

## **Agreement to Collaborate on Tree Planting Project**

### **City of Saint Paul Planting Project 2021-2023**

This Agreement to Collaborate on Tree Planting Project (“Agreement”) is entered in to this \_\_\_\_ day of May, 2024 (the “Effective Date”) by the City of Saint Paul, a municipal corporation (the “Tree Owner”) and Green Cities Accord, a 501(c)(3) non-profit corporation with the mission to foster climate resilient communities through investments in tree canopy infrastructure (the “Project Operator”) (each a “Party” and together the “Parties”).

On behalf of Tree Owner, Project Operator is collaborating with the Urban Forest Carbon Registry, doing business as City Forest Credits, a Washington non-profit corporation (the “Registry”) in furtherance of the development of the City of Saint Paul Planting Project 2021-2023 (Registry project number “58”) carbon reduction project (the “Project”) Exhibit A. The Project consists of 11,288 trees planted within the boundary of Saint Paul, Minnesota. Tree Owner is the owner of the trees submitted for the Project set forth in Exhibit B (the “Trees”) and the entity responsible and liable for the Project’s funding required to purchase, plant and maintain the trees, the tree planting and ongoing maintenance of the trees and associated Carbon Stock, including, without limitation, the establishment, growth, protection, replacement, and maintenance of such Carbon Stock, as further detailed below in Section 3, (“Tree Management”). Tree Owner desires Project Operator to help fund this Tree Project and future projects by allowing Project Operator to develop potential carbon and environmental credits that it can attempt to sell to defray project costs and to plant and maintain additional trees.

### **Definitions**

**Greenhouse Gas (GHG):** Greenhouse gases are gases in the earth's atmosphere that trap heat.

**Co-benefits:** Benefits in addition to carbon sequestration from urban tree planting, such as storm water reductions, air quality benefits, and energy savings.

**Environmental Attributes:** Means GHG emission reduction, recognition in any form, including, without limitation, verified emission reductions, voluntary emission reductions, offsets, carbon credits, and any other credits or allowances, emission rights and authorizations under any law or regulation, or any emission reduction or tracking registry, trading system, or reporting or reduction program for greenhouse gas emissions that is established, certified, maintained, or recognized by any international, governmental, or non-governmental agency. Additionally, Environmental Attributes means any and all credits, certificates, claims, benefits, reporting and marketing rights, identifiers, and/or transferable, tradable, and monetizable environmental instruments or environmental commodities and/or any

other indicia of environmental protection or improvement, including, without limitation, protection, improvement, and/or avoided negative impacts to the climate, local or regional air, soil, water, ecosystems, biodiversity, wetlands, or watersheds, and/or the provision of ecosystem services, Co-Benefits, and/or community or social benefits, howsoever entitled, attributable to the Project. Environmental Attributes may be generated, originated, issued, allocated, distributed, granted, approved, recognized, created and/or arise generally in the present or future through international, federal, state, regional, and/or local law, legislation, regulation, program, and/or agreement and/or through voluntary standard, protocol, certification, methodology, and/or attestation.

**Project Administration:** The registration, reporting, verification, operation, and facilitation of the Project with the Registry, and the marketing, sale, transfer, and/or retirement of any resulting Credits.

**Tree Management:** The funding for tree planting and maintenance, tree planting, data capture for trees planted, data capture for annual monitoring report, tree maintenance, and Carbon Stock, including, without limitation, the establishment, growth, protection, replacement, and maintenance of such Carbon Stock.

**Carbon Stock:** The amount of carbon that has been sequestered from the atmosphere and is stored within a tree.

**CFC Carbon Protocol or Protocol:** The comprehensive set of rules and requirements developed by City Forest Credits, including quantification methodologies, monitoring, and reporting for Projects.

**Registry OR City Forest Credits:** National nonprofit carbon registry that establishes standards for quantifying and verifying GHG emission reduction and removal in urban forest projects, and issues and tracks the transfer and retirement of credits in a secure online database.

**Project Duration OR Project Crediting Period:** Defines the time period for which a project's GHG reductions or removals are valid and eligible to be verified for credits.

**City Forest Carbon Forward Removal Credits™:** A unit representing one metric ton of CO<sub>2</sub>e.

**Project Operator Indemnified Parties:** Project Operator, and its directors, officials, agents, contractors, and employees.

