



GE Energy

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6 September 2006

**GE/IEEC-0022**

Connie Bruins  
Compliance Project Manager  
California Energy Commission  
1516 9<sup>th</sup> Street  
Sacramento, CA 95814

**Subject: Inland Empire Energy Center 01-AFC-17  
Additional Laydown, Amendment #4**

Dear Ms. Bruins:

On behalf of the Inland Empire Energy Center, please find enclosed Amendment #4, requesting approval to add approximately six acres of additional laydown to the project. It is our belief that this addition will have no significant environmental impact and for this reason we believe it is consistent with the requirements for processing this as an insignificant project change.

If you have any questions, please call Dana Petrin at (951) 928-6952 or myself at (951) 928-6905.

Sincerely,

A handwritten signature in blue ink that reads 'John Gates'.

John Gates  
Commercial Manager

**INLAND EMPIRE ENERGY CENTER  
LICENSE AMENDMENT #4  
01-AFC-17**

Submitted by

**Inland Empire Energy Center, LLC**  
26226 Antelope Road  
Romoland, CA 92585

September 1, 2006

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## **1.0 INTRODUCTION**

### **1.1 Overview of Amendment**

In December 2003, the California Energy Commission (CEC) approved the Inland Empire Energy Center Project, (IEEC). The project is located in Romoland in southern Riverside County. Construction of IEEC began on August 5, 2005, and the project is expected to be available for commercial operation in June 2008.

On June 22, 2005 the CEC approved an amendment for the addition of 11.5 acres of laydown space and parking. Due to the current construction and delivery schedules it is necessary to obtain additional land for storage of materials. IEEC has evaluated land available in the area and have identified approximately six acres of land available for lease directly to the east of the project. Additional land is necessary in order to continue support of major equipment deliveries and construction activities.

### **1.2 Summary of Environmental Impacts**

Section 1769(a)(1)(E) of the CEC Siting Regulations requires that an analysis be conducted to address any potential impacts the proposed revisions may have on the environment and proposed measures to mitigate significant adverse impacts. Section 1769(a)(1)(F) requires a discussion of the impact of proposed revisions on the facility's ability to comply with applicable laws, ordinances, regulations, and standards (LORS). Section 3.0 of this document discusses the potential impacts of the Amendment on the environment, as well as a discussion of the consistency of the requested change with LORS. Section 3.0 concludes that there will be no significant adverse environmental impacts associated with this Amendment and that the project, as amended, will comply with applicable LORS.

### **1.3 Consistency of Amendment with License**

Section 1769(a)(1)(D) of the CEC Siting Regulations requires a discussion of the Amendment's consistency with the LORS and whether the modification being sought is based on new information that changes or undermines the assumptions, rationale, findings, or other basis of the final decision. If the project is no longer consistent with the license, an explanation of why the modification should be permitted must be provided. The changes proposed herein are consistent with the project's CEC license and relevant LORS. These proposed changes do not undermine any basis for the CEC's licensing decision.

## **2.0 DESCRIPTION OF PROJECT AMENDMENT**

Consistent with the California Energy Commission Siting Regulations Section 1769(a)(1)(A) and (B), this section includes a complete description of the proposed project modification as well as the necessity for the Amendment.

In its Final Decision, the California Energy Commission approved four construction laydown areas: the power plant site. In June 2005 the CEC approved three additional laydown areas located to the west on Antelope Road and a parcel surrounded by the plant site. By this Amendment, IEEC proposes an additional construction laydown area located at the southeast of the plant, to the east of San Jacinto Road. (Hereinafter referred to as the “ San Jacinto Road laydown area”).

## 2.1 San Jacinto Road Laydown Area

The proposed San Jacinto Road laydown area is located approximately 100 feet east of IEEC Project site on property owned by Grove Lumber, Mr. Ray Crowell. The site is approximately 6.02 acres in size and is currently undeveloped (see Figure 1). The proposed laydown area is bordered by San Jacinto Road to the west and undeveloped parcels to the south and west. The northern border consists of a parcel owned by Grove Lumber being used for asphalt and concrete recycling.

A search of the Riverside County land use database identified the specific assessor’s parcel number for these properties as 331-190-011 and 331-190-035. Total acreage of these parcels is approximately 10 acres but the project only proposes to use the previously mentioned approximate six acres because of current and future land use by others. A zoning map of the project area (see Figure 2) shows that the site is located in an area characterized by mixed uses. These parcels, as with the project site, are listed in the Menifee North Specific Plan and are designated for industrial land use and subsequently zoned heavy industrial. Other parcels in the area are zoned for manufacturing and industrial usage.

Previously these properties were used for agriculture and machinery storage. Currently both of these parcels are unimproved land with the portion of the northern parcel being used for asphalt storage. The site is currently fenced but because of the footprint of our proposed use would be enclosed by a temporary six-foot high cyclone fence with a 12-foot gate on the west perimeter directly inline with the projects east perimeter.

The property will be cleared, grubbed, and water applied to maintain dust control. The soil will not be removed from the site. Equipment or materials brought to the site for storage will arrive via truck and offloaded onto the property. The construction Storm Water Pollution Prevention Plan for Construction Activities (SWPPP) is in place and will be amended prior to use of the property. Best Management Practices already incorporated into the SWPPP will be utilized on this additional laydown. The Applicant’s approved SWPPP will be implemented pursuant to Condition of Certification S&W-2.

Once this additional laydown is not needed the site will be returned to its original conditions as per VIS-1.

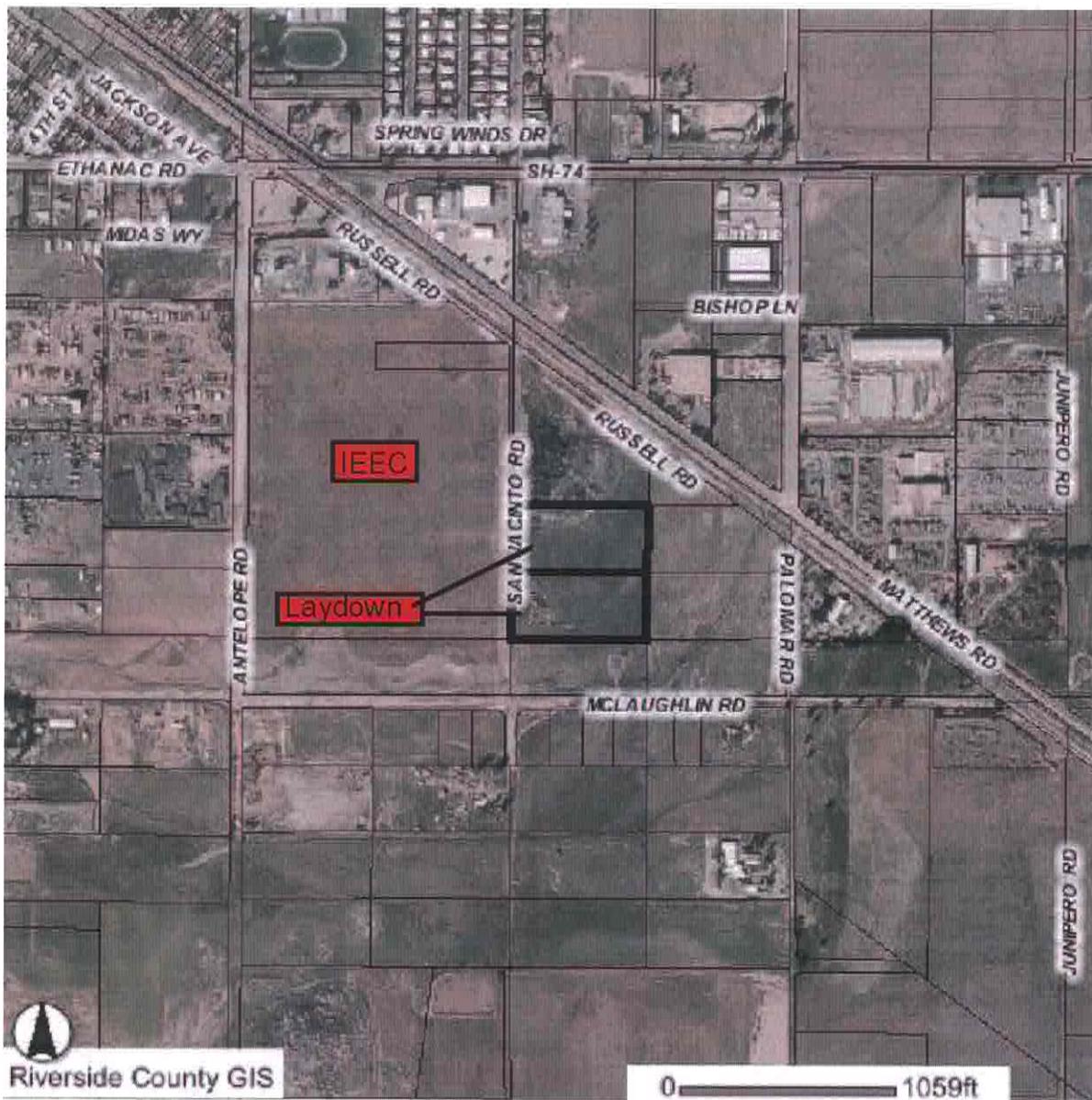


FIGURE 1 Location of Proposed San Jacinto Road Laydown

- MAP : 1/2 MILE SQUARE

-  Agriculture
-  Commercial
-  Controlled Development
-  Incorporated City
-  Industrial
-  Lakes , Water Course
-  Manufacturing
-  Mineral Rights
-  Natural Assets
-  Residential
-  Specific Plans
-  Wind Energy

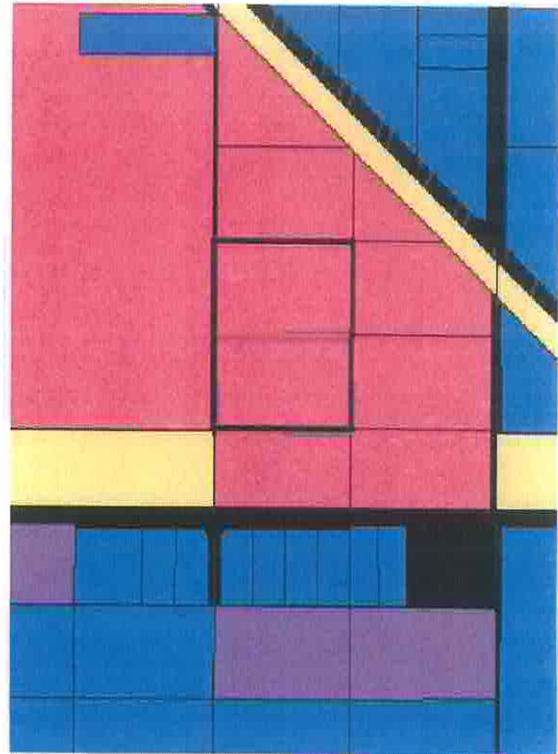


FIGURE 2 Zoning in Vicinity of Proposed San Jacinto Road Laydown

## 2.2 Necessity of Proposed Amendment

Sections 1769(a)(1)(B) and (C) of the CEC Siting Regulations require a discussion of the necessity for the proposed revisions to the Inland Empire Energy Center Project and whether the revisions are based on information known by the petitioner during the certification proceeding.

