensee, whether or not PG&E is a party in such action or proceeding, that Licensee has violated any Legal Requirement relating to the use or occupancy of the Property, shall be conclusive of that fact as between PG&E and Licensee. Licensee shall furnish satisfactory evidence of such compliance upon request by PG&E;

(b) Notification of Investigations, Orders or Enforcement Proceedings. Licensee covenants and 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;

(c) Use of Property. Licensee covenants and agrees that Licensee shall not in any way interfere or permit any interference with the use by PG&E of the Property. Interference shall include, but not be limited to, any activity by Licensee that places any of PG&E's gas or electric facilities in violation of any of the applicable provisions of General Order Nos. 95 (Overhead Electric), 112 (Gas), and 128 (Underground Electric) of the CPUC or to any other applicable provisions of the laws and regulations of the State of California or other governmental agencies under which the operations of utility facilities are controlled or regulated. Licensee 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. Licensee shall not drill, bore, or excavate under any circumstances;

(d) Procedure for Entry. Licensee covenants and agrees that at least ten (10) business days prior to any entry by Licensee or any Licensee Representative upon the Property, Licensee shall notify Mr. Neil F. Stockton ("**PG&E's Representative**") at (661) 764-2272, so that

a representative of PG&E may be present to observe Licensee's Activities to ensure safety and protection of PG&E's Property and compliance with the terms and conditions of this License Agreement. At the time of each such notification, Licensee shall inform PG&E's Representative whether a representative of the any governmental entity or agency will be present during the planned activities;

(e) Licensee's Activities. Licensee covenants and agrees that Licensee and Licensee's Representatives shall notify PG&E, as part of the Work Plan, of any potential safety, environmental or other hazards to PG&E employees or property arising out of, or associated with, Licensee's Activities or stemming from conditions caused by Licensee, so that PG&E may take appropriate precautions. Licensee covenants and agrees that Licensee shall conduct Licensee's Activities in compliance with the Work Plan approved by PG&E and in such a manner so as to protect the Property, PG&E's utility facilities, the environment and human health and safety. Licensee 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. Licensee covenants and agrees to be responsible for the clean up and remediation of any releases of Hazardous Substances resulting from Licensee's Activities, or any activity by Licensee or Licensee's Representatives, and shall immediately report the details of any such releases to PG&E and to the appropriate regulatory agencies as required by any and all applicable law. In the event PG&E determines that Licensee's Activities in any way endanger the Property, PG&E's utility facilities, the environment, or human health and safety, PG&E may, at PG&E's sole and absolute discretion, require that the Licensee halt Licensee's Activities until appropriate protective measures may be taken to eliminate such endangerment to PG&E's satisfaction. Licensee shall hold PG&E harmless from any claims in any way resulting from any delay under this Section. PG&E's right to halt activities under this Section shall not in any way affect or alter Licensee's insurance or indemnity obligations under this License Agreement, nor shall it relieve Licensee from any of Licensee's obligations hereunder that pertain to health, safety, or the protection of the environment;

(f) Non-Interference. Licensee covenants and agrees to coordinate Licensee's Activities regarding the license granted herein to strictly avoid any interference with the use by PG&E of the Property and any adjoining lands owned by PG&E; and,

(g) Site Security. Licensee hereby covenants and agrees that Licensee and Licensee's Representatives shall comply with any and all PG&E's on-site safety and security requirements and any other rules and regulations that may be applicable to Licensee's Activities at the Property. Licensee covenants and agrees to cooperate with PG&E and abide by any and all orders or instructions issued by PG&E, its employees, agents or representatives. PG&E reserves the right to restrict access to the Property 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 Property, 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.

7. Indemnification; Release.

(a) Licensee shall, to the maximum extent permitted by law, indemnify, protect, defend and hold harmless PG&E, its parent corporation, subsidiaries, affiliates, and their 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 Licensee’s Activities, or the entry on, occupancy or use of, the Property by Licensee or Licensee’s Representatives, or the exercise by Licensee of Licensee's rights hereunder, or the performance of, or failure to perform, Licensee’s duties under this License Agreement, including, but not limited to, Claims arising out of: (a) injury to or death of persons, including but not limited to employees of PG&E or Licensee (and including, but not limited to, injury due to exposure to EMFs and other Potential Environmental Hazards in, on or about the Property); (b) injury to property or other interest of PG&E, Licensee or any third party; (c) violation of any applicable federal, state, or local laws, statutes, regulations, or ordinances, including all Legal Requirements relating to the environment and including any liability imposed by law or regulation without regard to fault.