## **Recitals**

A. Tree Owner desires to have the GHG reduction and related Co-benefits associated with its urban forestry activities monetized, exclusively in furtherance of funding additional urban forestry activities;

B. As part of its urban forestry activities, Tree Owner desires to undertake the Project, including, performing all Tree Management and related activities;

C. Tree Owner desires to engage Project Operator to assist in undertaking the Project, specifically, with the GHG administrative aspects of the Project with the Registry, including, registration, reporting, verification, operation, and facilitation of the Project with the Registry, and the marketing, sale, transfer, and/or retirement of any resulting Credits ("Project Administration"). For the avoidance of doubt, Project Administration does not include Tree Management and vice versa;

D. Project Operator is collaborating with the Registry that establishes standards in protocols for the:

- (i) development and implementation of projects that seek to sequester greenhouse gas ("GHG") emissions and provide other benefits, such as storm water reductions, air quality benefits, and energy savings ("Co-benefits") from tree planting and tree preservation on land in metropolitan areas ("City Forest Carbon Projects");

- (ii) calculation of GHG emission sequestration and Co-benefits by City Forest Carbon Projects; and

- (iii) verification of GHG emission sequestration and Co-benefits produced by City Forest Carbon Projects, such as the Project. The Registry also issues carbon credits to City Forest Carbon Projects, such as the Project, per the Registry's protocols. In addition, the Registry tracks the issuance, transfer, and retirement of Credits over time in a secure database.

E. The Registry has developed an Afforestation and Reforestation Protocol Version 11 dated February 24, 2023 (the "Protocol") and all defined terms used in the Protocol have the same meaning here. Notwithstanding anything to the contrary, the terms of this Agreement shall govern any conflict that arises in connection with Registry-produced documents such as the City Forest Credit Standard 3.0 and the Protocol.

F. As part of the Project Administration, Project Operator has applied to, and been initially approved by, the Registry to conduct the Project under the Protocol. Further, Project Operator and Tree Owner will enter into a Project Implementation Agreement with Registry.

G. This Agreement sets forth certain rights, obligations, and restrictions relating to the Project, to ensure, among other issues, that Project Operator and Tree Owner remain in compliance with the Protocol, this Agreement, and the Project Implementation Agreement for the Project Duration, as defined in the Protocol, and any extensions thereof.

NOW, THEREFORE, in consideration of the mutual covenants, terms, conditions, and restrictions contained herein, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

## **1. Purpose and Intent**

In furtherance of the Project's development and the issuance and monetization of associated Credits, Tree Owner agrees to provide Tree Management and Project Operator agrees to provide Project Administration for the Project Duration, and any extensions thereof. Tree Owner shall pay all costs, and assume all responsibilities and liabilities, for the Tree Management, and hereby releases Project Operator from any such costs, responsibilities, and/or liabilities. Project Operator shall pay all costs, and, to the extent enabled or supported by Tree Owner's performance hereunder, assume responsibilities and liabilities, for the Project Administration.

## **2. Credit and Project Administration Rights Granted; Non-Interference**

(a) Tree Owner hereby exclusively, perpetually, and irrevocably transfers the title and rights to, and beneficial interest in, any and all Credits issued to the Project, including, all associated Environmental Attributes (as defined below) fully bundled and intact, to Project Operator in furtherance of Project Operator providing the Project Administration. Tree Owner shall not undertake, or allow, any transactions, sales, assignments, transfers, claims, certifications, affidavits, reports, attestations, actions, omissions, or statements that interfere with, encumber, or otherwise impair the Credits or their associated Environmental Attributes, or Project Operator's ownership of, or ability to validate, verify, substantiate, transfer, sell, retire, and/or demonstrate the permanence and integrity of such Credits or associated Environmental Attributes, including, without limitation, ensuring no unbundling, selling, altering, claiming, reporting, transferring, disaggregating, encumbering, or otherwise transforming or modifying of such Environmental Attributes or Credits occurs, and that any Avoidable Reversals by Tree Owner, in the context of Tree Management or otherwise, are promptly addressed, remedied, replaced, and/or compensated by Tree Owner.

(b) Tree Owner hereby authorizes Project Operator to undertake the Project Administration and grants Project Operator any and all rights, licenses, and authorizations necessary and/or reasonably required for Project Operator to perform the Project Administration, in accordance with this Agreement, the Project Implementation Agreement, the Protocol, and Registry produced and required documents, including, without limitation, rights, licenses, and authorizations to access, register, assess, audit, measure, document, substantiate, validate, and/or verify the Project, the condition of the Project's trees and Carbon Stock, the condition of Tree Management, and/or related documents and information, rights to request issuance and sell, transfer, and/or retire the associated Credits (and all associated Environmental Attributes), and rights to share any access, verification, measurements, registration, validations, audits, documents, and/or information in

connection with the forgoing with the Registry, verifiers, Credit buyers, and other third parties in Project Operator's sole and reasonable discretion.

### **3. Certain Obligations of Tree Owner; Tree Management; Avoidable Reversals**

(a) Tree Owner shall undertake the Tree Management in accordance with standard City practice, this Agreement, the Project Implementation Agreement, and the Protocol. Tree Owner may use contractors, subcontractors, organizations, individuals, volunteers, or other third parties for the provision of Tree Management; *provided, that*, Tree Owner shall remain responsible and liable for such provision by such third parties.