At the time the IEEC Application for Certification (AFC) was prepared, the schedules for the delivery of major equipment in relation to the construction schedule were not final. As construction of the power plant has progressed, laydown space has become a critical issue and in fact lack thereof prompted the Project Owner to submit an Amendment in March 2005 to request approval of three additional laydown areas (which was subsequently approved in June 2005). All three-construction laydown areas are fully utilized. Approval of an additional laydown area that is in close proximity to IEEC construction area will allow the project to proceed with construction in a safe and efficient manner that supports commercial operation of the project for summer 2008.

## 3.0 ENVIRONMENTAL ANALYSIS OF THE AMENDMENT

This section examines whether the project enhancement set forth in this Amendment may result in additional environmental impacts. An environmental analysis for the modification identified in this Amendment is included below. The analysis concludes that with the proposed mitigation measures, there will be no significant adverse environmental impacts associated with this Amendment and that the project, as amended, will comply with all applicable LORS.

### 3.1 Air Quality

The addition of the proposed San Jacinto Road laydown area will not require any construction activities other than to build the perimeter fence and water periodically to control mud and fugitive dust from leaving the site. No excavation will occur and only minor clearing to level the surface will occur. The site may be used as a temporary storage area for stockpiled soil from construction of the project in order to allow construction in areas currently occupied by those stockpiles; any such soil will be managed in such a way as to prevent fugitive dust emissions, per the requirements of Condition of Certification AQ-SC3. Use of the proposed San Jacinto Road laydown area will not result in a cumulative increase in air emissions sufficient to create a significant air quality impact.

### 3.2 Biological Resources

Steve Jones and Matt Amalong, biological monitors for IEEC, conducted a reconnaissance level survey of the proposed laydown area on August 9, 2006. The reconnaissance survey consisted of walking east-west transects within the proposed laydown area systematically, at 5 meter intervals, closely observing the ground to assess vegetation and other habitat features for special status species.

A copy of the survey report from Dwight Mudry, Designated Biologist for IEEC, is included in Attachment B. In light of these results, use of the proposed laydown area should not pose any significant impacts on biological resources.

### **3.3 Cultural Resources**

Fred Budniger, Cultural Resources Specialist for the Inland Empire Energy Center, conducted a cultural resources survey on August 17, 2006. The survey consisted of walking east west transects within the parcel systematically, at 5-meter intervals, closely observing the ground for any signs of artifacts dating to either the prehistoric or historic era. A copy of Mr. Budniger's field report is included in Attachment C. Therefore, use of the proposed San Jacinto Road laydown area for equipment storage or stockpiling of excavated soil from the main construction site will not result in any cultural resource impacts.

### **3.4 Land Use**

The proposed San Jacinto Road laydown area is located within a general area of mixed uses (see Figure 2 in Section 2.0). As previously mention these properties are located within the Menifee North Specific Plan and are zoned heavy industrial and the land use designation is industrial. The nearest residential area is located approximately 2,500 feet southwest of the proposed laydown area. Additional views of the laydown area in the context of the existing environment setting are included in Figure 4.

The site is owned by Grove Lumber and will be used on a temporary basis during the construction phase of IEEC. The laydown area will be returned to Grove Lumber in its existing condition once construction is complete. Therefore, no impacts to land use would occur and use of the laydown area is consistent with all applicable LORS.

### **3.5 Noise**

The use of the San Jacinto Road laydown area will result in temporary and minor noise impacts, mainly resulting from the use of construction equipment loading or offloading equipment or stockpiling soil from the site construction area. Any additional noise impacts resulting from the use of the laydown area will be short-term and less than significant. Use of the laydown area would comply with all applicable LORS.

### **3.6 Public Health**

Use of the proposed laydown area will include temporary storage of excavated soil from the site construction area. Transport of material to and from the laydown area will be done in such a manner as to comply with the LORS. No acutely hazardous materials will be stored onsite during construction.



**FIGURE 3** Views of Proposed San Jacinto Road Laydown Area

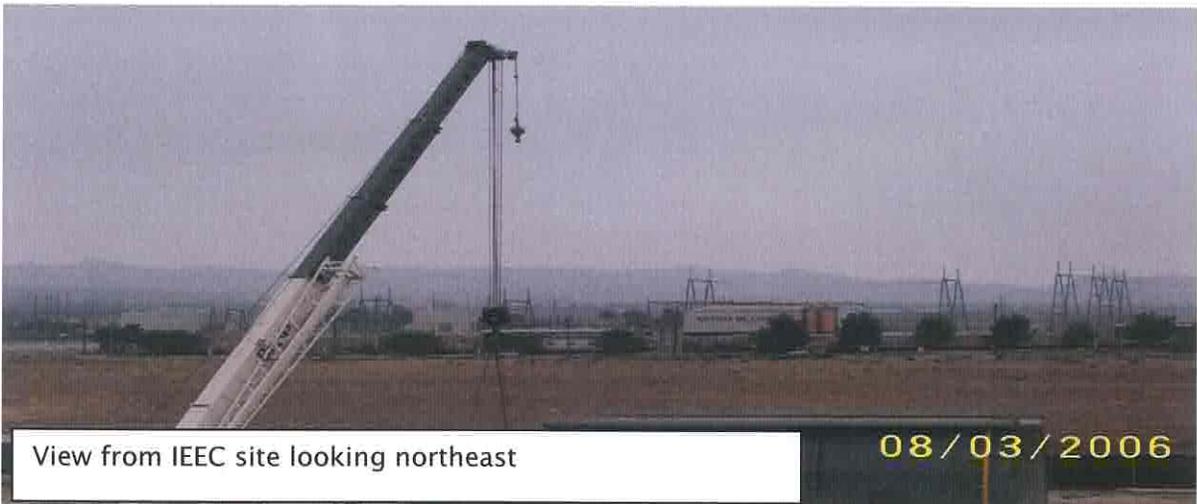
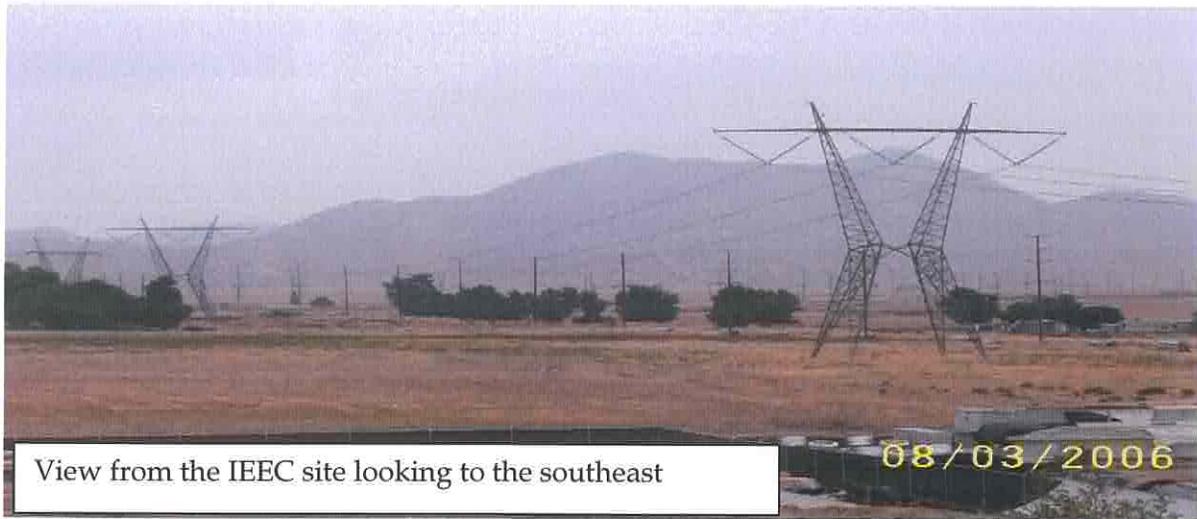


FIGURE 4 Additional Views of Proposed San Jacinto Road Laydown Area

### **3.7 Worker Safety & Health**

Use of the proposed laydown area would result in a minor short-term increase in construction efforts, primarily related to fencing and clearing the site prior to its mobilization as a laydown area. The combined effect of these changes in construction would not result in worker safety and health impacts any greater than those analyzed by the CEC during licensing, since these construction activities would be subject to the same training, plans, and practices as those required for all other construction activities.

### **3.8 Socioeconomics**

Use of the proposed San Jacinto Road laydown area would result in only minor construction efforts related to preparing the site for use as a laydown area. Use of the site for equipment storage or temporary stockpiling of excavated soil would not alter the basis of the CEC's decision for the project.

### **3.9 Agriculture & Soils**

The proposed San Jacinto Road laydown area would not result in any impacts to agricultural and soil resources, as the entire site is completely unused and tilled periodically for weed control. No special activities, other than to clearing and grubbing and subsequently return it in its pre-construction condition once the project construction activities are completed. Storm water BMPs and fugitive dust control, consistent with those already in place, will be used for erosion control. Therefore, the activities proposed in this Amendment would not create a significant adverse impact to agricultural or soil resources.

