

AGREEMENT FOR SALE OF CREDITS

USACE FILE NO. SPL-2015-00777-SLP

RWQCB FILE NO. 362015-32 THROUGH 362015-66

CDFW FILE NO. 1600-2015-0178-R6

This Agreement is entered into this ____ day of _____, 2020 (Effective Date), by and between the Land Veritas Corp. (Bank Sponsor) and San Bernardino County Flood Control District (Project Proponent), jointly referred to as the "Parties," as follows:

RECITALS

A. The Bank Sponsor has developed the Soquel Canyon Mitigation Bank (Bank) located in San Bernardino and Orange Counties, California; and

B. The Bank has been developed pursuant to a Bank Enabling Instrument (BEI) entered into by and between Bank Sponsor, Land Veritas I, LLC, the U.S. Army Corps of Engineers (USACE), the U.S. Environmental Protection Agency (EPA), the Santa Ana Regional Water Quality Control Board (RWQCB), and the California Department of Fish and Wildlife (CDFW) on December 15, 2014 and is currently in good standing with these agencies; and

C. Project Proponent is seeking to implement the project described on Exhibit "A" attached hereto (Project), which would unavoidably and adversely impact waters of the United States and waters of the State thereon, and seeks to compensate for the loss of waters of the United State and waters of the State by purchasing credits from Bank Sponsor; and

D. Project Proponent has been authorized by the USACE File No. SPL-2015-00777-SLP, RWQCB File No. 362015-32 through 362015-66, and CDFW File No. 1600-2015-0178-R6, to purchase from the Bank, 7.03 acres 404 intermittent stream system credits and 1.31 acres 404 perennial stream system credits, which contain within them 7.24 acres of Section 1600 intermittent riparian enhancement credits and 1.10 acres of Section 1600 perennial riparian enhancement credits ("Credits") upon confirmation by the Bank Sponsor of credit availability/adequate balance of credits remaining for sale; and

E. Project Proponent desires to purchase from Bank Sponsor and Bank Sponsor desires to sell to Project Proponent the Credits;

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Bank Sponsor hereby sells to Project Proponent and Project Proponent hereby purchases from Bank Sponsor Credits from the Bank for the purchase price of two million eighty-five thousand dollars (\$2,085,000). The Bank Sponsor will then deliver to Project Proponent an executed Bill of Sale in the manner and form as attached hereto and marked Exhibit "B". The purchase price for said Credits shall be paid by cashier's check or, at the option of Bank Sponsor, check/warrant or wire transfer of funds according to written instructions by Bank Sponsor to Project Proponent.

{00045250;1 }

2. 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.

3. Project Proponent shall have no obligation whatsoever by reason of the purchase of the 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 Credits sold, or the Bank. Pursuant to the BEI and any amendments thereto, Bank Sponsor shall monitor and make reports to the appropriate agency or agencies on the status of any Credits sold to Project Proponent. Bank Sponsor shall be fully and completely responsible for satisfying any and all conditions placed on the Bank or the Credits by all state or federal jurisdictional agencies.

4. The Credits sold and transferred to Project Proponent shall be non-transferable and non-assignable, and shall not be used as compensatory mitigation for any other project or purpose, except as set forth herein.

5. Project Proponent must exercise his/her/its right to purchase the Credits within 60 days of the Effective Date of this Agreement. After the 60-day period this Agreement will be considered null and void.

6. Upon purchase of the Credits specified in paragraph 1 above, the Bank Sponsor shall submit to the parties listed in the Notices section of the BEI, copies of the: a) Agreement for Sale of Credits; b) Bill of Sale; c) Payment Receipt; and d) an updated ledger. The updated ledger must detail: i) Project Proponent; ii) Project Name; iii) Status (sale complete/sale not complete); iv) Credit Sale Date; v) Permitting Agency File/Tracking Number; vi) Total Number of Credits Authorized to Sell; vii) Total Number of Credits Sold to Date (inclusive); and viii) Balance of all Credits Available. The ledger should include all sales data from Bank Establishment Date to the present.