(b) Tree Management by Tree Owner shall also include, without limitation, ensuring the funding, establishment, growth, integrity, maintenance, replacement, and preservation of the Project, its trees, and associated Carbon Stock (allowing for forecasted mortality rates), including, without limitation: (i) the growth, protection, replacement, and maintenance of such Carbon Stock and (ii) that the Project's trees are not cut, harvested, or damaged, except in cases of emergency involving fire, flooding, Act of God, to mitigate a hazard if such trees are identified as a hazard by a certified arborist, pursuant to court order, or due to the negligent or intentional acts of a third party over whom the Tree Owner has no control.

(c) Tree Management by Tree Owner shall also include, without limitation: (i) maintaining tools and processes for monitoring tree growth during the Project Duration; (ii) providing evidence of Tree Owner's fee ownership of the Tree, (iii) providing the date range of the Project's tree planting; (iv) providing the list of third parties that participated in planting and that took photos of planting; (v) providing the number of trees planted, species (tree data), and Planting Method; and (vi) providing proof of tree planting, including, without limitation, via third party invoices, for preparation of Project application by Project Operator after tree planting.

(d) Tree Management by Tree Owner shall also include, without limitation: (i) providing any changes in land ownership of the Project Area; (ii) providing any changes in the Project Design; (iii) providing any changes in the implementation or management of the Project; (iv) providing any significant changes to the site; (v) providing any significant tree or canopy losses estimated to be greater than 10% of Project Trees or 10% of canopy; (vi) providing any anticipated future canopy loss; and (vii) providing any other significant elements to report for preparation of annual monitoring report by Project Operator.

(e) Tree Management by Tree Owner shall also include, without limitation, Tree Owner being responsible and liable for certain Reversals of, decreases in, and reversals of the Project's Carbon Stock, including, without limitation: (i) ensuring that any "Avoidable Reversal", defined herein as Tree Owner's actions and/or omissions that were negligent, grossly negligent, or undertaken with willful intent that resulted in a

Reversal, promptly has such Avoidable Reversal's associated shortfall addressed, remedied, replaced, and/or compensated for by Tree Owner, including, without limitation, any compensation for, and/or replacement of, the associated shortfall due to the Registry (e.g. submitting Credits and/or the payment of the \$20 per tonne shortfall fee to the Registry to cover the shortfall), and/or due to the ultimate buyers of the Credits under the respective Credit purchase agreements (including, without limitation, buyers for which Project Operator retires Credits); and (ii) reversals in connection with a breach of Tree Owner's obligations, representations, or warranties hereunder. Tree Owner shall immediately provide verbal and written notice to Project Operator any time it becomes aware of an actual or potential event that creates, or may create, an Avoidable Reversal. Tree Owner hereby agrees to release Project Operator from any liability associated with an Avoidable Reversal and/or a reversal described in Section 3(d)(ii) above. Additionally, Tree Owner agrees to indemnify Project Operator, and its directors, officials, agents, contractors, and employees ("Project Operator Indemnified Parties"), and defend and hold them harmless from all losses, liabilities, and claims ("Claims") arising from claims and/or actions in connection with an Avoidable Reversal and/or a reversal described in Section 3(d)(ii) above.

(f) Upon the request of Project Operator, Tree Owner shall provide any commercially reasonable data and documentation related to the Project, the Tree Management, and/or in connection with this Agreement.

#### **4. Certain Obligations of Project Operator; Suspension of Project Administration; Credit Sale Proceeds**

(a) Project Operator shall undertake the Project Administration in accordance with prudent and good industry practice, this Agreement, the Project Implementation Agreement, and the Protocol. Project Operator may use contractors, subcontractors, or other third parties for the provision of Project Administration; *provided that*, Project Operator shall remain responsible and liable for such provision by such third parties.

(b) Notwithstanding anything to the contrary, the Parties hereby acknowledge and agree that Project Operator's provision of Project Administration is reliant on, and enabled and supported by, Tree Owner's provisions of Tree Management in accordance with this Agreement. Therefore, Project Operator shall be entitled to elect to suspend Project Administration in the event, and for the length of time, it determines, in its sole and reasonable discretion, Tree Owner is not performing Tree Management in accordance with this Agreement, the Protocol, or is otherwise in breach of its obligations, representations, and/or warranties hereunder. Tree Owner hereby releases Project Operator from any liability associated with Tree Owner's Tree Management and/or Project Operator's non-performance of Project Administration to the extent caused by Tree Owner's Tree Management. Additionally, Tree Owner agrees to indemnify Project Operator Indemnified Parties, and defend and hold them harmless from all Claims arising from claims and/or actions in connection with Tree

Owner's Tree Management and/or Project Operator's non-performance of Project Administration to the extent caused by Tree Owner's Tree Management.