### **3.10 Traffic & Transportation**

Use of the proposed San Jacinto Road laydown area will require the transport of materials to and from the site on public roads during the preparation of the laydown. However, this traffic will be minimal, as deliveries will travel through the main project site before exiting a gate directly east of the proposed laydown. This will require minor improvements to the road between the main construction site and the San Jacinto Road Laydown, approximately 100 feet. Based on conditions outline in TRANS-8 the proposed Amendment will not result in any additional impacts to traffic and transportation resources.

### **3.11 Visual Resources**

The San Jacinto Road laydown area is similar in nature to the current laydown areas approved in the Final Decision and the two subsequent laydown areas approved in Amendment #1. As is the case for these other laydown areas, use of the San Jacinto Road laydown area is temporary and activities in the laydown area (e.g., storage of equipment, materials, and stockpiled excavated soil) will have little effect on the overall character and quality of the commercial/industrial area in which it is located. Primary viewers of the proposed laydown site are motorists traveling on

McLaughlin and San Jacinto Roads, which are infrequently, traveled dirt roads. These views would be temporary in nature.

The nearest residential area is located southwest of the laydown approximately 2500 feet. The main IEEC construction site will block the view of the laydown. The asphalt pile on the property to the north will block views from businesses along Matthews Road. For these reasons, use of this area would not result in any significant impacts to visual resources.

### **3.12 Hazardous Materials Management**

The proposed laydown area will be used for the temporary storage of materials, equipment, and stockpiling of soil related to construction of the gas line. No hazardous materials will be stored at this location. Therefore, use of the San Jacinto Road laydown area will not result in any hazardous material impacts different from those analyzed by the CEC during licensing of the project.

### **3.13 Waste Management**

Use of the proposed San Jacinto Road laydown area will not result in waste management impacts any different than those analyzed by the CEC during licensing of the project.

### **3.14 Water Resources**

Use of the proposed San Jacinto Road laydown area will not result in water resource impacts any different than those analyzed by the CEC during licensing of the project.

### **3.15 Geologic Hazards and Resources**

Use of the proposed San Jacinto Road laydown area will not result in geologic impacts any different than those analyzed by the CEC during licensing of the project.

### **3.16 Paleontological Resources**

Limited ground disturbing activities will occur to the proposed San Jacinto laydown area as a result of storage of equipment, materials, or excavated soil. The ground disturbance will not be at levels where paleontological resources are any concern. Use of the proposed laydown area will not result in any impacts to paleontological resources.

### **3.17 Cumulative Impacts**

The cumulative impact study area associated with the proposed Amendment includes the immediate geographic area of the Inland Empire Energy Center site. Because this Amendment focuses on the use of an existing vacant parcel as a temporary additional laydown area, no significant impacts have been identified from the proposed Amendment. Therefore, this Amendment will not change the assumptions or conclusions made in the CEC's Final Decision.

### **3.18 Laws, Ordinances, Regulations, Standards**

The Final Decision certifying the Inland Empire Energy Center found the project to be in compliance with applicable LORS. As described in this Amendment, the use of the proposed laydown area is also consistent with all applicable LORS, and the Amendment will not alter the assumptions or conclusions made in the CEC's Final Decision for the Inland Empire Energy Center.

## **4.0 PROPOSED MODIFICATIONS TO THE CONDITIONS OF CERTIFICATION**

Consistent with the requirements of CEC Siting Regulations Section 1769(a)(1)(A), potential modifications to the project's Conditions of Certification were evaluated. IEEC does not anticipate that any modifications to the Conditions of Certification will be required and that the Conditions of Certification that applied to the previously approved laydown areas will also apply to the proposed San Jacinto Road laydown areas.

## **5.0 POTENTIAL EFFECTS ON THE PUBLIC**

Consistent with the CEC Siting Regulations Section 1769(a)(1)(G), this section discusses the proposed project modification effects on the public. The proposed project modifications contained in this Amendment are short-term in nature, will have no significant impacts on the environment, and will be in compliance with all applicable LORS and Conditions Certification. Accordingly, there will be no adverse impacts on the public associated with this Amendment.

## **6.0 LIST OF PROPERTY OWNERS**

CEC Siting Regulations Section 1769(a)(1)(H), requires a list of the property owners potentially affected by the proposed addition of the San Jacinto Road laydown area. All property owners potentially affected by this Amendment are within the same corridor analyzed in the Inland Empire Energy Center Application for Certification, Amendment #1, and approved by the CEC on June 22, 2005. There are no additional parcels within 1,000 feet of the proposed laydown area that were not previously within the notification range for the Inland Empire Energy Center.

## **7.0 POTENTIAL EFFECTS ON PROPERTY OWNERS**

Consistent with the CEC Siting Regulation Section 1769(a)(1)(I), this section addresses potential effects of the proposed Amendment on nearby property owners, the public, and parties in the application proceeding. Due to the short-term nature of the modification proposed by this Amendment, there will not be any significant impacts to nearby property owners and the public. During the use of the San Jacinto Road laydown area, minor amounts of diesel exhaust and

additional construction noise will occur. No residences would be affected by these minor additional impacts. Nearby businesses are not expected to be impacted by use of the laydown area.

Use of the San Jacinto Road laydown area will be done in compliance with Condition of Certification AQ-SC3 to mitigate any diesel emissions from the use of construction vehicles and equipment on the laydown area. Any transport of materials to or from the construction site to the laydown area will be conducted in compliance with applicable LORS and practices already in place for current laydown on Antelope Road. Temporary storage of any stockpiled soil will be handled in accordance with the CEC Final Decision.



# ATTACHMENT A

Draft Lease Agreement

## LEASE

This Indenture of Lease, made as of this 31<sup>st</sup> day of August, 2006, by and between Raymond G. Croll, Jr. together with his successors and assigns (hereinafter referred to as "Landlord"), and Inland Empire Energy Center LLC, a Delaware limited liability company, together with its successors and assigns (hereinafter referred to as "Tenant"):

### WITNESSETH:

1. Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the premises located at McLaughlin and San Jacinto Roads, Romoland, CA (portions of parcels 331190035 & 33119011, consisting of approximately 6 acres of land, as more fully described in Exhibit "A" attached hereto and made a part hereof, together with all of the appurtenances thereunto belonging (hereinafter referred to as the "Premises") at the rent and otherwise upon the terms, provisions and conditions hereinafter set forth in this Lease. Landlord hereby represents and warrants that it is the sole and true owner of the Premises and has the right and authority to lease the Premises.
2. Term. Tenant shall lease the Premises for an initial term of Twelve (12) months commencing on September 1, 2006 and ending on August 31, 2007 (the "Initial Term"); provided, however, that the Initial Term shall not commence prior to the completion of an environmental assessment of the Premises by a consultant selected by Tenant, with results satisfactory to Tenant in its sole discretion, as set forth in the Environmental Matters section of this Lease. In the event that the Initial Term commences on a day other than the first day of the month, the Lease shall terminate on the appropriate anniversary of the last day of the month in which the Initial Term commenced. On the term commencement date, Landlord and Tenant shall execute a Memorandum of Initial Term Commencement in the form attached hereto as Exhibit "B." In the event Tenant deems the results to be unsatisfactory, in its sole discretion, Tenant may terminate this Lease upon providing Landlord with written notice and Tenant shall be released from any and all obligations, rights and liabilities it has under the terms of this Lease.
3. Rent. Tenant hereby covenants and agrees to pay to Landlord as rent for the Premises, the sum of \$36,000.00 annually, payable in a single installment within Ninety (90) days after approval of the environmental assessment by Tenant.
4. Options to Renew Lease Term. So long as Tenant is not then in default hereunder after the delivery of notice and the expiration of applicable cure periods, Tenant shall have the right and option to renew this Lease for One (1) additional term of Six (6) months with the Landlord's approval, not to be unreasonably withheld, delayed or denied, at the expiration of the Initial Term hereof, upon all the terms, provisions and conditions of this Lease except that the rent payable shall be equal to the Fair Market Rental Rate (as hereinafter defined) for the Premises. In the event that Tenant desires to renew this Lease at the expiration of the Initial Term hereof, or upon the expiration of the first renewal term, Tenant shall give Landlord notice of its intent to exercise its option to renew, which notice shall be in writing and given pursuant to the notice provisions of this Lease and must be delivered to Landlord no later than ninety (90) days prior to the expiration of the Initial Term of this Lease or of the first renewal term of this Lease, if applicable, in order for any such renewal option to be effective.

(a) The term "Fair Market Rental Rate as used in this Lease will mean ninety percent (90%) of the annual amount per gross square foot, projected during the relevant period, that a willing, comparable, non-equity tenant (excluding sublease and assignment transactions) would pay, and a willing, comparable landlord of a comparable unimproved industrial parcel located in the Riverside County, California area would accept at arm's length for space of comparable size and quality as the Premises, taking into account items that professional real estate brokers customarily consider including, but not limited to rental rates, freeway frontage location, cost of living and other rental adjustments, free rent and any other lease concessions, if any, then being charged or granted by Landlord or the landlords of similar real property, without giving effect to any improvements to the Premises installed by Tenant at its sole cost and expense. The Fair Market Rental Rate will be an effective rate, not specifically including, but accounting for, the appropriate economic concessions described above.

(b) If a determination of Fair Market Rental Rate is required under this Lease, then Landlord will provide written notice of Landlord's determination of the Fair Market Rental Rate not later than thirty (30) days after the date upon which Tenant timely exercises the right to renew the Lease. Tenant will have thirty (30) days ("Tenant Review Period") after receipt of Landlord's notice of the Fair Market Rental Rate within which to accept such Fair Market Rental Rate or to reasonably object thereto in writing. Tenant's failure to object to the Fair Market Rental Rate submitted by Landlord in writing within Tenant's Review Period will conclusively be deemed Tenant's approval and acceptance thereof. If Tenant reasonably objects to the Fair Market Rental Rate submitted by Landlord within Tenant's Review Period, Landlord and Tenant will attempt in good faith to agree upon such Fair Market Rental Rate using their best good faith efforts. If Landlord and Tenant fail to reach agreement on such Fair Market Rental Rate within fifteen (15) days following the expiration of Tenant's Review Period (the "Outside Agreement Date"), then each party's determination will be submitted to appraisal in accordance with the provisions below.

