

**AGREEMENT FOR SALE OF CONSERVATION CREDITS
GILSIZER SLOUGH GIANT GARTER SNAKE CONSERVATION BANK**

This Agreement for Sale of Conservation Credits (“**Agreement**”) is made and entered into this _____ day of _____, 2006 (“**Effective Date**”) by and between Gilsizer Slough, LLC., (“**Bank Owner**”) and the City of Sacramento, (“**Project Proponent**”) who agree as follows:

1. Background.

1.1. Projects. From time to time, Project Proponent undertakes projects (each, a “**Project**”) which would unavoidably and adversely impact certain protected species including the giant garter snake (*Thamnophis gigas*) (“**GGS**”). As a part of the approval process for these Projects, Project Proponent must obtain approvals from, among other agencies, the United States Fish and Wildlife Service (“**USFWS**”) and the State of California Department of Fish and Game (“**CDFG**”), and perhaps other agencies to compensate for such impacts by creating, enhancing and/or restoring wetlands or by purchasing sufficient suitable conservation credits (“**Conservation Credits**”) to offset these identified impacts. Projects include the Ueda Parkway Project (Phase 1) and such other Projects as USFWS may determine.

1.2. Gilsizer Slough Giant Garter Snake Conservation Bank. Bank Owner has submitted to USFWS for approval certain conservation bank entitlement and enabling agreements (collectively, the “**Conservation Bank Agreement**”) that would establish the “Gilsizer Slough Giant Garter Snake Conservation Bank”, or sometimes simply, the “**Bank**”, as an approved Covered Species conservation bank with Conservation Credits available for sale. USFWS has given its preliminary approval to the Bank. Formal approval of the Bank shall mean the date (“**Approval Date**”) that the Conservation Bank Agreement is executed by USFWS and Bank Owner.

1.3. Escrow. To mitigate for certain impacts or a portion thereof as may be determined by USFWS, to the Covered Species by the Projects, Project Proponent desires to acquire Conservation Credits from an approved conservation bank. Because Conservation Credits are not immediately available from an approved conservation bank within the appropriate service area, prior to initiating construction activities, Project Proponent will deposit the sum of \$164,850.00 with Placer Title Company 354F Street, Lincoln, California 95648 (“**Escrow Holder**”), Attention: Celia French, thereby creating an escrow account (“**Escrow Account**”). The purpose of the Escrow Account is to wholly finance the acquisition of 4.71 Conservation Credits consistent with the requirements to mitigate for impacts to the Covered Species.

1.4. Purpose. The purpose of this Agreement is to provide for the purchase and sale of 4.71 Covered Species Conservation Credits once they are established.

2. Purchase Price; Payment. On the Approval Date Bank Owner will sell to Project Proponent and Project Proponent will purchase from Bank Owner 4.71 Covered Species Conservation Credits for the purchase price (“**Purchase Price**”) of \$164,850.00 which shall be paid as follows:

2.1. Escrow Account. The Purchase Price for the Conservation Credits shall be deposited into the Escrow Account no later than 60 days from the Effective Date. Project Proponent must exercise its right to purchase the Conservation Credits by depositing the Purchase Price with the Escrow Holder no later than 60 days from the Effective Date of this Agreement. If Project Proponent does not fully fund the Escrow Account within the 60-day period then this Agreement shall terminate and become null and void.

2.2. Disbursement on the Approval Date. Escrow Holder shall disburse the balance of the Purchase Price to Bank Owner on the Approval Date. Concurrently with the disbursement of the Purchase Price, Escrow Holder shall deliver to Project Proponent an executed "Bill of Sale" and "Payment Receipt" in the manner and form attached hereto and incorporated herein as Exhibit A and Exhibit B.

2.3. Termination Date. If the Approval Date has not occurred by December 31, 2006 ("**Termination Date**") then the USFWS may authorize the release of the Purchase Price and the Escrow Account upon a letter clearly stating where the funds shall be expended so as to achieve the required mitigation.

3. Not a Property Interest. The sale and transfer herein is not intended as a sale or transfer to Project Proponent of a security, license, lease, easement, or possessory or non-possessory interest in real property, nor the granting of any interest of the foregoing.