(c) Project Operator shall keep safe and preserve all proceeds from the sale and/or retirement by Project Operator of credits into a separate fund. Upon request, Tree Owner is entitled to information about the balance of the separate fund and the types of investment in the fund. Within [sixty (60)] days of Project Operator receiving proceeds from any sale and/or retirement by Project Operator of Credits issued to the Project, after deducting for commercially reasonable Project-, Project Administration-, and/or Registry-related fees or costs set forth in Exhibit C ("Deducted Fees") and for any unplanned, required, and commercially reasonable legal, audit, and/or other third party fees or costs, any remaining proceeds from the fund shall be transferred to Tree Owner. Tree Owner shall use such proceeds exclusively for the funding of urban forestry activities defined as tree purchase, tree planting and tree maintenance.

## **5. Mutual Representations and Warranties**

Each Party represents and warrants to the other Party on the Effective Date that:

- (a) it is duly organized and validly exists under the laws of its governing jurisdiction and is qualified to conduct its business in that jurisdiction;
- (b) it has the power and authority to execute and deliver this Agreement and to perform its obligations under it and has taken all necessary actions to authorize the entry into, and the observance and performance of its obligations under, this Agreement;
- (c) the entry into and observance and performance of its obligations under this Agreement do not violate or conflict with or require any consent or waiver under any of the terms or conditions in its governing documents or any contract to which it is a party or by which any of its assets are bound or affected, or any applicable law; and
- (d) this Agreement constitutes a legal, valid, and binding obligation on it enforceable in accordance with its terms.

## **6. Tree Owner Representations and Warranties**

Tree Owner represents and warrants that:

- (a) the Tree is free from any liens, claims, encumbrances, tenancies, restrictions, or easements that would prevent or interfere with: (i) the rights of Project Operator under this Agreement; (ii) the Parties ability to undertake and assist with the Project; (iii) Tree Management and/or Project Administration; and (iv) the integrity, validity, verifiability, substantiation, permanence, transfer, sale, and/or retirement of Credits (including, without limitation, all associated Environmental Attributes);

(b) Tree Owner is the fee owner of the Tree submitted for the Project set forth in Exhibit B;

(c) the Project is regulatory additional and Tree Owner is not required to undertake the Project pursuant to an obligation under any law, regulation, decree, or order by a governmental authority;

(d) the carbon reductions, Co-benefits, or Environmental Attributes represented by the Credits issued to the Project have not been previously sold, assigned, transferred, or retired by Tree Owner or any third party, and Tree Owner has the right to convey, and is transferring good, clean, and merchantable title to any and all Credits issued to the Project free and clear of all liens, encumbrances, and claims; and

(e) Tree Owner has not undertaken, enabled, or allowed, and will not undertake, enable, or allow any transactions, sales, assignments, transfers, claims, affidavits, reports, attestations, certifications, unbundling, disaggregation, double-counting, statements, or other actions or omissions that interfere with, encumber, alter, modify, transform, impair, or impact the permanence or integrity of: (i) the Credits issued to the Project; (ii) the Environmental Attributes associated with such Credits; (iii) the ability of the Project to issue such Credits; (iii) Project Operator having good, clean title to such Credits; (iv) Project Operator's ability to market, transfer, sell, retire, and/or monetize such Credits; and (v) the performance of Tree Management and/or Project Administration.

## **7. Project Operator Representations and Warranties**

Project Operator represents and warrants that it has the capacities necessary to provide Project Administration under this Agreement.

## **8. Default**

If either Party is in default of its obligations, representations, or warranties under this Agreement, the other party may notify the defaulting party of the specific nature of the default. The defaulting Party has eighty (80) days from the receipt of such notice to cure the default. If the default is not cured within such time period, the non-defaulting party may suspend its performance under this Agreement, until such time a cure is enacted. If a default remains uncured for a time period exceeding two-hundred and twenty (220) days, then the non-defaulting Party may terminate this Agreement.

Any termination of this Agreement shall not prejudice, terminate, or otherwise affect any rights or obligations which had arisen or accrued hereunder prior to such termination or any rights or obligations surviving the termination of this Agreement.



## **9. Term of Agreement and Option to Renew**

This Agreement shall remain in force for, and expire and terminate one year following the end of, the twenty five (25) year Project Duration. The Parties may agree to renew this Agreement for a specified time period.