(c) (i) Landlord and Tenant will each appoint one independent appraiser who by profession must be a licensed real estate broker or sales agent who has been active over the five (5) year period ending on the date of such appointment in the leasing of industrial real estate in the Riverside County, California area. The determination of the appraisers will be limited solely to the issue of whether Landlord's or Tenant's submitted Fair Market Rental Rate for the Premises is the closest to the actual Fair Market Rental Rate for such area as determined by the appraisers, taking into account the requirements specified in Subparagraphs (a) and (b) above. Each such appraiser will be appointed within fifteen (15) days after the Outside Agreement Date.

(ii) The two appraisers so appointed will within fifteen (15) days of the date of the appointment of the last appointed appraiser agree upon and appoint a third appraiser who shall be qualified under the same criteria set forth hereinabove for qualification of the initial two appraisers.

(iii) The three appraisers so appointed will within thirty (30) days of the appointment of the third appraiser reach a decision as to whether the parties will use Landlord's or Tenant's submitted Fair Market Rental Rate, and will notify Landlord and Tenant thereof.

(iv) The decision of the majority of the three appraisers will be binding upon Landlord and Tenant. If either Landlord or Tenant fails to appoint an appraiser within the time period specified in Subparagraph (c) (i) hereinabove, the appraiser appointed by one of them will, within thirty (30) days following the date on which the party failing to appoint an appraiser could have last appointed

such appraiser, reach a decision based upon the procedures set forth above (i.e., by selecting either Landlord's or Tenant's submitted Fair Market Rental Rate) and notify Landlord and Tenant thereof, and such appraiser's decision will be binding upon Landlord and Tenant.

(v) If the two appraisers fail to agree upon and timely appoint a third appraiser, both appraisers will be dismissed and the matter to be decided will be forthwith submitted to arbitration under the provisions of the American Arbitration Association based upon the procedures set forth above (i.e., by selecting either Landlord's or Tenant's submitted Fair Market Rental Rate).

(vi) The cost of appraisal (and, if necessary, arbitration) will be shared by Landlord and Tenant equally.

(vii) If the process described in Subparagraph (b) above and this Subparagraph (c) has not resulted in a selection of Landlord's or Tenant's Fair Market Rental Rate by the commencement of the applicable Lease term, then the Fair Market Rental Rate estimated by Landlord will be used until the appraiser(s) reach a decision, with an appropriate rental credit and other adjustments for any overpayments of rent or other amounts if the appraisers select Tenant's estimate of the Fair Market Rental Rate.

5. Use of Premises; Compliance with Laws. Tenant covenants with Landlord that the Premises shall be used for the following purposes, including but not limited to, equipment, piping and other miscellaneous storage. Tenant shall have no right to use the Premises for any activities in violation of any applicable laws, ordinances, rules, regulations and orders including, without limitation, Environmental Laws (as defined below) (collectively, "Applicable Laws"). Landlord represents and warrants to Tenant that, as of the commencement date of the Initial Term, the Premises shall be in compliance with all Applicable Laws.

6. Environmental Matters. Landlord represents and warrants to Tenant that no polluting, toxic or hazardous substances were used, generated, treated, stored, released, discharged or disposed of by the businesses conducted on the Premises by the Landlord or, to the best of Landlord's knowledge, by others at any time; no notification of an actual, threatened or potential release or discharge of any pollutant, hazardous substance, hazardous waste or other waste, as such terms are defined or used in any Environmental Law, at or in respect of the Premises has been received by Landlord or, to the best of Landlord's knowledge, any other person; to the best of Landlord's knowledge, no such notification has been filed as to the Premises; the Premises are not listed or formally proposed for listing on any Federal or state list of sites requiring environmental investigation or clean-up; and, to the best of Landlord's knowledge, no activities or occurrences are taking place or have taken place at or in the vicinity of the Premises which might give rise to any basis for any of the foregoing.

Landlord agrees that prior to the commencement date of the Initial Term and prior to the expiration, earlier termination of this Lease or vacation of the Premises (if subleased by Tenant), Tenant shall be entitled to have environmental assessments conducted on the Premises using a consultant selected by Tenant and that, at all reasonable times, Tenant, its agents and representatives shall be entitled, upon reasonable notice, to enter upon the Premises and perform inspections, assessments and tests of the Premises, including surveys, test borings and examinations and tests of all structural and mechanical systems within any improvements on the Premises. Notwithstanding anything to the contrary herein

contained, the effect of any representations or warranties made by Landlord in this Lease shall not be diminished by any inspections, tests, or investigations made by Tenant, its agents and representatives.

7. Retention of Environmental Liabilities. Landlord agrees that it shall retain all liability under Environmental Laws applicable to the Premises asserted at any time in connection with any set of facts or conditions existing in, on, or about the Premises, prior to, during and after the Lease Term, except to the extent that the conditions were caused by the acts of Tenant, Tenant's agents, employees, or contractors (hereinafter referred to as "Retained Environmental Liabilities"). For purposes of this Lease, "Environmental Laws" shall mean all federal, state or local statutes, regulations, ordinances, codes or rules as such have been or may hereafter be enacted, adopted, amended or supplemented and all common law causes of action relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. Section 1251, et seq.), the Toxic Substance Control Act, as amended (15 U.S.C. 2601, et seq.), the Safe Drinking Water Act, as amended (42 U.S.C. Section 300f, et seq.), the Federal Insecticide, Fungicide and Rodenticide Act, as amended (7 U.S.C. Section 136, et seq.) and the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.), and private rights of action for nuisance or damages to property or persons.

8. Taxes. Landlord shall be responsible for the payment of real estate taxes.

9. Repairs and Improvements. Landlord shall deliver the Premises to Tenant free of all personal property and any accumulation of debris (including without limitation underground and above-ground storage tanks, soil and building waste). Landlord, at its sole cost, shall repair and maintain the Land in good order, condition and repair and in at least as good order, condition and repair as they are in on the Term Commencement date or may be put in during the Initial Term or any renewal or extension thereof, and shall make all repairs and replacements and to do all other work necessary for the foregoing purposes whether the same may be ordinary or extraordinary, foreseen or unforeseen, excepting maintenance and repairs (other than reasonable wear) made necessary by the acts or omissions of Tenant, its agents, contractors or invitees, which shall be Tenant's responsibility to correct.

Tenant shall not make any improvements to the Premises without the prior written consent of Landlord, which consent shall not be unreasonably withheld, delayed or conditioned. Landlord hereby consents to Tenant making the improvements set forth in Exhibit "C" hereto. In the event that Tenant elects to install a modular office building on the Premises, said modular building shall remain the property of Tenant and Landlord's consent to the installation thereof shall not be required. Tenant shall have an absolute right to remove said modular building from the Premises upon the termination of the Lease, or at such earlier time as Tenant may elect. In the event that Tenant removes any improvements which damage the Premises, Tenant will restore the Premises to its original condition, reasonable wear and tear excepted. During the Initial Term of this Lease or any renewals or extensions thereof, any improvements required under Applicable Laws (including, without limitation Title III of the Americans With Disabilities Act of 1990) and not necessitated by the particular manner of Tenant's use of the Premises shall be made solely for the account of Landlord and at Landlord's sole cost and expense.

10. Public Utilities. Landlord represents and warrants that to the extent utilities are available (i.e. water, sanitary sewer lines and heat, water, gas and electric facilities) and present on the Premises, such utilities shall be in good working condition and available for Tenant's use. Tenant shall pay or cause to be paid all charges for gas, electricity, light, heat or power, telephone or other communication service used in connection with the Premises and all water rents and sewer charges levied or charged against the Premises and used or consumed by Tenant during the Initial Term and any renewal term or extension of this Lease.

11. Indemnification of Landlord; Insurance. Tenant will be liable for and will indemnify Landlord against all damage and injury to the Premises or to the property of others and against all liability of Landlord to any person or persons which may result from any negligent act or omission of Tenant, its employees, servants, agents, licensees, or invitees on or in the Premises and other areas used in common by Tenant and Landlord from time to time. Tenant agrees to indemnify and hold Landlord harmless from and against any and all claims, losses, costs, liabilities, damages, deficiencies, awards in tort or expense, corrective action costs, penalties and expenses including, without limitation, reasonable attorneys' fees, consultant and expert fees actually incurred) and excluding any consequential damages (e.g. loss of rent, use and profits) suffered by Landlord as a result of Tenant's violation of Environmental Laws during the Initial Term of this Lease or any renewal term. The indemnifications set forth in this Section of this Lease shall survive the expiration or earlier termination of this Lease, but shall terminate three (3) years after any such expiration or termination except with respect to any specific claims which have been given in writing by either party to the other prior to the expiration of said three-year period.

Tenant will maintain and keep in force throughout the Initial Term of this Lease, or any renewal term, at Tenant's cost, public liability insurance against claims for bodily injury, or death and for injury to or destruction of property occurring upon, in or about, or arising from the Premises. Such insurance shall afford protection to a limit of not less than One Million Dollars (\$1,000,000.00) in respect to bodily injury or death suffered by any one person and to a limit of not less than One Million Dollars (\$1,000,000.00) in respect to damage to or destruction of property arising out of any one accident. Said certificates of insurance will be provided to Landlord at Landlord's request.

12. Indemnification of Tenant. Landlord will be liable for and will indemnify Tenant against all damage and injury to the Premises, improvements thereupon, or to the property of others and against all liability of the Tenant to any person or persons which may result from any negligent act or omission of the Landlord, its employees, servants, agents, licensees, or invitees on or in the Premises and other areas used in common by Tenant and Landlord from time to time. Landlord agrees to indemnify and hold Tenant harmless from and against any and all claims, costs, losses, liabilities, damages, deficiencies, awards in tort or expense, corrective action costs, penalties, and expenses (including, without limitation, attorneys' fees, consultant and expert fees actually incurred) based upon, arising out of or otherwise in respect of Landlord's retention of the Retained Environmental Liabilities as defined above. The indemnifications set forth in this Section of this Lease shall survive the expiration or earlier termination of this Lease.

13. Signs. Tenant shall have the right to erect and install such signs as Tenant may desire upon any part of the Premises. Tenant shall have the right, at the expiration of the Initial Term hereof or of any renewal term or extension, to remove any and all signs so erected.

