



## ***SOUTH FEATHER WATER & POWER AGENCY***

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**TO: Board of Directors**

**FROM: Kathy Petersen, Power Division Manager**

**DATE: May 29, 2007**

**RE: Sunset Hill Telecommunication Lease with PG&E  
June 26, 2007 Board of Directors Meeting**

At the Sunset Hill telecommunications site, there is a "public room" that the Agency leases to other users. Since 1999, PG&E has leased rack space in this room, as well as antenna space on the adjacent tower. The original lease contained the option for PG&E to request renewal for subsequent five-year terms. This option was exercised in 2002, renewing the lease for the years 2003 through 2007. PG&E is again requesting to renew the lease for an additional five-year term, which would cover the years 2008 through 2012. The request for renewal comes a little early in the year because they recently changed out some equipment in the public room and on the tower, and it made sense to amend and renew the lease at the same time.

The proposed lease agreement is attached for your review. Once your questions have been answered, the recommended form of action is:

**"I move approval of the third-term Sunset Hill Communication Lease between South Feather Water and Power Agency and Pacific Gas and Electric Company, and authorize the General Manager to execute same."**

**SUNSET HILL COMMUNICATION LEASE**  
between  
**South Feather Water and Power Agency**  
and  
**Pacific Gas and Electric Company**  
  
**Renewal for Third Term (2008 – 2012)**

Whereas, South Feather Water and Power Agency, hereinafter called "Landlord," has under its possession and control a public communication room and antenna tower for various communication facilities located upon that certain mountain top known as Sunset Hill, in the County of Butte, State of California; and,

Whereas, Pacific Gas and Electric Company, or other successor name(s) adopted by parent Pacific Gas and Electric Corporation, hereinafter called "PG&E," currently occupies space in the public communication room, hereinafter called the "Tenant's Room", and on the antenna tower structure under a communication lease dated April 27, 1999, and under Second Term Communication Lease dated June 30, 2003; and ,

Whereas, PG&E notified Landlord on My 21, 2007 that it would like to exercise its option to extend the term of its lease for an additional five year period, from January 1, 2008 through December 31, 2012;

Now therefore, Landlord and PG&E agree to renew the Sunset Hill Communication Lease under the following terms and conditions:

1. LEASE: Landlord leases to PG&E three (3) racks in said Tenant's Room, and space upon said antenna tower for the installation, operation and maintenance of radio frequency (RF) communication equipment in the location and manner described in article 7 and article 11 herein, and shown on the drawing marked Exhibit "A" attached hereto and made a part hereof.

2. TERM AND TERMINATION: The term of this renewed lease shall be five (5) years, commencing on January 1, 2008, and terminating on December 31, 2012, providing that either party may terminate this lease by giving notice in writing to the other of not less than 90 days. Upon termination or expiration of this lease, PG&E shall remove all facilities installed on the leased premises by PG&E and surrender the leased premises in as good condition as when PG&E first took possession hereunder, reasonable use, wear and tear excepted, and Landlord will refund the unearned portion of any rent PG&E has paid in advance.

3. RENT: PG&E agrees to pay annual rent in advance to Landlord, as follows:

|  |           |
|--|-----------|
| a. Vault space @\$100.00 /rack space             | \$ 300.00 |
| b. Space on tower @\$50.00 /antenna              | \$ 150.00 |
| c. DC power service (existing PDAC radio only)   | \$ 150.00 |
| d. Road maintenance (see article 9)              | \$ 100.00 |
| e. Four (4) microwave channels @\$200.00/channel | \$ 800.00 |

|       |            |
|-------|------------|
| TOTAL | \$ 1500.00 |
|-------|------------|

The four (4) microwave channels comprise communication circuits for PG&E installed and maintained:

- a. PDAC master radio.
- b. VHF base station radio.
- c. Tait VHF Repeater, Model TB8100.
- d. PG&E telephone line.

4. RENEWAL OPTIONS: PG&E, at its option, may extend the term of this lease for one (1) additional period of five (5) years, on the same terms and conditions by written notice to Landlord at least thirty (30) days prior to the expiration of the initial or option term then in effect.