## **10. Liability; Insurance**

### **(a) Insurance.**

Project Operator must carry insurance of the kind and in the amounts shown below for the life of the Agreement. Certificates for General Liability Insurance must state that the City of Saint Paul, its officials, employees, agents, and representatives are Additional Insureds. Project Operator must submit the corresponding “additional insured” endorsement outlining policy coverage for the City. The policy must include an “all services, products, or completed operation endorsement as a sublimit to the General Liability Policy. Errors and omissions coverage must be included if the Contractor will be providing services for the City as a sublimit of the General Liability policy. Agent must state on the certificate if company carries errors and omissions coverage.

### **(b) Subcontractors and/or Independent Contractors.**

If the City gives written approval for Contractor to utilize subcontractors or other independent contractors to fulfill the terms and conditions of this Agreement, each subcontractor or independent contractor is required to have and secure for the duration of this Agreement and any extension periods (or the period of time during which said contractor is working on this Agreement) to have and maintain their own general liability, auto liability and workers compensation insurances that provide coverage for their own employees. The City reserves the right to request proof of insurance coverage from all subcontractors and/or independent contractors at any time during the contract term. If requested by the City, subcontractors and independent contractors must certify that they are not entitled to receive employee benefits of any type because their contractual relationship with the City is that of a subcontractor or independent contractor, not a City employee.

### **(c) Insurance Limits.**

#### **1. General or Business Liability Insurance**

\$1,000,000 per occurrence  
\$2,000,000 aggregate per project  
\$2,000,000 products/completed operations total limit  
\$1,000,000 personal injury and advertising

2. Worker's Compensation and Employer's Liability. Worker's Compensation coverage is required per Minnesota Statutes. Employer's Liability must have a minimum of:

\$500,000 per accident  
\$500,000 per employee;  
\$500,000 per disease policy limit.

(a) Project Operators with 10 or fewer employees who do not have Worker's Compensation coverage are required to provide the City with a completed "Certificate of Compliance" (State of Minnesota form MN LIC 04) verifying their number of employees and the reason for their exemption.

(d) General Insurance Requirements

1. All policies must be written on an occurrence basis or as acceptable to the City of Saint Paul. Certificates of insurance must indicate that the policy is issued on an occurrence basis.

2. Project Operator may not commence any work until the Certificate(s) of Insurance include all required insurance coverage for the project is approved, and the Project manager has issued a notice to proceed. Project Operator must carry valid insurance for the duration of the original Agreement and any extension periods.

3. The City reserves the right to review Project Operator's insurance policies at any time, with reasonable notice provided, to verify that City requirements have been met.

4. Satisfaction of policy limits required above for General Liability and Automobile Liability Insurance, may be met with the purchase of an umbrella or excess policy. Any excess or umbrella policy must be written on an occurrence basis, and if such policy is not written by the same insurance carrier, the proof of underlying policies (endorsement) will be provided with any certificate of insurance.

(a) Project Operator agrees to indemnify Tree Owner and defend and hold them harmless from all Claims, from any and all third persons, arising from claims and/or actions for direct damages, losses, personal injury, death, and/or property damage attributable to Project Operator's negligent breach of obligations, representations, and/or warranties under this Agreement, or willful misconduct, except to the extent, and only to the extent, that such claims and/or actions arise from the negligence, or willful misconduct, of Tree Owner and/or the Registry, including, without limitation, their contractors, directors, agents, employees, and/or applicable third parties (e.g. organizations and individuals participating in Tree Management or Registry-related activities).

(b) Tree Owner agrees to indemnify Project Operator Indemnified Parties and defend and hold them harmless from all Claims, from any and all third persons, arising from claims and/or actions for direct damages, losses, personal injury, death, and/or property damage attributable to Tree Owner's negligent breach of obligations, representations, and/or warranties under this Agreement, or willful misconduct, except to the extent, and only to the extent, that such claims and/or actions arise from the negligence, or willful misconduct, of Project Operator Indemnified Parties, including, without limitation, their contractors, directors, agents, employees, and/or applicable third parties (e.g. organizations and individuals participating in Project Administration or Registry-related activities). Any liability of the Tree Owner will be governed by Minnesota Statutes Chapter 466 and other applicable law.

(c) notwithstanding anything to the contrary, with the exception of the indemnification obligations hereunder, the Parties liability hereunder shall be limited to direct actual damages only and neither Party shall have any liability hereunder in connection with any special, punitive, consequential, indirect, incidental, or exemplary damages of any nature, whether conditioned or applied by statute, by regulation, by directive, in tort, by agreement, or otherwise.

(d) notwithstanding anything to the contrary, in no event shall the total aggregate liability of Project Operator arising out of or relating to this Agreement or its implementation exceed the aggregate of the deducted fees received by Project Operator under section 4(c) in connection with any previous sales of credits.

(e) with the exception of those representations and warranties expressly set forth in this Agreement, neither Party makes, and the Parties hereby disclaim, any and all representations or warranties, either express or implied, including, without limitation, a warranty of fitness for a particular purpose or merchantability.