14. Subletting or Assignment. Tenant has the right to sublet, assign or share possession or occupancy of the Premises for any lawful purpose. Tenant will notify Landlord in writing of any such assignment or

sublease. In the event that the Tenant exercises any right under this Section of the Lease, Tenant will not be relieved of its liabilities under this Lease. Landlord shall provide notice to Tenant of any notices given to any assignee or subtenant.

15. Expropriation or Condemnation. In the event that the whole or any part of the Premises shall be expropriated or condemned by any competent authority for any public use or purpose during the Initial Term of the Lease, or any renewal term or extension hereof, Tenant shall have the right to prosecute its claim or claims for any award based upon its leasehold interest for such expropriation or condemnation. In the event of such expropriation or condemnation of all or substantially all of the Premises or so much of the improved portion thereof as to render the balance thereof impractical for the use of Tenant, as Tenant in its sole discretion shall determine, this Lease shall terminate thirty (30) days after Tenant so notifies Landlord. In the event less than all or substantially all of the leased Premises are expropriated or condemned and the balance remaining may practically be devoted to the use of the Tenant as Tenant in its sole discretion shall determine, this Lease shall not terminate, but rental payments shall thereafter be reduced on a pro rata basis to the extent that the use of the facilities is impaired by such taking, which rental reduction shall be determined by Landlord and Tenant in good faith following Landlord's review of all pertinent facts applicable thereto. Tenant shall be entitled to receive all proceeds from such expropriation or condemnation attributable to property and improvements belonging to Tenant and so expropriated and condemned, together with any compensation for the loss of the leasehold interest of Tenant and any dislocation expense to which Tenant may be entitled by statute or common law. It is acknowledged and confirmed by both Landlord and Tenant that in the context of this Section of the Lease, the interest of Tenant, for which it is compensated for any expropriation or condemnation, shall refer to a leasehold interest subject only to the reversion of the Premises to Landlord, and the damages awarded to Tenant hereunder are to be calculated accordingly; and the interest of Landlord for expropriation or condemnation shall be calculated accordingly.

16. Zoning & Permits. Landlord represents and warrants that the Premises are zoned for Tenant's uses as set forth in Section 5. It is understood and agreed that Tenant's obligations under this Lease are expressly subject to and conditioned upon Landlord being able to obtain, on or before the commencement date of the Initial Term, a use permit or like permit under any applicable zoning ordinance or regulation and all other applicable governmental approvals for such use as Tenant intends to make of the Premises. In the event that any such permit is not obtained by Landlord as of the commencement date of the Initial Term, this Lease shall terminate at Tenant's sole option, with written notice to Landlord.

In the event that zoning laws are changed in such a manner that renders the Premises useless for the purposes described in Section 5, Tenant, at Tenant's sole option and discretion, may terminate the Lease after providing ninety (90) days written notice to Landlord. To the extent that Tenant is prevented from carrying on a substantial portion or part of its business due to the application of any zoning regulations or other laws, statutes or governmental regulations of any kind applicable to the Premises or due to any other reason beyond the reasonable control of Tenant, Tenant may terminate this Lease, provided Tenant gives ninety (90) days written notice to Landlord of such prevention or hindrance and allows Landlord said ninety (90) days to take such steps, at Landlord's sole cost and expense, as Landlord may deem appropriate to remove the prevention or hindrance. Tenant agrees to provide, at Landlord's sole cost and expense, all necessary information, documents and cooperation as Landlord may need to remove such hindrance or prevention. Landlord and Tenant acknowledge and agree that if Landlord elects not to remove the prevention or hindrance described above, this Lease shall automatically terminate upon the expiration of

such ninety (90) day period and the parties hereto shall have no further rights or obligations to the other, except as otherwise expressly set forth in this Lease.

17. Mortgages of the Premises. Landlord represents and warrants that the Premises are not encumbered by any mortgage liens or other financings as of the date hereof. Should the Premises be or become subject to any mortgage having priority over this Lease, and should the such mortgage become in default and said default continue for forty-five (45) days, Tenant may, solely at its option and at any time during the Initial Term or any renewal term or extension of this Lease, pay the full amount or amounts required to satisfy and discharge any such mortgage and the amount so paid by Tenant shall be deducted from the installments of Rent that thereafter become due under this Lease.

Landlord agrees that all mortgages on the Premises made on or after the date of this Lease shall be subordinate to the Lease, provided however that, upon the request of Landlord, Tenant agrees to subordinate this Lease to any such subsequent mortgage if Landlord arranges to have the mortgagee under such mortgage enter into a subordination and non-disturbance agreement with Tenant by the terms of which the mortgagee agrees to recognize all of the rights of Tenant under this Lease, which agreement shall be made binding upon the successors and assigns of the mortgagee and upon anyone purchasing the Premises at any foreclosure sale.

18. Quiet Enjoyment. Landlord will warrant and defend Tenant in the enjoyment and peaceable possession of the Premises during the Initial Term of this Lease and any renewal terms or extensions hereof.

19. Remedies on Tenant Default. Landlord agrees in the event that when and as often as Tenant is in default hereunder, in any respect, excepting only as to the payment of rent and/or other sums collectible hereunder as rent, Landlord will not exercise any right or remedy herein conferred or provided by law, unless and until Landlord shall have given written notice of the alleged default to Tenant by United States certified mail, or by any overnight delivery service which provides confirmation of delivery and Tenant for a period of thirty (30) days after receipt of such notice, shall have failed to remedy the alleged default referred to in such notice; provided, however, that Tenant shall have an additional reasonable amount of time to remedy any default that Tenant is in good faith attempting to cure and that cannot reasonably be cured within thirty (30) days. With respect to the payment of rent and/or any other sums collectible as rent hereunder, Landlord will not exercise any right or remedy herein conferred or provided by law, unless and until Landlord shall have given written notice of the alleged default to Tenant by United States certified mail, or by any overnight delivery service which provides confirmation of delivery and Tenant for a period of five (5) days after receipt of such notice, shall have failed to remedy such default. In the event Tenant fails to cure any default in accordance herewith, Tenant shall be in default of this Lease and Landlord may (a) terminate this Lease without any further obligations thereunder, or (b) sue Tenant to collect any and all sums which may accrue to Landlord by virtue of the provisions of this Lease, including but not limited to reasonable attorney's fees relating to such litigation.. Landlord shall use its best efforts to mitigate damages.

20. Remedies on Landlord Default. Landlord shall be deemed to be in default under this Lease in the event Landlord fails to perform any covenant, term or condition of this Lease and fails to remedy such failure within thirty (30) days after Tenant provides written notice thereof; provided, however, that in the

event of a failure to perform that substantially impairs Tenant's ability to conduct its business on the Premises, Landlord shall be deemed to be in default if it fails to remedy, or diligently and in good faith attempts to remedy, such failure within seven (7) days after Tenant provides written notice thereof. In the event that Landlord shall be in default under this Lease, Tenant, at its sole option, may (a) terminate this Lease without any further obligation thereunder, or (b) cure said default and deduct Tenant's costs in curing said default from the rent or sue Landlord for any damages incurred as a result of the Landlord's default, including but not limited to reasonable attorneys' fees relating to such litigation.

21. Hold Over Provision. It is hereby agreed that in the event Tenant holds over after the expiration of the Initial Term or any renewal term or extension of this Lease, the tenancy shall be from month to month at the then current rental rate, payable on a monthly basis, in the absence of a written agreement to the contrary.

22. Covenant of Landlord. Landlord covenants and guarantees that it will not lease, rent or in any way make available any of Landlord's property located within one mile of the Premises to any person, persons or entity whose business is in competition with that of Tenant as described in Section 5 herein.

23. Notices. All notices, demands and requests which may or are required to be given by either party to the other shall be in writing. All notices, demands and requests by Landlord to Tenant shall be sent by United States certified or registered mail, postage prepaid, or by any overnight delivery service which provides confirmation of delivery, addressed to the attention of the Landlord - Raymond G. Croll, Jr., with a required copy to Tenant at the Premises, or at such other place as Tenant may from time to time designate in written notice to Landlord. All demands, notices and requests by Tenant to Landlord shall be sent by United States certified or registered mail, postage prepaid, or by any overnight delivery service which provides confirmation of delivery, addressed to Landlord at 1351 S. CAMPUS, DUTRA RD 91761, or at such other place as Landlord may from time to time designate in written notice to Tenant. Notices, demands and requests which shall be served upon Landlord or Tenant in the aforesaid manner shall be deemed sufficiently served or given for all purposes hereunder at the time such notice, demand or request shall be so mailed or, if given in any other manner, when actually received.

24. Obligations and Rights of Successors. The parties agree that all of the covenants, agreements, conditions and understandings in this Lease shall extend to and be binding upon and shall inure to the benefit of the respective parties hereto and their heirs, executors, administrators, successors and assigns, as the case may be.

25. Amendments. No consent to, amendments to or changes in any provision in this Lease shall be effective unless in writing and signed by both parties.

26. Headings. The headings and titles of sections of this Lease are for convenience only and are not to be considered a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease.

27. Governing Law. The validity, performance, interpretation and enforcement of this Lease shall be governed by the laws of the State of California.

28. Counterparts. This Lease may be executed in any number of counterparts, each of which shall be deemed an original, but all of which counterparts shall constitute one and the same instrument, notwithstanding that fewer than all signatures appear in any one counterpart.

29. Entire Agreement. This Lease and any exhibits attached hereto set forth all the covenants, promises, agreements, conditions and understandings, either oral or written between the parties hereto.

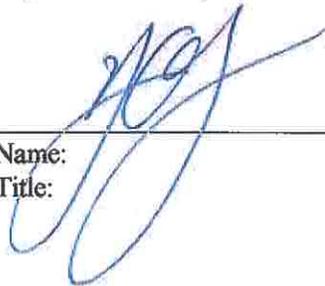
IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be signed, in duplicate, as of the day and year first above written.

LANDLORD:

Raymond G. Croll, Jr.