5. ELECTRICAL SERVICE: Landlord shall provide 24 volt DC station communications equipment power to PG&E owned and operated PDAC master radio as described in section 11 herein. PG&E understands that utility 120/240 volt AC power is supplied to Tenant's Room, and said utility power is metered by a separate power meter owned and maintained by PG&E. No standby power, AC or DC, continuous or otherwise, is available to any equipment presently installed in Tenant's Room, or any future installation(s) of equipment in Tenant's Room, notwithstanding the existing PG&E PDAC master radio, and further, Landlord's 24 VDC power presently supplied by Landlord to PG&E PDAC master radio cannot be increased due to limitations in Landlord's equipment. PG&E agrees to supply any and all necessary standby power; AC or DC, to any PG&E installed and maintained equipment now in use, and any and all future PG&E equipment installation(s), current PDAC master radio configuration notwithstanding.

6. PG&E's OPERATION: PG&E shall install, operate, and maintain its radio communication equipment in accordance with the highest engineering standards now or hereinafter employed in the industry and in accordance with all applicable laws and regulations of the Federal Communications Commission or any other governmental agency having control or regulation over such operations. In the event that PG&E's installation, operation, or maintenance of its equipment shall create any interference with the operations of Landlord's equipment, PG&E shall, at its own expense, take such reasonable steps as may be recommended by Landlord to eliminate such interference. In case of PG&E's inability or refusal to eliminate such interference, Landlord may terminate this lease and PG&E shall promptly remove its equipment and antennas from the leased premises.

7. FREQUENCIES: PG&E shall

- a. Transmit and receive only on the following frequencies and shall not change or add to these frequencies without the written consent of Landlord.

b. Maintain its antennas upon said tower at the elevations (above ground level) shown below:

| TRANSMIT            | RECEIVE             | ELEVATION  | LEG   |
|---------------------|---------------------|------------|-------|
| 952.6375 MHz        | 928.6375 MHz        | 160 ft AGL | West  |
| 153.650/153.590 MHz | 153.650/153.590 MHz | 158 ft AGL | South |
| 153.050/152.945 MHz | 158.325/158.175 MHz | 145 ft AGL | West  |

8. INDEMNITY: PG&E agrees to indemnify Landlord against and to hold Landlord harmless from any loss or damage to any property, or injury to or death of any person whomsoever, proximately caused in whole or in part by any negligence of PG&E or its officers, agents, employees, or contractors, in the exercise of PG&E's rights hereunder, including occupancy of the leased premises, and use of Landlord's DC power and microwave systems, save and except to the extent such loss or damage or injury or death is proximately caused in whole or in part by any negligence of Landlord or its employees or contractors, or by any acts for which Landlord or its employees or contractors are liable without fault.

9. ACCESS ROAD: Inasmuch as PG&E proposes to use Sunset Hill Road in order to obtain access to the premises leased hereunder, Landlord is obliged to maintain and keep said road in good condition. PG&E agrees to pay Landlord \$100.00 as an estimated pro rata share of the annual expense of such maintenance during the term of this lease.

10. SITE SECURITY: Upon execution of this Agreement, and at any time during the life of this Agreement as needed, PG&E shall deliver to Landlord all keys and/or combinations necessary to allow Landlord access to PG&E's equipment for the purpose of inspecting PG&E's equipment.