Without limiting the generality of the foregoing, Licensee 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 labor performed on the Property by, or at the request or for the benefit of, Licensee. In the event any action or proceeding is brought against any Indemnitee for any Claim against which Licensee is obligated to indemnify or provide a defense hereunder, Licensee upon written notice from PG&E shall defend such action or proceeding at Licensee’s sole expense by counsel approved by PG&E, which approval shall not be unreasonably withheld, conditioned or delayed.

(b) Licensee acknowledges that all Claims arising out of or in any way connected with releases or discharges of a Hazardous Substance, or the exacerbation of a Potential Environmental Hazard, occurring as a result of or in connection with Licensee’s use or occupancy of the Property, Licensee’s Activities or the activities of any of Licensee’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 any Legal Requirements relating to the environment or human health, are expressly within the scope of the indemnity set forth above.

(c) Licensee’s use of the Property shall be at Licensee’s sole risk and expense. Licensee accepts all risk relating to Licensee's occupancy and use of the Property. PG&E shall not be liable to Licensee for, and Licensee 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 an occurrence on or about the Property.

(d) Licensee shall, to the maximum extent permitted by law, indemnify, protect, defend and hold Indemnitees harmless against claims, losses, costs (including attorneys’ fees and costs), liabilities and damages resulting from the failure of Licensee, or any of Licensee’s consultants, contractors or subcontractors, to comply with the insurance requirements set forth in **EXHIBIT “B”**.

(e) The provisions of this Section 7 shall survive the expiration or termination of this License Agreement.

8. Additional Activities. Licensee shall not perform any activities beyond Licensee's Activities specifically authorized by this License Agreement without the prior written consent of PG&E, which consent shall be at PG&E's sole and absolute discretion, and the prior consent, to the extent required by applicable law or regulation, of any governmental authority having jurisdiction, including, but not limited to, the CPUC or the Federal Energy Regulatory Commission.

9. Reserved Rights. *The Property is currently used by PG&E in conjunction with the operation of an electric transmission line located on land that is owned by PG&E located adjacent to the Property.* PG&E reserves the right to use the Property for any and all purposes which will not unreasonably interfere with Licensee's enjoyment of the rights hereby granted. PG&E reserves the right to make use of the Property for such purposes as it may deem necessary or appropriate if, and whenever, in the interest of its service to its patrons or consumers or the public, it shall appear necessary or desirable to do so. Licensee shall not make use of the Property in any way which will endanger human health or the environment, create a nuisance or otherwise be incompatible with the use of the Property by PG&E or others entitled to use the Property.

10. Compliance; Safety; Insurance. Licensee shall obtain, at Licensee's sole cost and expense any and all necessary permits, authorizations and approvals applicable to Licensee's Activities and to evidence compliance with all Legal Requirements. PG&E shall have a right to observe Licensee's Activities at any time to confirm Licensee's compliance with the requirements of this License Agreement and applicable laws. Licensee shall procure, carry and maintain in effect throughout the term of this License Agreement, in a form and with deductibles acceptable to PG&E and with such insurance companies as are acceptable to PG&E, the insurance specified in **EXHIBIT "B"** and by this reference made a part hereof. Prior to Licensee's entry onto the Property, Licensee shall provide PG&E with evidence of the insurance coverage required by this License Agreement as more specifically set forth in **Exhibit "B"**. Licensee is also responsible for the compliance of Licensee's consultants, contractors and subcontractors with the insurance requirements, as appropriate, provided that Licensee may, in the exercise of Licensee's reasonable judgment, permit Licensee's consultants, contractors and subcontractors to maintain coverages and limits lower than those specified so long as the coverages and limits required by Licensee are commercially reasonable in light of applicable circumstances.

11. Mechanics' Liens. Licensee shall keep the Property free and clear of all mechanics' liens arising, or alleged to arise, in connection with any work performed, labor or materials supplied or delivered, or similar activities performed by Licensee or at Licensee's request or for Licensee's benefit. If any mechanics' liens are placed on the property in connection with Licensee's Activities set forth in this License Agreement, Licensee shall diligently pursue all necessary actions to remove such liens 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.

12. 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 by national overnight courier, with charges prepaid for next business day delivery, addressed to the addressee party at the address or addresses listed below, or to such other address or addresses as

such party may from time to time designate in writing. Notices shall be deemed received upon actual receipt of the notice 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:

Jerry J. Wong
Land Agent, Real Estate Transactions
Pacific Gas and Electric Company
650 "O" Street, Bag 23
Fresno, CA 93760-0001

With copies to:

Darrell E. Hardcastle
Environmental Affairs
Pacific Gas and Electric Company
1918 "H" Street
Bakersfield, CA 93301

Neil F. Stockton
Transmission Line Supervisor
Pacific Gas and Electric Company
P. O. Box 924
Buttonwillow, CA 93206

Wendy Coleman, Esq.
Pacific Gas and Electric Company
P.O. Box 7442, Mail Code B3OA
San Francisco, CA 94120
Phone No. (415) 973-6067

If to Licensee:

Kenneth L. Koss
Project Manager
TK development, LLC
14846 Lago Drive
Rancho Murieta, CA 95683

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

14. Entire Agreement. This License 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 License Agreement may not be amended except by a written agreement executed by both parties.