## **11. Disputes**

Any litigation related to this Agreement shall be venued in the Ramsey County, Minnesota District Court.

## **12. Notices**

All notices, instructions, requests, or other communications required or permitted under this Agreement shall be in writing and sent by (i) certified or registered mail, return receipt requested, postage prepaid, (ii) overnight delivery service or (iii) personal delivery to the parties identified below.

## **13. Entire Agreement**

This Agreement is the entire agreement and understanding of the Parties with respect to the subject matter of this Agreement and supersedes and extinguishes any agreements, understandings, representations, or obligations previously given or made with respect to its subject matter.

#### **14. Governing Law**

This Agreement shall be governed and construed in accordance with the laws of the State of Minnesota without reference to any conflict of laws principles that would require the application of the laws of any other jurisdiction.

#### **15. Counterparts**

This Agreement may be executed in one or more counterparts, and all of the counterparts shall constitute but one and the same agreement.

#### **16. Modification and Amendment**

This Agreement may not be amended, supplemented, or modified unless such amendment, supplement, or modification is in writing and signed by the Parties.

#### **17. Interpretation**

Unless otherwise specifically defined or required by the context in which the term appears, in this Agreement: (a) the singular includes the plural and vice versa; (b) the words “this Agreement,” “herein,” “hereto,” “hereof,” and “hereunder” refer to this Agreement as a whole, including, without limitation, all exhibits, the preamble, and Recitals, and not to any particular section or subsection of this Agreement; (b) references to any agreement, document or instrument mean such agreement, document or instrument as amended, modified, supplemented, restated or replaced from time to time; and (c) the captions or headings in this Agreement are strictly for convenience and shall not be considered in interpreting this Agreement. References to persons, Parties, or entities include permitted successors and assigns. References to exhibits or Sections shall mean those of this Agreement. Any time period set forth herein that concludes on a non-business day shall be automatically extended to conclude on the next business day.

#### **18. Good Faith**

The Parties will perform this Agreement in good faith and with fair dealings. Further, the Parties agree to negotiate any amendments, modifications, or supplements to this Agreement in good faith and with fair dealings.

#### **19. Relationship of the Parties; Third Party Beneficiaries**

Nothing in this Agreement shall be construed to constitute a joint venture, fiduciary relationship, partnership, or other joint undertaking between the Parties. The Parties acknowledge and agree that there are no third party beneficiaries to this Agreement.

## **20. Survival**

Any indemnification obligations, releases, and Sections 2, 3, 4, 6, and 10 through 22 shall survive the termination or expiration of this Agreement. Additionally, any provisions that by their nature must survive to serve their purpose shall survive the termination or expiration of this Agreement.

## **21. Waiver; Severability**

No provision of this Agreement may be waived unless the waiver is in writing and the waiver is signed by the Party granting the waiver. No delay or omission by a Party in the exercise of any right under this Agreement shall be taken, construed, or considered as a waiver or relinquishment thereof. If any terms and conditions herein are breached and thereafter waived in writing by a Party, such waiver is limited to the particular breach so waived and is not deemed to waive any other breach hereunder. If any provision or portion of this Agreement is found to be unenforceable, the remainder shall be enforced as fully as possible and the unenforceable provision shall be deemed modified to the limited extent required to permit its enforcement in a manner most closely representing the intention of the Parties as expressed herein.

## **22. Assignment**

This Agreement shall be binding upon the Parties' transferees and assigns. A Party may not transfer their rights or obligations hereunder without the other's written consent; provided, that, Project Operator may transfer, assign, delegate, or contract out ("Transfer") rights or obligations under this Agreement without such written consent if Project Operator and their transferee agree to comply with each of the following (a) through (c):

- (a) The transferee receiving or assuming rights or obligations agrees to assume and be bound by this Agreement without modification or amendment, unless the Parties agree in writing to a modification or amendment;
- (b) Project Operator and transferee shall execute a written agreement setting forth the terms of the Transfer (a "Transfer Agreement"); and
- (c) Following the execution of a Transfer Agreement, Project Operator shall be released of its obligations hereunder.

Any Transfer of rights or obligations of this Agreement in violation of this Section 22 shall be void. Any future transfers by a transferee shall comply with this Section 22.

For the avoidance of doubt, the sale, transfer, and/or retirement of Credits shall not be construed as a Transfer under this Section 22.

### **23. Force Majeure**

“Force Majeure” means an event or circumstance which prevents or substantively hinders a Party (the “Claiming Party”) from performing its obligations under this Agreement; provided, that, such event or circumstance is not within the reasonable control of, or the result of negligence or willful misconduct by, the Claiming Party, and which the Claiming Party is unable to overcome or avoid or cause to be avoided, by the exercise of reasonable care. Force Majeure shall include, without limitation, the following events, or circumstances: acts of God; fire; flood; earthquake; war; extreme weather; explosions; pandemics or epidemics (including, without limitation, COVID-19); acts of terrorism; or market conditions beyond the control of either Party that render credits economically unviable or unsaleable. Notwithstanding the foregoing, Force Majeure shall not include Unavoidable Reversals.