Witness As to Landlord:

  
\_\_\_\_\_

  
\_\_\_\_\_  
Name:  
Title:

TENANT:

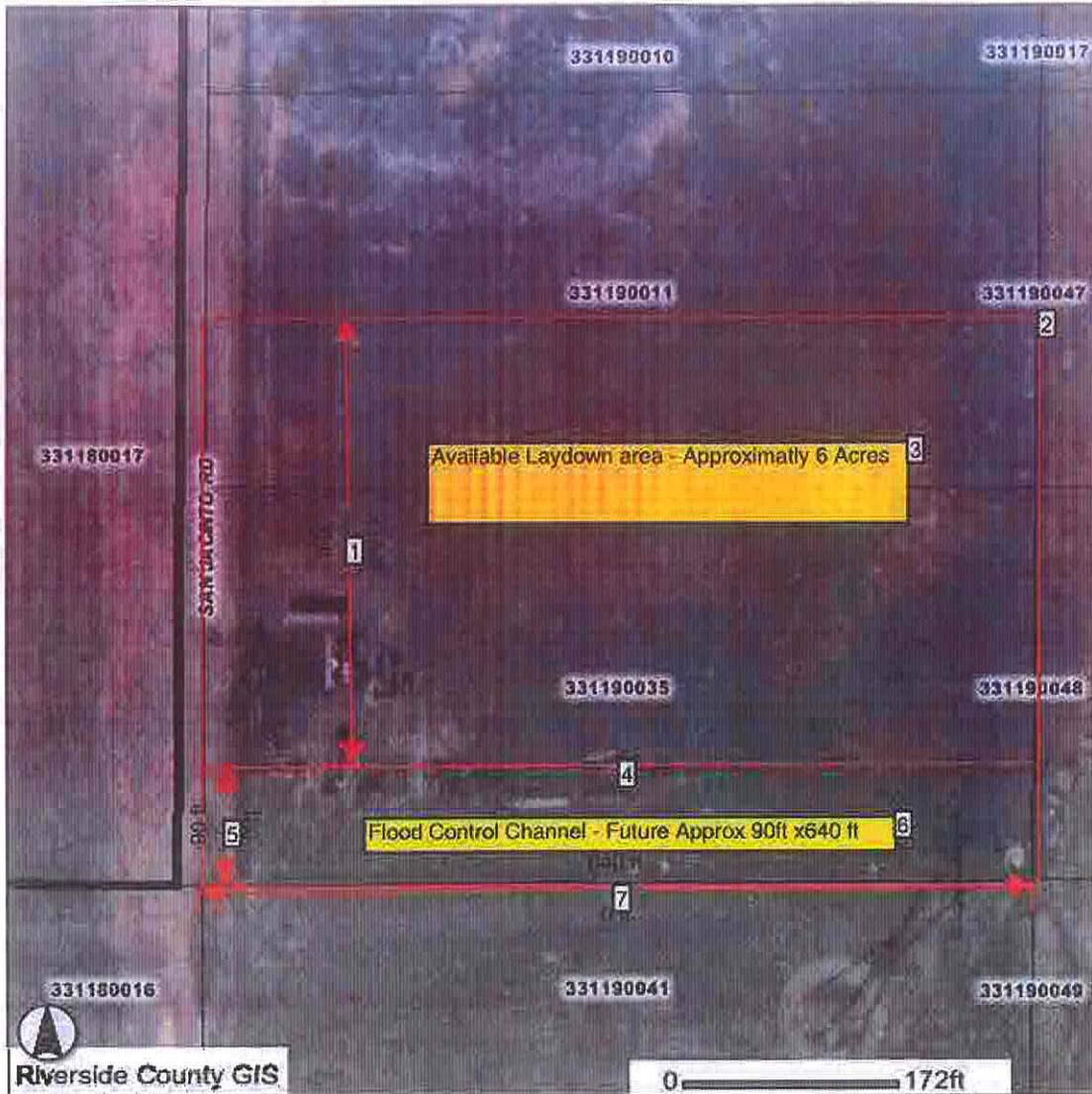
Inland Empire Energy Center LLC

Witness As to Tenant:

\_\_\_\_\_

\_\_\_\_\_  
Name:  
Title:

IEEC



**Selected parcel(s):**  
331-180-017

**LEGEND**

- SELECTED PARCEL
- PARCELS

**\*IMPORTANT\***

This information is made available through the Riverside County Geographic Information System. The information is for reference purposes only. It is intended to be used as base level information only and is not intended to replace any recorded documents or other public records. Contact appropriate County Department or Agency if necessary. Reference to recorded documents and public records may be necessary and is advisable.

MAP PRINTED ON...08/10/2006

## **EXHIBIT B**

### **Description of Improvements to Grove Lumber Property (San Jacinto Road Laydown)**

In order to meet certain requirements for usage of the approximately 6 acres of land owned by Grove Lumber it will be necessary to conduct the following temporary improvements.

1. Install new perimeter fence on north and south borders.
2. Installation of visual fabric on all perimeter fencing.
3. Installation of a 20 foot gate to access the site from the east perimeter.
4. Install silt fence on south and west perimeters, assuming this is the direction of natural flow, for sediment control.
5. Clear, roll, and/or compact to stabilize soil base and allow storage of materials.
6. Use of material such as railroad ties and/or dunnage for storage of materials.

All of these improvements are considered temporary in nature and will be removed at the end of the lease period unless extended or other agreements have been made prior to the end of the lease period.

## **ATTACHMENT B**

### Biological Survey Report



Inland Empire Energy Center Project
Construction Biological Monitoring Form

Form header with fields: Date (mmddyy) 08/09/06, Start Time 07:30, End Time 11:15, Observer M. Amalong/ S. Jones, Visibility (circle one): Good, Fair, Poor, Precipitation (circle one): none, light rain, rain, other. Page 1 of 1

Description of Area Monitored (attach map or include GPS coordinates):

1. New Proposed laydown area (Map Attached). Staked quadrangle within a fenced area southeast of IEEC site (east of San Jacinto Rd. and approximately 100 yards north of McLaughlin Rd.; see Photographs 1, 2, & 3). GPS coordinates (UTM NAD 83) for the corners of the potential laydown area are as follows:

- SW corner 484506 3732969
• SE corner 484677 3732968
• NE corner 484702 3733121
• NW corner 484501 3733114

2. General site inspection around entire project site including: the perimeter of the main construction area; , the drainage at the north end of Antelope Road; the proposed gas pipeline and transmission lines routes along McLaughlin Rd.; and inside the IEEC power plant site.

Construction Activity:

Trenching along SE edge of southern portion of Antelope Rd. ;Major work on power plant inside IEEC site.

Observations

Potential lay-down area:

Area has been recently tilled for weed control by the site owner, so vegetation is limited to a sparse cover of non-native weeds (Brassica tournefortii, Salsola kali). Animals observed on the periphery included western fence lizards (Sceloporus occidentalis), and inactive ground squirrel (Spermophilus beecheyi) burrows. A decomposing jackrabbit and cat were observed on-site. A red-tailed hawk (Buteo jamaicensis) was perched on the large transmission line adjacent to the southern boundary of the fenced area. An American kestrel (Falco sparverius) was perched on the eastern boundary fence. Overall this site has few biological resources because of past agricultural activities (dry-land wheat cultivation) and weed control measures.

Main Project Site. All activities are within the fenced project area. No biological issues observed.

McLaughlin Road. No biological issues; no construction activity.

Action Required? None

Species Observed (attach additional sheet if necessary):

Table with 2 columns: Plants and Animals. Plants: Laydown area: Brassica tournefortii, Salsola kali; Wetland area: Phragmites australis, Distichlis spicata, Datura wrightii, Tamarix ramosissima. Animals: CA ground squirrel, black-tailed jackrabbit, desert cottontail, western fence lizard, western whiptail, red-tailed hawk, American kestrel, mourning dove, rock dove, western kingbird, common raven, western meadowlark, house finch



TETRA TECH EC, INC.



Photograph 1. Potential lay-down area surveyed. View looking north from southwest corner.



Photograph 2. Potential lay-down area surveyed. View looking northeast from southwest corner.



TETRA TECH EC, INC.

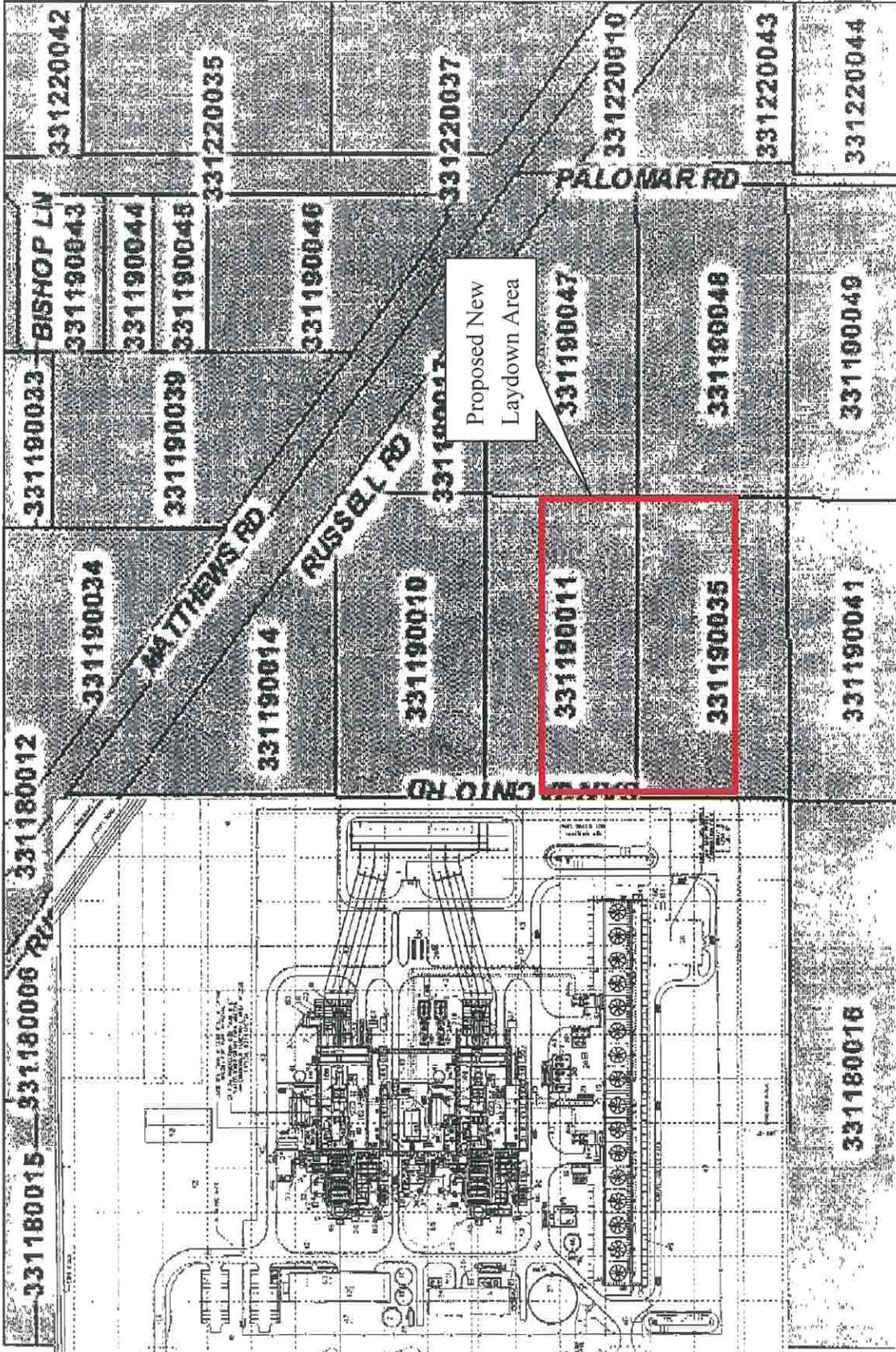


Photograph 3. Potential lay-down area surveyed. View looking east from southwest corner.