15. Binding Effect. This License Agreement and the covenants and agreements herein contained shall be binding on, and inure to the benefit of, the parties hereto and their respective heirs, successors and assigns, subject to the limitations on assignment set forth in this License Agreement.

16. Assignment. This License Agreement is personal to Licensee, and Licensee shall not assign, transfer, convey or encumber the license and other rights herein granted or any portion thereof or interest herein.

17. 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, and including any appeal thereof, 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. 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 License 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.

18. No Waiver. Any waiver with respect to any provision of this License Agreement shall not be effective unless in writing and signed by the party against whom it is asserted. The waiver of any provision of this License Agreement by a party shall not be construed as a waiver of a subsequent breach or failure of the same term or condition or as a waiver of any other provision of this License Agreement.

19. No Offsets. Licensee acknowledges that PG&E is executing this License Agreement in its capacity as the owner of real property, 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 Licensee under this License Agreement. Further, Licensee covenants not to raise as a defense to Licensee's obligations under this License Agreement, or assert as a counterclaim or cross-claim in any litigation or arbitration between PG&E and Licensee relating to this License Agreement, any claim, loss, damage, cause of

action, liability, cost or expense (including, without limitation, attorneys' fees) arising from or in connection with Pacific Gas and Electric Company's provision of (or failure to provide) electricity and natural gas.

20. No Dedication; No Third Party Beneficiary. The provisions of this License Agreement are for the exclusive benefit of the parties and their successors and assigns, and shall not be deemed to confer any rights upon any person except such parties and their successors and assigns, subject to the limitations on assignment set forth in this License Agreement. No obligation of a party under this License Agreement is enforceable by, or is for the benefit of, any other third parties.

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

22. 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.

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

24. Counterparts. This License 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.

25. Joint and Several Liability. If two or more individuals, corporations, partnerships or other business associations (or any combination of two or more thereof) shall sign this License Agreement as Licensee, the liability of each such individual, corporation, partnership or other business association to perform Licensee's obligations hereunder shall be deemed to be joint and several, and all notices, payments and agreements given or made by, with or to any one of such individuals, corporations, partnerships or other business associations shall be deemed to have been given or made by, with or to all of them. In like manner, if Licensee shall be a partnership or other business association, the members of which are, by virtue of statute or federal law, subject to personal liability, then the liability of each such member shall be joint and several.

26. VENUE. PG&E AND LICENSEE 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 LICENSE 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 SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS LICENSE AGREEMENT.

27. Survival. The waivers of claims or rights, the releases and the obligations of Licensee under this License Agreement to indemnify, protect, defend and hold harmless PG&E and other Indemnitees shall survive the expiration or earlier termination of this License Agreement,

and so shall all other obligations or agreements of PG&E and Licensee hereunder which by their terms survive the expiration or earlier termination of this License Agreement.

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

IN WITNESS WHEREOF, the parties have executed this License Agreement as of the date set forth below each signature, effective upon the Effective Date first written above.

“PG&E”

“Licensee”

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

TK DEVELOPMENT, LLC, a California
limited liability company

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

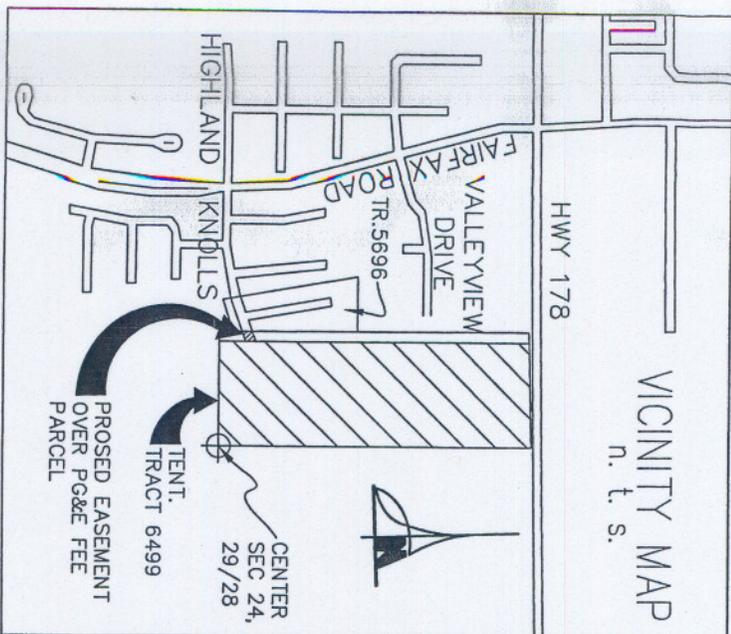
By: _____
Name: _____
Its: _____
Date: _____