If a Claiming Party is rendered unable, wholly or in part, by Force Majeure to carry out its obligations with respect to this Agreement, then the obligations of the Claiming Party will, to the extent, and only to the extent, they are affected by such Force Majeure event, be suspended during the period of time that the Force Majeure event renders the Claiming Party unable, wholly or in part, to carry out its obligations. The Claiming Party must promptly give written notice and full particulars of such Force Majeure event to the other Party as soon as practical after the occurrence of such Force Majeure event.

### **24. Business Records**

The Project Operator must maintain all business records relating to this Agreement in such a manner as will readily conform to the terms of this Agreement and to make such materials available at its office at all reasonable times during this Agreement period and for six (6) years commencing after the later of the date of the final payment under the Agreement or resolution of all audit findings, for audit or inspection by the City of Saint Paul, the Auditor of the State of Minnesota, or other duly authorized representative.

### **25. Minnesota Data Practices Act**

The Project Operator agrees to abide strictly by Chapter 13, Minnesota Government Data Practice Act, and in particular Minn. Stat. §§ 13.05, subd. 6 and 11; and 13.37, subd. 1 (b) and Minn. Stat. §§ 138.17 and 15.17. All of the data created, collected, received, stored, used, maintained, or disseminated by the Contractor in performing functions under this Agreement is subject to the requirements of the Minnesota Government Data Practices Act and Project Operator must comply with those requirements as if it were a governmental entity. If any provision of this Agreement conflicts with the Minnesota Government Data Practices Act or other Minnesota state

laws, state law shall control. The Project Operator agrees to hold the City, its officers, and employees harmless from any claims resulting from the Contractor's unlawful disclosure or use of data protected under state or federal laws, regardless of the limits of insurance coverage. Further, the Project Operator must ensure that all applicable notices are provided consistent with Minn. Ch. 13, including Tennessee warnings.

## **26. Electronic Signatures**

The parties agree that the electronic signature of a party to this Agreement shall be a valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties further agree that any document (including this Agreement and any attachments or exhibits to it) containing, or to which there is affixed, an electronic signature shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. For purposes hereof, "electronic signature" also means a manually signed original signature that is then transmitted by any electronic means, including without limitation a faxed version of an original signature or an electronically scanned and transmitted version (e.g., via PDF) of an original signature. Any party's failure to produce the original signature of any electronically transmitted signature shall not affect the enforceability of this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date.

Green Cities Accord	
Name:	David A. Wilson
Title:	Board Chair
Address:	PO Box 582877 Minneapolis, MN 55458
Phone:	612-217-4485
Email:	dwilson@greencitiesaccord.org
Signature:	
Date:	

City of Saint Paul		City of Saint Paul	
Name:		Name:	
Title:		Title:	
Address:		Address:	
Phone:		Phone:	
Email:		Email:	
Signature:		Signature:	
Date:		Date:	

Approved as to form:

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Attorney for the City of Saint Paul



**Exhibit A**  
**City of Saint Paul Planting Project 2021-2023**



January 8, 2024

Green Minneapolis  
81 South 9<sup>th</sup> Street, Suite 260  
Minneapolis, MN 55402  
Attn: Michaela Meu

Re: Approval of City Forest Credits Carbon Planting Application

Dear Michaela,

Thank you for submitting your application for the St. Paul Planting Project 2023. I'm writing to let you know that City Forest Credits has approved your application dated January 3, 2023. We look forward to working with you.

Sincerely,

Morgan Anya  
Project Manager, City Forest Credits



## City Forest Credits

### Afforestation and Reforestation Project Application

#### 1. Project Name

St. Paul Planting Project 2023

#### 2. Project Operator

*Provide the name of organization/entity and contact information for the Project Lead*

Organization/Entity: Green Minneapolis

Address: PO Box 582877

City: Minneapolis

State: MN

Zip: 55458

Contact(s): Michaela Neu

Phone: 320-309-3158

Email: mneu@greenminneapolis.org

#### 3. Project Location

*Project must be in or adjacent to one of the following. Describe which one of the criteria the project meets and provide name of city, town, or jurisdiction where project is located.*

- "Urban Area" per Census Bureau maps
- An incorporated or unincorporated city or town
- A planning area for a regional metropolitan planning agency or entity
- Land owned, designated, and used by a municipal or quasi-municipal entity for source water or watershed protection
- A transportation or utility right of way through one of above

This project is located at multiple sites within the City of St. Paul, MN, meeting the project area eligibility criteria of being in an incorporated city.