11. MAINTENANCE AND OPERATION: PG&E shall install and maintain one (1) PDAC radio rack and one (1) VHF Base Radio Station rack, and one (1) Tait VHF repeater rack in the Tenant's Room. PG&E will install and maintain a new fuse panel in Landlord's existing power rack, said fuse panel is for the existing PG&E PDAC master radio only. PG&E agrees that total power consumption taken from Landlord's DC power supply and battery system for the PDAC master radio will not exceed twenty-four (24) volts DC at five (5) amperes of current. The PG&E installed coaxial transmission lines shall be attached to the east waveguide ladder on the tower. The PG&E installed and maintained PDAC antenna shall occupy the one hundred sixty (160) foot level of the west tower leg, and the PG&E installed and maintained VHF Base Radio antenna shall occupy the one hundred fifty-eight (158) foot level of the south tower leg, and the PG&E installed and maintained Tait VHF repeater antenna shall occupy the one hundred forty-five (145) foot level of the west tower leg. PG&E shall supply to Landlord one (1) GTE 84841-03 microwave multiplex channel unit for use with the PDAC radio. Said multiplex channel unit will operate on one channel of the Landlord's microwave system in group 5, super group 1, channel 6 (86KHz). PG&E shall supply to Landlord one (1) GTE 84841-03 microwave multiplex channel unit for use with the VHF base station radio. Said multiplex channel unit will operate on one channel of the Landlord's microwave system in group 5, super group 1, channel 8 (78KHz). PG&E shall supply to Landlord one (1) GTE 84841-03 microwave multiplex channel unit for use with the PG&E telephone. Said multiplex channel unit will operate on one channel of the Landlord's microwave system in group 5, super group 1, channel 9 (74KHz).

PG&E shall install all components of the PDAC master radio, VHF base station radio, Tait VHF repeater, and telephone to PG&E telephone system, in a workmanlike manner under the supervision of Landlord. The aforementioned PDAC master radio, VHF base station radio, and PG&E telephone have been installed previous to this Amendment to the Communication Lease, in the manner and form prescribed, and are included herein for technical accuracy

12. NOTICES: All notices or demands are deemed to have been given or made when delivered in person or delivered by certified or registered mail, return receipt requested, postage prepaid United States mail, or by reliable overnight carrier, and addressed to the prospective parties as follows:

Landlord: South Feather Water and Power  
2310 Oro-Quincy Highway  
Oroville, CA 95966  
Attention: Power Division Manager

PG&E: Pacific Gas and Electric Company  
2555 Myrtle Avenue  
Eureka, CA 95501  
Attention: Mr. Tom DeAge

13. GENERAL PROVISIONS:

- a. PG&E agrees to notify Landlord prior to vault entry for maintenance due to door alarms that will be generated. In case PG&E requires access to the vault during non-working hours or in an emergency, PG&E will make every reasonable attempt to notify the Landlord prior to entering.
- b. PG&E will be solely responsible for all maintenance and repair of the PDAC master radio, VHF base station radio, Tait VHF repeater, and telephone set in Tenant's Room. Further, PG&E will be solely responsible for all maintenance and repair of the aforementioned PG&E equipment's associated devices such as coaxial lines, antennas, batteries, mounts, or other devices. Microwave RF and channel multiplex equipment will be operated and maintained by Landlord.
- c. PG&E agrees to supply, install and maintain any and all equipment or devices, other than those mentioned herein, necessary to implement operation of the PDAC master radio, VHF base station radio, Viking 800 MHz repeater, and telephone set in Tenant's Room at Sunset Hill.
- d. PG&E hereby agrees that Landlord does not warrant or guarantee to PG&E, or any other entity, the reliability or suitability for any particular purpose of Landlord's DC power system or Landlord's microwave communication system, and such systems are acceptable as is to be used by PG&E as herein described.

14. ASSIGNMENT: PG&E may assign its rights and obligations hereunder to a successor that assumes ownership and operation of its utility system using the repeater station, including a successor assuming ownership as a result of a plan of reorganization approved by the Bankruptcy Court. Prior to the effectiveness of any such assignment, PG&E shall obtain the written consent of Landlord to such assignment, which consent shall not be unreasonably withheld. PG&E shall provide Landlord information

reasonably needed by Landlord to evaluate the capability of the successor to operate PG&E's facilities in accordance with PG&E's operating requirements and standards. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties hereto.

In witness whereof, the parties have executed this lease agreement this \_\_\_ day of \_\_\_\_\_, 200\_\_.

**SOUTH FEATHER WATER AND POWER**

By: \_\_\_\_\_ Date \_\_\_\_\_  
Michael C. Glaze, General Manager

**PACIFIC GAS AND ELECTRIC COMPANY**

By: \_\_\_\_\_ Date \_\_\_\_\_  
Loren Loo, Manager Land Asset Management  
Technical and Land Services