NOTE: LICENSEE TO INITIAL SECTION 4

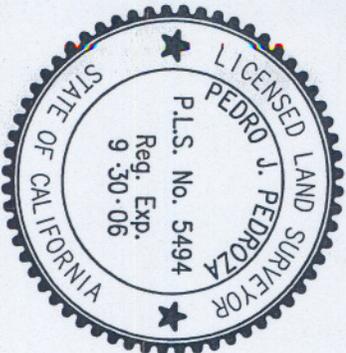
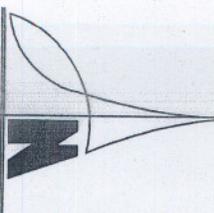
EXHIBITS “A” and “B” attached

EXHIBIT A
THE LICENSE AREA
(to be attached)

VICINITY MAP
n. t. s.



GRAPHIC SCALE



BEING A PORTION OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 24, T.29S., R.28E., M.D.M.

PEDRO J. PEDROZA

P.L.S. 5494

EXP. DATE 9-30-06

DATE

[Handwritten Signature]
8-4-05

EAST BOUNDARY OF TRACT 5696

PACIFIC GAS & ELECTRIC
APN: 434-010-32

WEST BOUNDARY OF PROPOSED TENT. TRACT 6499



CENTER OF SECTION 24, 28/29

CESAR GAONA
APN: 434-010-13

SW CORNER OF
APN: 434-010-13

DATE: 6-20-05 DRAFTER: PCL CHECKED BY: PJP JOB NO.: 826-01-00

EXHIBIT B
EASEMENT ON PG&E FEE PARCEL

DEVELOPMENT BY:
CESAR GAONA / TK DEVELOPMENT



CORNERSTONE ENGINEERING, INC.
2505 "M" Street
Bakersfield, CA 93301
TEL: (661) 325-9474
CONSULTING CIVIL ENGINEERING AND LAND SURVEYING
www.cornerstoneeng.com

2191 S. El Camino Real, Ste. 208
Oceanside, CA 92054
TEL: (760) 722-3495

- EXHIBIT A -

EXHIBIT B

INSURANCE REQUIREMENTS

Licensee shall procure, carry and maintain the following insurance coverage, and Licensee is also responsible for the compliance of Licensee's consultants, contractors and subcontractors with the insurance requirements, as appropriate:

A. Workers' Compensation and Employers' Liability

1. Workers' Compensation insurance or self-insurance indicating compliance with any applicable labor codes, acts, laws or statutes, state or federal.
2. Employers' Liability insurance shall not be less than One Million Dollars (\$1,000,000) for injury or death each accident.

B. Commercial General Liability

1. Coverage shall be at least as broad as the Insurance Services Office (ISO) Commercial General Liability Coverage "occurrence" form, with no coverage deletions.
2. The limit shall not be less than One Million Dollars (\$1,000,000) each occurrence/ Two Million Dollars (\$2,000,000) aggregate for bodily injury, property damage and personal injury.
3. Coverage shall: a) By "Additional Insured" endorsement add as insureds PG&E, its directors, officers, agents and employees with respect to liability arising out of work performed by or for the Licensee; b) Be endorsed to specify that the Licensee's insurance is primary and that any insurance or self-insurance maintained by PG&E shall not contribute with it.

C. Business Auto

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

D. Additional Insurance Provisions

1. Before commencing performance of work under this License Agreement, Licensee shall furnish PG&E with certificates of insurance and endorsements of all required insurance for Licensee.
2. The 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 documentation must be signed by a person authorized by that insurer to bind coverage on its behalf and shall be submitted to:

Pacific Gas and Electric Company
Insurance Department - B24H
Post Office Box 770000
San Francisco, CA 94177

A copy of all such insurance documents shall be sent to PG&E's Land Services as specified under Notices in the body of the License Agreement.

4. PG&E may inspect the original policies or require complete certified copies, at any time.
5. Upon request, Licensee shall furnish PG&E the same evidence of insurance for Licensee's agents or contractors as PG&E requires of Licensee.

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

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