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May 24, 2017

Mr. Jon Wilcox, Principal Mitigation Program
PG&E
2730 Gateway Oaks Drive, Rm. 220
Sacramento, CA 95833

RE: Line 406/407 Mitigation Agreement #2, Natomas Basin, California

Dear Mr. Wilcox:

The Conservancy is in receipt of your recent emails regarding mitigation steps Pacific Gas and Electric (PG&E) proposes for the above-referenced project. PG&E has documented the project's proposed mitigation, and shows that, with certain exceptions as noted below, it tracks mitigation practices and procedures under the Natomas Basin Habitat Conservation Plan (NBHCP) and as agreed to by the California Department of Fish and Wildlife (CDFW) and the U.S. Fish and Wildlife Service (USFWS).

Per the USFWS Modification to the Biological Opinion on the PG&E Line 406/407 Pipeline Project Letter sent to the U.S. Army Corps of Engineers on April 28, 2017, we understand the final acreage amount for mitigation purchase with ratios applied to meet USFWS obligations is 28 acres. As to the CDFW consultation, the final acreage amount for mitigation purchase to meet CDFW obligations is 21.07 acres.

The NBHCP's established mitigation ratio is 0.5:1 ("ONE-HALF TO ONE"). In order to ensure that the USFWS and CDFW required mitigation acreages are met, PG&E will double the highest amount mitigation acreages from the USFWS and CDFW. PG&E has calculated the mitigation compensation according to the NBHCP, and has concluded that the amount to be tendered is 28 acres. The PG&E mitigation required by USFWS for impacts to Giant garter snake are higher than those required by CDFW. PG&E represents that the 28 acres will fulfill the mitigation requirements for both agencies.

PG&E requests that this Letter Agreement include as Appendix A a written description of the Line 406/407 Project as regards this Mitigation Agreement, and also a map of the impacted area disturbed by the Line 406/407 Project.

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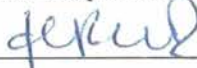
1. Based on the PG&E's reports, the impacted area consists of 56 acres for which PG&E requires 28 acres of mitigation, and at a mitigation rate of \$31,600.00 per acre (the current NBHCP mitigation fee as established by City of Sacramento ordinance), the mitigation fee totals \$1,769,600.00 (ONE MILLION SEVEN HUNDRED SIXTY NINE THOUSAND SIX HUNDRED DOLLARS).
2. PG&E proposed, and the California Department of Fish and Wildlife and the U.S. Fish and Wildlife Service have agreed, that the Conservancy provide mitigation for the project, and do so consistent with the NBHCP, with the above-stated exception of the different mitigation ratio. The Conservancy will designate 28 of its pre-approved surplus acres as mitigation for this phase of the PG&E Line 406/407 project, and record this mitigation according to provision #3 below.
3. The Conservancy agrees that it will designate land currently considered surplus to the NBHCP and Metro Air Park Habitat Conservation Plan (MAPHCP) mitigation land holdings and designate that land as mitigation for the PG&E Line 406/407 Project. The Conservancy will record the mitigation on its list of Non-NBHCP Supplemental Mitigation projects, and note it on its official Mitigation Land Allocation Map. Both actions will be taken immediately upon receiving good funds from PG&E for this project.
4. The Conservancy has determined that it will not require land dedication and that it will accept the mitigation from PG&E for the above-referenced project.



Acceptance of Proposal: The following persons are authorized to bind their respective companies or organizations in contracts of this nature and with their signature agree to the terms and conditions of this proposal.

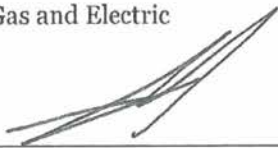
Bill Of Sale: NBHCP will deliver to PG&E an executed Bill of Sale in the manner and form as attached hereto and marked Exhibit "A"

The Natomas Basin Conservancy,
a California Non-profit Public
Benefit Corporation

By: 

John R. Roberts
Executive Director

Pacific Gas and Electric

By: 

Mariano Mandler
Senior Director, Environmental
Management

Exhibit "A"

BILL OF SALE

In consideration of \$1,769,600.00(ONE MILLION SEVEN HUNDRED SIXTY NINE THOUSAND SIX HUNDRED DOLLARS), receipt of which is hereby acknowledged, The Natomas Basin Conservancy, does hereby bargain, sell and transfer to Pacific Gas and Electric, 28 acres worth of designated mitigation credits within the Natomas Basin Habitat Conservation Plan in Sacramento and/or Sutter County, California, developed, and approved by the California Department of Fish and Wildlife and U.S. Fish and Wildlife Service.

The Natomas Basin Conservancy represents and warrants that it has good title to the mitigation properties, has good right to sell mitigation credits, and that the mitigation credits are free and clear of all claims, liens, or encumbrances.

The Natomas Basin Conservancy covenants and agrees with the buyer to warrant and defend the sale of the mitigation credits hereinbefore described against all and every person and persons whomsoever lawfully claiming or to claim the same.

DATED: JUN 01 2017

The Natomas Basin Conservancy,
a California Non-profit Public Benefit Corporation

By: 