4. Bank Owner Shall Indemnify. Project Proponent shall have no obligation whatsoever by reason of the purchase of the Conservation Credits, to support, pay for, monitor, report on, sustain, continue in perpetuity, or otherwise be obligated or liable for the success or continued expense or maintenance in perpetuity of the Conservation Credits sold, or the Bank. As required by law, Bank Owner shall monitor and make reports to the appropriate agency or agencies on the status of any habitat conservation credits sold to Project Proponent. Bank Owner shall be fully and completely responsible for satisfying any and all conditions placed on the Bank or the Conservation Credits, by all state or federal jurisdictional agencies. Bank Owner shall hereby indemnify, protect and defend Project Proponent against and from all such liabilities and obligations.

5. Not Assignable. The Conservation Credits sold and transferred to Project Proponent shall be nontransferable and non-assignable, and shall not be used as preservation mitigation for any other Project or purpose, except as may be mutually agreed to in a signed written amendment to this Agreement.

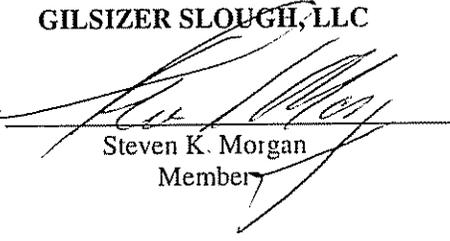
6. Bank Owner's Submittals. Upon purchase of the Conservation Credits Bank Owner shall submit to the parties listed in the Notices section of the Conservation Bank Agreement, copies of the: a) Agreement for Sale of Conservation Credits; b) Bill of Sale; c) Payment Receipt; and d) an updated ledger. The updated inventory / ledger must detail: i) Project Proponent; ii) Project Name; iii) Status (sale complete/sale not complete); iv) Credit Sale Date; v) Service File Number; vi) U.S. Army Corps of Engineers File Number (if applicable); vii) Total Number of Credits Authorized to Sell; viii) Total Number of Credits Sold to Date

(inclusive); and ix) Balance of all Credits Available. The inventory / ledger should include all sales data from Bank opening/establishment to the present.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

GILSIZER SLOUGH, LLC

By



Steven K. Morgan
Member

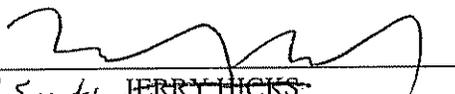
CITY OF SACRAMENTO

By

RAY KERRIDGE
City Manager

Approved as to Form:

By



Michael Spades ~~JERRY HICKS~~
Deputy City Attorney

By

SHIRLEY CONCOLINO
City Clerk

Exhibit "A"

BILL OF SALE
Contract # ____-06-____
USFWS #1-1-_____

In consideration of \$_____, receipt of which is hereby acknowledged, Gilsizer Slough, LLC ("Bank Owner"), does hereby bargain, sell and transfer to the City of Sacramento, 4.71 Giant Garter Snake Conservation Credits, for the Ueda Parkway project, from the Gilsizer Slough Conservation Bank in Sutter County California, developed and approved under the authority of the United States Fish and Wildlife Service.

Bank Owner represents and warrants that it has good title to the credits, has good right to sell the same, and that they are free and clear of all claims, liens, or encumbrances.

Bank Owner covenants and agrees with the buyer to warrant and defend the sale of the credits hereinbefore described against all and every person and persons whomsoever lawfully claiming or to claim the same.

DATED: _____

Bank Owner,
Gilsizer Slough, LLC

By: _____

Exhibit "B"
GILSIZER SLOUGH CONSERVATION BANK
GIANT GARTER SNAKE CREDITS: PAYMENT RECEIPT

PARTICIPANT INFORMATION

Name: _____
Address: _____
Telephone: _____
Contact: _____

PROJECT INFORMATION

Project Description: _____
Service File Number _____ Corps File # _____
Species/Habitat Affected: _____
Credits Required: _____
Payment Amount: _____
Project Location: _____
County: _____
Address: _____

PAYMENT INFORMATION

Payee: _____
Payer: _____
Amount: _____ (\$ _____)
Method of Payment: Cash _____ Check# _____ Warrant _____

(Signature)
Name: _____
Title: _____
Date: _____