



State of California – Natural Resources Agency
DEPARTMENT OF FISH AND WILDLIFE
North Central Region/Region 2
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EDMUND G. BROWN JR., Governor
CHARLTON H. BONHAM, Director



July 12, 2018

Ron Titus
Sycamore Creek LLC
3668 Hicks Lane
Chico, CA 95973

SUBJECT: BANK AGREEMENT PACKAGE NOT COMPLETE FOR SYCAMORE CREEK CONSERVATION BANK (TRACKING NUMBER 1798-2014-02-R2)

Dear Mr. Titus:

The California Department of Fish and Wildlife (Department) has completed its review of your bank agreement package for completeness, dated June 2018, for the Sycamore Creek Conservation Bank (Bank). The Department determined the bank agreement package, received on June 15, 2018, is not complete because the information listed below is either missing or insufficient. To complete your bank agreement package, please provide the following information to the Department.

1. The Bank Enabling Instrument and associated documents has identified Sycamore Creek LLC as the bank sponsor. Reviewing the California Secretary of State Business search database, it appears Sycamore Creek LLC is not registered. Please submit an executed Operating Agreement, Articles of Organization, and a Good Standing Certificate from the Secretary of State for both Sycamore Creek LLC and Sabco LLC as Sabco LLC is also a member of the Sycamore Creek LLC.
2. The title reports contained in the bank agreement package are dated September 29, 2016, and October 4, 2016. The title reports should be no more than one year old. Please submit current title reports and all the associated exceptions listed below. The following exceptions, as numbered in the title report, for Assessor Parcel Numbers (APN) 007-020-100 and 007-020-101 are missing from the bank agreement binder: exceptions 6 and 8. The following exceptions, as numbered in the title report, are also missing for APNs 007-010-030, 007-010-059, 007-020-114, 007-020-124, 007-020-125, 007-020-113, and 007-020-122: exceptions 7, 50, and 52. Please submit any new exceptions and label the upper right corner with the exception number.
3. Per the Phase 1 report, not all the APNs that comprise the Bank were assessed. The report is missing APN 007-010-030 and only a portion of APN 007-010-059 was assessed. The Phase 1 report will need to be completed over the entirety of the proposed Bank. The Department noted that the Phase 1 determined hazardous substances, specifically trichloroethene, may exist in groundwater and/or soil vapor beneath the Bank's property. The banking agreement package will need to identify

how this environmental condition will be further assessed and, if applicable, rectified.

4. The Service Area written description, Exhibit B-2, needs to clearly articulate the boundaries of the Bank's Service Area as well as the associated figures in Exhibit B-1. Please revise the Service Area written description so that it describes the boundaries using landmarks as well as revise the associated maps to show the areas that are within the Bank's Service Area.
5. The Interim Management Plan submitted with the bank agreement refers to the Long-term Management Plan for activities. The Interim Management Plan is a stand-alone document. Please submit a revised Interim Management Plan that describes the activities that will be conducted during the Interim Management Period.
6. The Department has a policy for Managing Risks of Mining on Conservation Lands (see attached). The Bank is located in an area identified as a sedimentary basin with oil, gas or geothermal production based on the map produced by California Department of Conservation's Division of Oil, Gas, and Geothermic Resources. For lands newly proposed for conservation easement recordation or other form of conservation where an endorsement or approval by the Department is required, the policy outlines steps that must be completed prior to proceeding with the approval of the conservation easement. Please review Category 2 of the policy and submit the appropriate documentation.

During the review for completeness, the Department noticed the following issues:

1. **The draft Operating Agreement has discussed a lot line adjustment for two of the above listed parcels. The title report will need to reflect this lot line adjustment if it was completed. The draft Operating Agreement also discussed that the properties will transfer from the individual owners to Sycamore Creek LLC. The BEI states that the individuals are the property owners while the draft Conservation Easement identifies Sycamore Creek LLC as the property owner. The accompanying title reports identify several individuals as the property owner. All documents within the bank agreement package will need to identify the current property owner(s). If the current property owners are the individuals as identified in the title report then all documents which require the identification and/or signature of the property owners will need to state the individual names and include them in the associated signatory block. Please revise and resubmit the Bank Enabling Instrument and Conservation Easement with the current property owner names listed. If Sycamore Creek LLC is the property owner, the Operating Agreement should state who has signatory authority for the LLC.**

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2. The Credit Release Table in Exhibit F-5 has included vernal pool fairy shrimp (*Branchinecta lynchi*). The bank agreement package must be consistent with the Prospectus. It is unclear if this had been accidentally included or added after Prospectus acceptability determination as the Prospectus and the credit evaluation of the bank agreement did not include vernal pool fairy shrimp. Please revise the Credit Release Table or provide explanation on why vernal pool fairy shrimp have been added to the Bank's credits. Additional documents within the Bank Agreement will need to be revised to include this species if determined acceptable.

There may be additional issues that may need to be resolved during the review for acceptability. The bank agreement package may be made complete with the submission of the above document(s). The Department will have 30 days to review the resubmitted bank agreement package to determine if it is complete. The Department will then provide you written notification of its determination, which is distinct from any determination by another signatory agency. Submission of the above documentation does not assure bank approval.

For further assistance on the banking process please visit the Department's web site at <http://www.dfg.ca.gov/habcon/conplan/mitbank>. If you have questions regarding this letter or the bank review process, please contact Stephanie Buss, Senior Environmental Scientist (Specialist) at (916) 358-1185 or R2mitbank@wildlife.ca.gov.

Sincerely,



Jeff Drongesen
Environmental Program Manager

Attachment

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