TETRA TECH EC, INC.

IEEC Laydown Options



Proposed New laydown Area

## **ATTACHMENT C**

### Cultural Survey Report



**TETRA TECH, INC.**

348 W. Hospitality Lane, Suite 100  
San Bernardino, CA 92408  
Telephone: (909) 381-1674  
Fax: (909) 889-1391

August 21, 2006

Mr. Dana Petrin  
Compliance Manager  
Calpine Construction Management  
Inland Empire Energy Center  
Romoland, California 92585

**SUBJECT:                    Negative Archaeological Resources Survey of a Proposed 10-Acre  
Equipment Laydown Area at the Inland Empire Energy Center,  
Romoland, California**

A pedestrian archaeological resources survey (30-meter nominal transect intervals) conducted of a 10-acre parcel proposed as an equipment laydown area to support the construction of the Inland Empire Energy Center (IEEC) at Romoland, California failed to indicate the presence of any prehistoric, historic-era (<45 years), or Native American cultural resources. Such resources might have included artifacts, features, or sites.

The subject parcel, located southeast of the main IEEC Site, is a staked quadrangle within a fenced area east of San Jacinto Road and approximately 100 yards north of McLaughlin Road. This location is in the NW¼ Section 14, Township 5 South, Range 3 West, San Bernardino Base Line and Meridian (SBBM). The area is depicted on the Sunnymead, California U.S. Geological Survey 7.5' topographic quadrangle. The Universal Transverse Mercator (UTM) coordinates of the parcel's corners are as follows:

- Northwest Corner: Zone 11, 484501 m Easting, 3733114 m Northing;
- Northeast Corner: Zone 11, 484702 m Easting, 3733121 m Northing;
- Southeast Corner: Zone 11, 484677 m Easting, 3732968 m Northing; and
- Southwest Corner: Zone 11, 484506 m Easting, 3732969 m Northing

The archaeological survey was conducted on August 18, 2006 by Mr. Fred E. Budinger, Jr., Registered Professional Archaeologist (RPA) and Senior Archaeologist at Tetra Tech DIV in San Bernardino, California. Mr. Budinger meets and exceeds the *Secretary of the Interior's Standards and Guidelines* for conducting cultural resources investigations. As such, Mr. Budinger is a qualified archaeologist for conducting CEQA cultural resources investigations. All survey techniques utilized in the subject survey were in accord with procedures specified by the California Office of Historic Preservation.

In the past, the subject parcel was used for dry-land wheat cultivation. At the time of the cultural resources survey, it was obvious that the parcel had been recently tilled for weed control. Observed vegetation was limited to non-native weeds, including *Brassica tournefortii* and *Salsola kali* (*Construction Biological Monitoring Form*, Tetra Tech EC, Santa Ana, August 8, 2006). Ground visibility was excellent. Small amounts of modern trash were observed, including plastic bags and miscellaneous paper and cardboard (especially carry-out food containers).

The State of California Public Resources Code (PRC) establishes the criteria and definitions for “historical resources” to be considered in CEQA-compliance considerations. “Historical resources,” according to PRC §5020.1(j), “includes, but is not limited to, any object, building, site, area, place, record, or manuscript which is historically or archaeologically significant, or is significant in the architectural, engineering, scientific, economic, agricultural, educational, social, political, military, or cultural annals of California.” The guidelines of CEQA state that the term “historical resources” applies to any such resources listed in or determined to be eligible for listing in the California Register of Historical Resources, included in a local register of historical resources, or determined to be historically significant by the Lead Agency (Title 14 California Code of Regulations §15064.5(a)(1)-(3)). A resource may be listed in the California Register of Historical Resources if it:

- (1) Is associated with events that have made a significant contribution to the broad patterns of California history and cultural heritage;
- (2) Is associated with the lives of persons important in our past;
- (3) Embodies the distinctive characteristics of a type, period, region, or method of construction, or represents the work of an important creative individual, or possesses high artistic values; or
- (4) Has yielded, or may be likely to yield, information important in prehistory or history. (PRC §5024.1(c))

The California Environmental Quality Act specifies “a project that may cause a substantial adverse change in the significance of a historical resource is a project that may have a significant effect on the environment” (PRC §21084.1). Further, PRC §5020.1(q), states, “substantial adverse change means demolition, destruction, relocation, or alteration such that the significance of an historical resource would be impaired.”

No prehistoric or historic-era artifacts, features, or sites were identified through the systematic field survey of the subject parcel. Therefore, obviously, there are no CEQA-defined “historic resources” present at the subject parcel.

Accordingly, Tetra Tech presents the following recommendations with regard to this proposed undertaking:

- No “historic resources” have been identified and/or recorded within the APE, and thus no known historic resources shall be affected by the undertaking currently proposed;
- No further cultural resources investigations shall be necessary for the proposed undertaking;
- If buried prehistoric or historic-era materials are discovered during grading and/or construction activities, all work in that area should be halted or diverted until a qualified archaeologist can evaluate the nature and significance of the finds.
- If any human remains are encountered during grading and/or construction activities, the Riverside County Coroner’s Office shall be contacted within 24 hours.

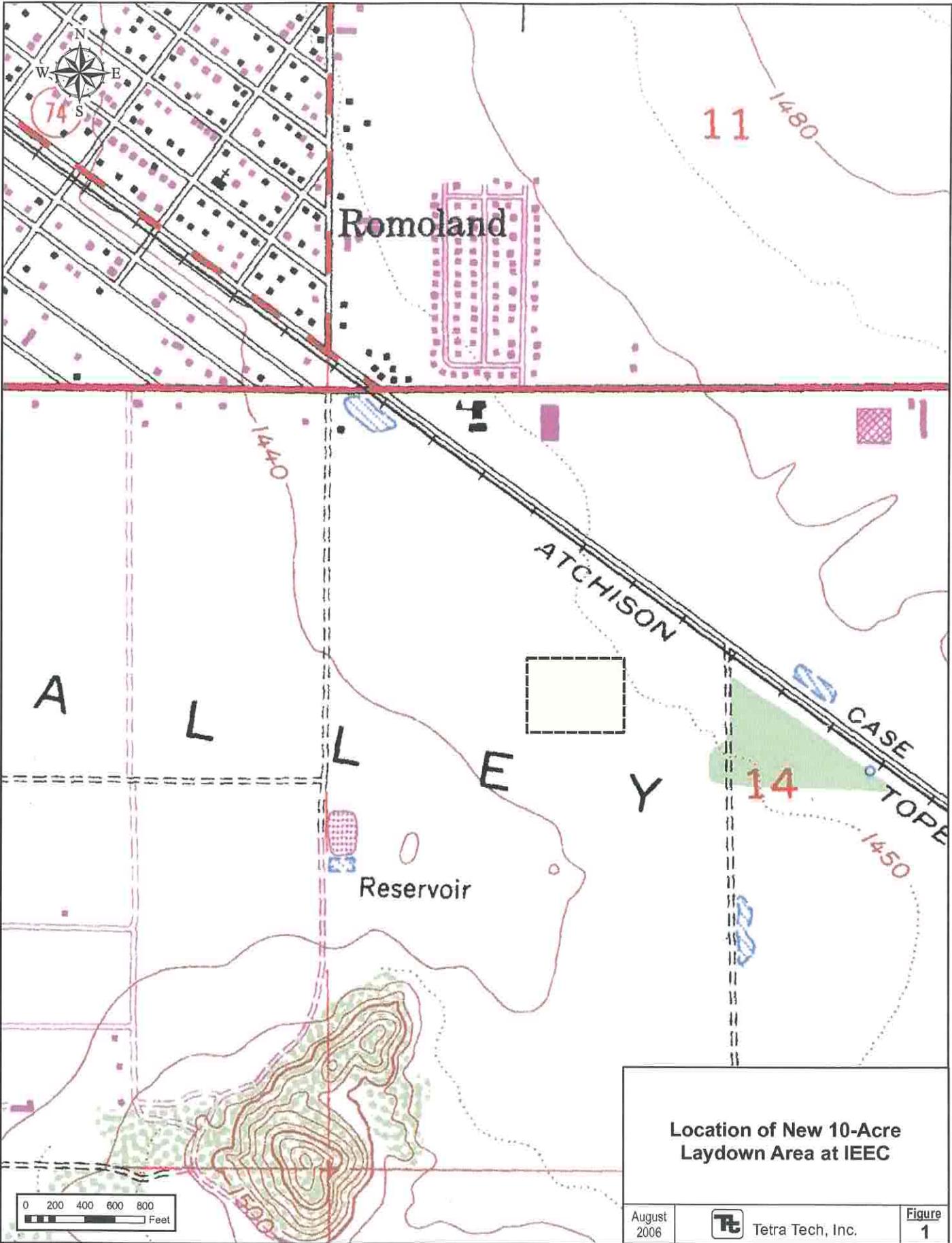
I hereby certify that the statements furnished above and in the attached exhibits present the data and information required for this archaeological resources survey report, and that the facts, statements and information presented are true and correct to the best of my knowledge and belief.