7. The total of \$2,085,000 of Credits, as described here within, will provide for 7.03 acres of 404 intermittent stream system credits and 1.31 acres of 404 perennial stream system credits, which contain within them 7.24 acres of Section 1600 intermittent riparian enhancement credits and 1.10 acres of Section 1600 perennial riparian enhancement credits as described in USACE File No. SPL-2015-00777- SLP, RWQCB File No. 362015-32 through 362015-66, and CDFW File No. 1600-2015-0178-R6. Bank Sponsor represents and warrants that the Credits have been duly issued for the conservation values listed in this paragraph, have been released and are available for sale, and have been approved by the USACE, RWQCB and CDFW.

{00045250;1 }

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year first above written.

BANK SPONSOR

LAND VERITAS CORP.

By: _____
H. Tracey Brownfield, President

Date:

PROJECT PROPONENT

**SAN BERNARDINO COUNTY FLOOD
CONTROL DISTRICT**



Curt Hagman, Board Chairman

Dated:

SIGNED AND CERTIFIED THAT A COPY
OF THIS DOCUMENT HAS BEEN
DELIVERED TO THE CHAIRMAN OF THE
BOARD

Lynna Monell, Clerk of the Board

By: _____
Deputy

APPROVED AS TO LEGAL FORM:

Michelle D. Blakemore, County Counsel

By: _____
Sophie A. Akins
Deputy County Counsel

Date:

EXHIBIT "A"
DESCRIPTION OF PROJECT TO BE MITIGATED

Name of Project:

First Line of Defense Basins Routine Maintenance

Project Location:

San Bernardino County

Permitting Agency(ies) File/Tracking Number:

USACE File No. SPL-2015-00777-SLP

RWQCB File No. 362015-32 through 362015-66

CDFW File No. 1600-2015-0178-R6

Project Description:

Routine Maintenance of 39 debris basins in the foothills of San Bernardino County.

EXHIBIT "B"
BILL OF SALE

USACE File No. SPL-2015-00777-SLP
RWQCB File No. 362015-32 through 362015-66
CDFW File No. 1600-2015-0178-R6

In consideration of \$2,085,000, receipt of which is hereby acknowledged in the form of _____ [Payment Type], Land Veritas Corp. (Bank Sponsor) does hereby bargain, sell and transfer to San Bernardino County Flood Control District Credits in the Soquel Canyon Mitigation Bank in San Bernardino and Orange Counties, California, developed, and approved under the authority of the United States Army Corps of Engineers and/or California Department of Fish and Wildlife associated the Project described in Exhibit A.

Bank Sponsor 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 Sponsor covenants and agrees with the Project Proponent 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: _____

Land Veritas Corp.

By: _____

H. Tracey Brownfield, President

EXHIBIT "C"
SOQUEL CANYON MITIGATION BANK
PAYMENT RECEIPT

PROJECT PROPONENT INFORMATION

Name:

San Bernardino County Flood Control District

Address:

825 E. Third St. Room 123.

San Bernardino, CA 92415

Telephone:

909.387.8109

Contact:

Harold Zamora

PROJECT INFORMATION

Project Description:

Routine Maintenance of 39 debris basins in the foothills of San Bernardino County.

Project Location:

San Bernardino County

Agency File/Tracking Number:

USACE File No. SPL-2015-00777-SLP

RWQCB File No. 362015-32 through 362015-66

CDFW File No. 1600-2015-0178-R6

Species/Habitat Affected:

Waters of the US and CDFW Streambed

Credits to be Purchased:

7.03 acres 404 intermittent stream system credits and 1.31 acres 404 perennial stream system credits, which contain within them 7.24 acres 1600 intermittent riparian enhancement credits and 1.10 acres 1600 perennial riparian enhancement credits

PAYMENT INFORMATION

Payee:

Land Veritas Corp.

Payer:

San Bernardino County Flood Control District

Amount:

\$2,085,000

Method of payment:

Cash ___ Check No. _____ Money Order No. _____

Received by:

H. Tracey Brownfield, President

Date: