

CREDIT SALES AGREEMENT

This Credit Sales Agreement (the "**Agreement**") is entered into by and between Red Oak Umbrella Mitigation, Ltd., a Texas limited partnership ("**ROUMB**"), and Denton Independent School District (the "**Purchaser**").

RECITALS:

- A. Pursuant to that certain Mitigation Banking Instrument Agreement dated August 6, 2013 (the "**MBI**") between, among others, ROUMB., a Texas limited partnership, and the U.S. Army Corp of Engineers ("**USACE**"), ROUMB, as Sponsor of the Bank, established the Red Oak Umbrella Mitigation Bank under Permit Number 2011-00163 (the "**Bank**").
- B. Pursuant to the terms of the MBI, ROUMB intends to develop, restore, enhance, create and preserve wetlands, open water and riparian habitat on certain real property described in the MBI in exchange for mitigation bank credits authorized by USACE (the "**Credits**").
- C. The Purchaser is developing certain real property, and in conjunction with such development, USACE has required that the Purchaser provide off-site wetland mitigation to compensate for impacts to USACE jurisdictional wetlands.
- D. The Purchaser desires to purchase seven tenths (0.7) Credits to satisfy the Purchaser's mitigation obligation.

AGREEMENT:

NOW, THEREFORE, for good and valuable consideration described in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the Purchaser and ROUMB agree as follows:

1. **Sale of the Credits.** ROUMB hereby agrees to sell and assign, and does hereby sell, assign, transfer and convey to the Purchaser, and the Purchaser hereby agrees to purchase and accept, and does hereby purchase, accept, acquire and receive from ROUMB, seven tenths (0.7) Credits.

Upon full and complete execution of the Agreement and payment of the Credits as described below, Purchaser shall submit proof of purchase and transfer of ownership to the USACE, in a form which is sufficient to the USACE. Purchaser agrees to submit further documents to USACE and the Purchaser as may be reasonably necessary to show Purchaser's ownership of the Credits purchased.

2. **Payment for Credits.** In consideration of the delivery of the Credits, the Purchaser agrees to pay to ROUMB the sum of Eighteen thousand, four hundred forty-four dollars (\$18,444.00) for all of the Credits purchased pursuant to this Agreement.

3. **Representations.**

- (a) **Representations of ROUMB.** ROUMB represents to the Purchaser the following:
 - (i) the Credits are free and clear of all liens, pledges, security interests or other encumbrances other than those imposed by the MBI;
 - (ii) ROUMB has duly taken all action necessary to authorize its execution and delivery of this Agreement and to authorize the consummation and performance of the transactions contemplated by this Agreement; and

- (iii) this Agreement, and all other agreements executed in connection with this Agreement, are the legal, valid and binding obligations of ROUMB, enforceable in accordance with their terms except as such enforcement may be limited by bankruptcy, insolvency or similar laws of general application relating to the enforcement of creditors' rights.
 - (iv) The Bank is operated, and will continue to be operated, in accordance with all applicable USACE laws, regulations, orders, permit requirements, agreements and guidance, including, without limitation, the MBI and Permit Number 2011-00163.
 - (v) ROUMB represents and/or warrants to Purchaser that it is aware USACE has required that the Purchaser provide off-site wetland mitigation to compensate for impacts to USACE jurisdictional wetlands and that ROUMB is not aware of any circumstance, regulation or prohibition for Purchaser's use of the Credits to satisfy, in whole or part, any mitigation obligation of the Purchaser.
- (b) Representations of Purchaser. The Purchaser represents to ROUMB the following:
- (i) the Purchaser is an independent school district, organized and existing pursuant to the laws of the state of Texas;
 - (ii) the Purchaser has duly taken all action necessary to authorize its execution and delivery of this Agreement and to authorize the consummation and performance of the transactions contemplated by this Agreement; and
 - (iii) this Agreement, and all other agreements executed in connection with this Agreement, are the legal, valid and binding obligations of the Purchaser, enforceable in accordance with their terms except as such enforcement may be limited by bankruptcy, insolvency or similar laws of general application relating to the enforcement of creditors' rights.

Other than as expressly set forth above, Purchaser does not make any representations or warranties to ROUMB.

4. **Notices.** Notices or other communications under this Agreement by either party to the other shall be given or delivered sufficiently if they are in writing and are delivered personally, or are dispatched by registered or certified mail, postage pre-paid, or facsimile, addressed or delivered to the other party as set forth on the signature pages to this Agreement.
5. **Binding Agreement; Assignment.** This Agreement, and its benefits and obligations, shall inure to and bind the respective heirs, executors, administrators, successors and assigns of the parties hereto. This Agreement may not be assigned by ROUMB or the Purchaser without the written consent of the other.
6. **Attorney's Fees.** If there is a dispute between the Purchaser and ROUMB under this Agreement, the prevailing party shall be entitled to recover all costs incurred, including reasonable attorney's fees, paralegal's fees and appellate and post-judgment proceedings and all costs thereof.
7. **Final Agreement.** This Agreement embodies the whole agreement of the Purchaser and ROUMB. This Agreement shall supersede all previous communications, discussions,

representations, advertisements, proposals or agreements either verbal or written, between the Purchaser and ROUMB not otherwise contained in this Agreement.

8. **Captions.** The captions in this Agreement are included for convenience only and shall be given no legal effect whatsoever.
9. **Modification.** This Agreement may not be modified except by written instrument executed by both the Purchaser and ROUMB.
10. **Choice of Laws: Venue.** This Agreement shall be governed by the laws of the State of Texas, and the venue for all disputes with respect to this Agreement shall be in Rockwall County, Texas.
11. **Partial Invalidity.** Should any part of this Agreement be rendered void, invalid or unenforceable by any court of law for any reason, such a determination shall not render void, invalid or unenforceable any other part of this Agreement, provided, however, that the parties receive the full consideration bargained for hereunder.
12. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall constitute an original, and all of which shall constitute one and the same agreement.

[the remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Purchaser and ROUMB have executed this Agreement effective for all purposes as of the ___ day of _____, 2014.

ROUMB:

Red Oak Umbrella Mitigation Bank, Ltd.
a Texas limited partnership

By: Red Oak Mitigation, LLC
Its: General Partner

By: _____
Johnny Mack Powers
Its: Managing Member

Address: 1150 Highway 205 South
Rockwall, Texas 75032
Telephone: 972.771.3738
Facsimile: 972.771.6881

**THE PURCHASER:
Denton Independent School District**

The foregoing Credit Sales Agreement with Red Oak Umbrella Mitigation, Ltd. was offered for approval on motion made by _____, seconded by _____, and after discussion was adopted by the Board of Trustees of the Denton Independent School District at a regularly scheduled meeting called, posted, and held in Denton, Denton County, Texas, on October 28, 2014, at which _____ Trustees were present, by the following vote: ____ For, ____ Against, and ____ Abstaining.

DENTON INDEPENDENT SCHOOL DISTRICT

Glenna G. Harris, M.D., President
Board of Trustees

ATTEST:

Jeanetta Smith, Ed.D. Secretary