DATE: August 22, 2006 SIGNED:



---

Fred E. Budinger, Jr., RPA  
Senior Archaeologist  
Tetra Tech, Inc.  
348 West Hospitality Lane, Suite 100  
San Bernardino, California 92408  
(909) 381-1674  
fred.budinger@tetrattech.com

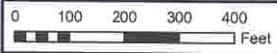
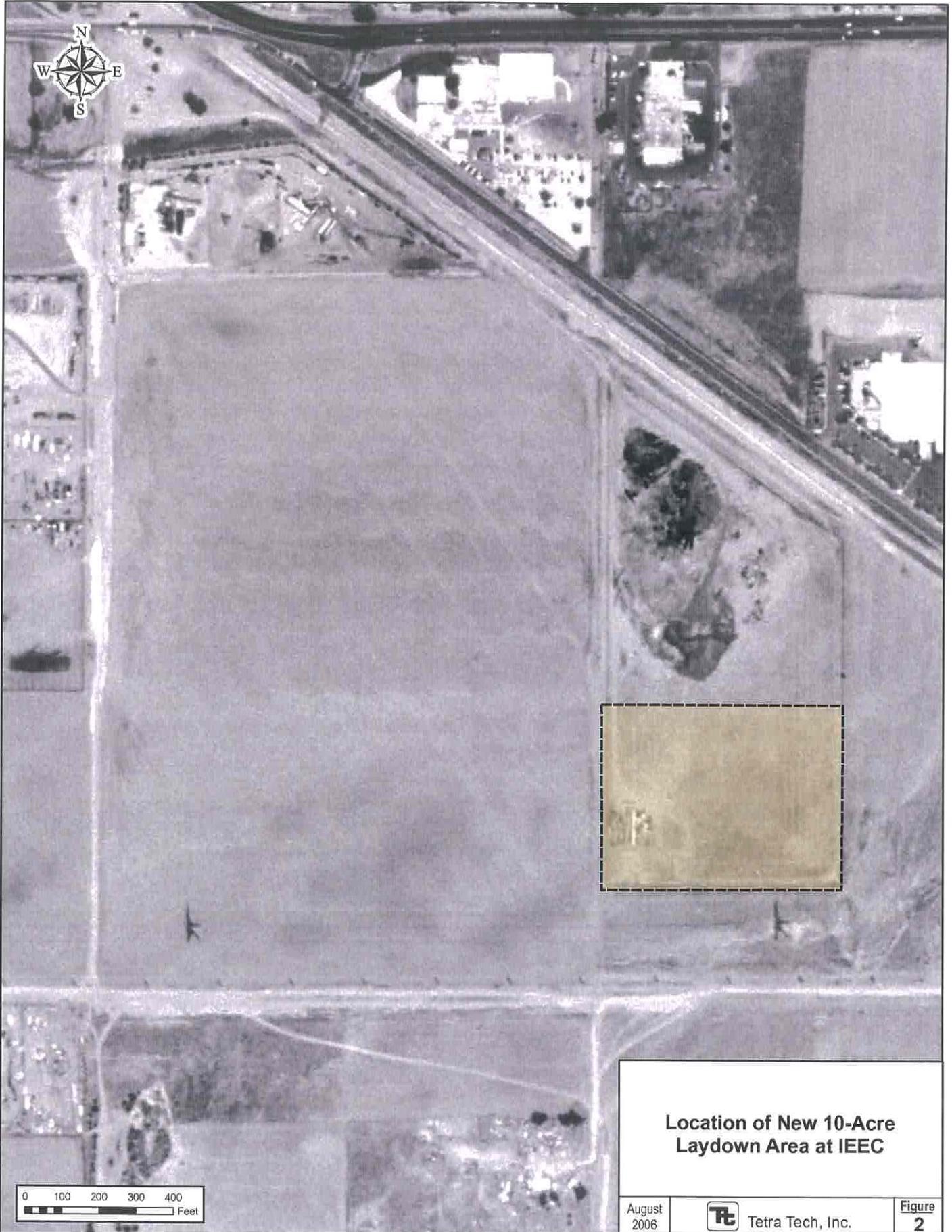


**Location of New 10-Acre  
Laydown Area at IEEC**

August  
2006

**Tt** Tetra Tech, Inc.

Figure  
**1**



**Location of New 10-Acre  
Laydown Area at IEEC**

August  
2006



Tetra Tech, Inc.

Figure  
2

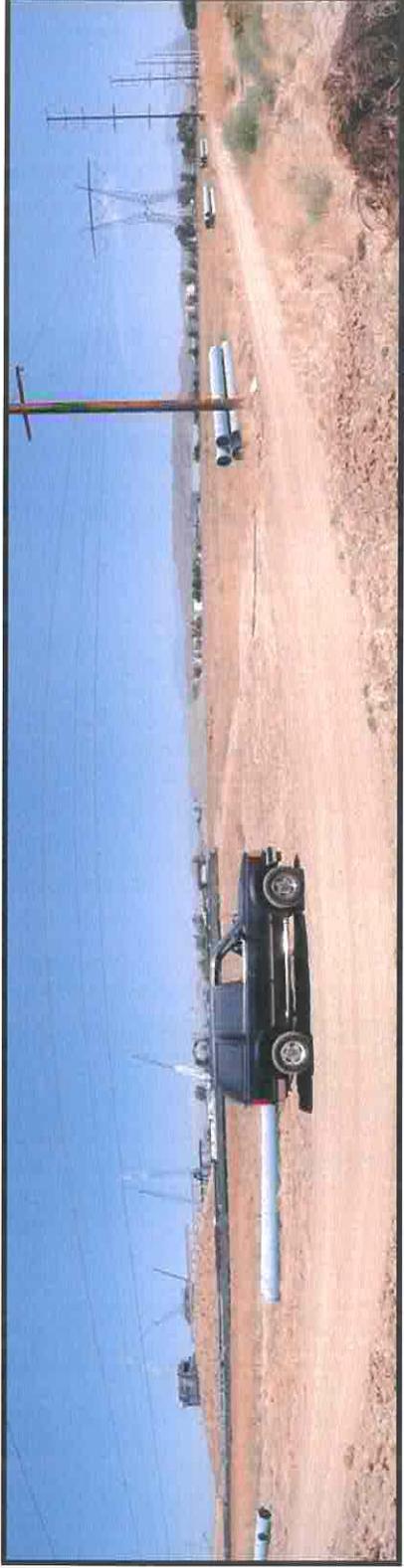


Photo 1. IEEC New 10-acre Laydown Area Survey. View of the survey area from outside its southwest corner at GPS coordinates Zone 11 484472 m Easting and 3732876 m Northing. Northwest is photo left and east is photo right.

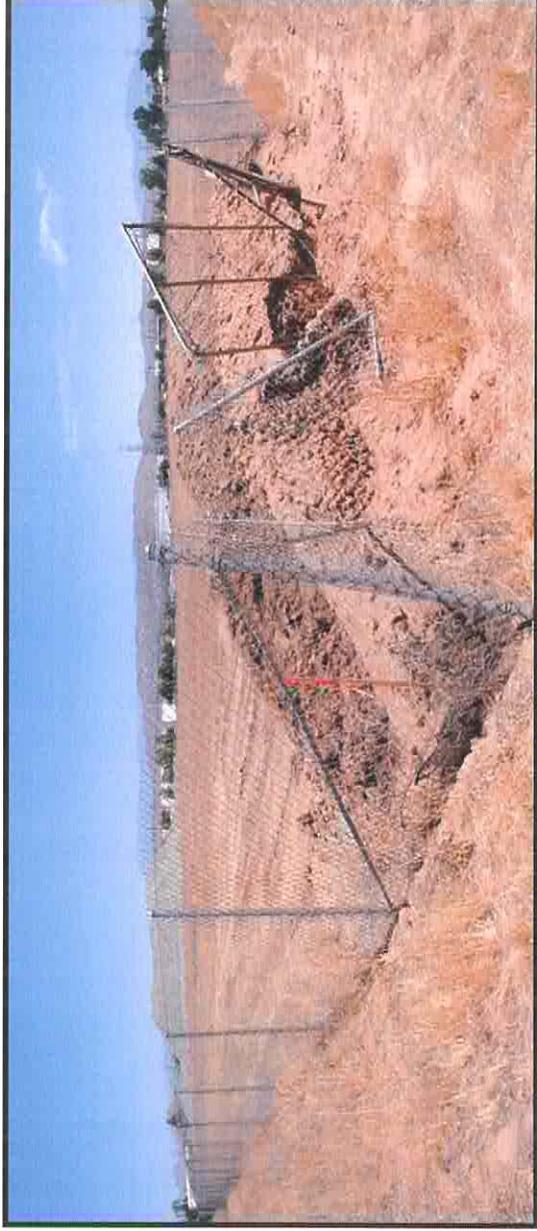


Photo 2. IEEC New 10-acre Laydown Area Survey. View of the southwest corner of the survey area (showing its "gate") at GPS coordinates Zone 11 484498 m Easting and 3732966 m Northing. View to the northeast.



Photo 3. IEEC New 10-acre Laydown Area Survey. View of the survey area from the vicinity of its southwest corner at GPS coordinates Zone 11 484498 m Easting and 3732966 m Northing. View to the northeast.



Photo 4. IEEC New 10-acre Laydown Area Survey. View of the survey area from the vicinity of its northwest corner at GPS coordinates Zone 11 484506 m Easting and 3732967 m Northing. North is photo left and east is photo right.



Photo 5. IEEC New 10-acre Laydown Area Survey. View of the survey area from the vicinity of its northeast corner at GPS coordinates Zone 11 484505 m Easting and 3733117 m Northing. North is photo left and south is photo right.



Photo 6. IEEC New 10-acre Laydown Area Survey. View of the survey area from the vicinity of its southeast corner at GPS coordinates Zone 11 484693 m Easting and 3732967 m Northing. North is photo left and west is photo right.



Photo 7. IEEC New 10-acre Laydown Area Survey. View of the survey area from its approximate center at GPS coordinates Zone 11 484619 m Easting and 3733049 m Northing. North is photo left and west is photo right.