#### 4. Project Description

*Provide short narrative of the overall project goals, location where trees will be planted, land ownership or eligibility to receive credits, approximate number of trees or acres, main tree species, and project timeframe.*

Green Minneapolis and the City of St. Paul have partnered together on an urban tree planting carbon project within the city limits of St. Paul, Minnesota. Green Minneapolis will serve as the Project Operator. The City of St. Paul planted and will maintain the trees for the duration of the carbon project. The City of St. Paul and Green Minneapolis will sign an Agreement to Collaborate that outlines the responsibilities of each organization in the carbon project and transfers the right to receive carbon credits to the Project

Operator. As Project Operator, Green Minneapolis will be responsible for submitting annual monitoring reports as well as any project documentation amendments necessary throughout the duration of the project.

The project includes 11,288 trees planted within the city limits of St. Paul, Minnesota from November 24, 2020 through November 16, 2023. The trees were planted in public right-of-way along city streets as well as on other park land where St. Paul has the authority to plant and maintain trees. The City planted 41 species of trees, with a majority including Kentucky coffeetree, Elm, Hackberry, Honeylocust, and River birch species. The overall project goals are to increase canopy cover, mitigate heat islands, increase carbon sequestration, increase native and adapted tree species, and to capture stormwater and particulate air pollution. Additionally, a project goal is to begin a long-term relationship between Green Minneapolis and the City of St. Paul, thereby generating carbon credit revenue to reinvest into future tree planting and maintenance efforts.

## **5. Project Impacts**

*Provide short narrative of the environmental, social, and health impacts this project will achieve. Examples include how the project addresses increased access to green spaces for under-resourced communities, flood control or watershed protection, benefits for human health and wellbeing, improved recreation opportunities, or protection of bird and wildlife habitat.*

This project, a collaborative effort between Green Minneapolis and the City of St. Paul, demonstrates a concerted effort to address environmental issues. This initiative not only contributes to the aesthetic and environmental enhancement of St. Paul, but also aligns with broader sustainability and climate action goals. The planted trees not only provide carbon sequestration benefits but will also reduce the urban heat island effect, reduce stormwater runoff, and capture particulate air pollution. Proceeds from the sale of carbon credits from this project will be reinvested in additional tree planting and maintenance performed by the City of St. Paul. This project will initiate a working relationship between Green Minneapolis and the City of St. Paul. Overall, such partnerships demonstrate the importance of collaborative efforts in addressing environmental challenges at the local level.

## **6. Planting Design and Quantification Method**

*Provide short narrative about the planting design and quantification method you will use for the project. Refer to Protocol Appendix A for more detail.*

- *Single Tree Quantification Method: trees planted in a dispersed or scattered design that are planted at least 16.5 feet apart (i.e. street trees). This method requires tracking of individual trees and tree survival for sampling and quantification.*
- *Clustered Quantification Method: trees planted at least 16.5 feet apart but are relatively contiguous and designed to create canopy over an area (i.e park-like settings). This method requires tracking change in canopy, not individual tree survival.*
- *Area Reforestation Quantification Method: tree planting areas greater than 5 acres and where many trees are planted closer than 16.5 feet. Higher tree mortality is expected, and the goals are to create canopy and a forest ecosystem. Project Operators have several quantification models to choose from, all of which produce a carbon index on a per-acre basis.*

This project employs the single tree planting design and quantification method. There were 11,288 trees planted (spaced 16.5" or more apart, i.e. street trees or linear plantings) in public rights-of-way and on

city-owned park land. The City of St. Paul utilizes a street and park tree master plan to maintain a diverse and vital urban forest. Green Minneapolis has obtained tree data for all project trees, and will track tree survival and growth for future sampling and quantification required.

## **7. Additional Information**

*Provide additional information about your project. If the Project is part of a larger program or planting effort, include one sentence with more information. Examples include collaboration with other partners or how this project fits into a regional initiative.*

This project is a part of Green Minneapolis' Twin Cities Climate Resiliency Initiative, a public/private partnership focused on significantly expanding the urban tree canopy across Minneapolis and the seven county Twin Cities metropolitan area. Designed to address the most harmful impacts of climate change on our region's residents, it is a 20-year vision to increase the Metro Area's tree canopy by 30% through planting and maintaining millions of additional trees on public and private lands. This initiative includes identifying new funding sources for tree planting and maintenance, including establishing Minnesota's first urban tree carbon offset program.

Green Minneapolis has formed a coalition of environmentally focused organizations to support the initiative, including the Minneapolis Park and Recreation Board, Trust for Public Land, The Nature Conservancy, Minneapolis Parks Foundation, Friends of the Mississippi River, Mississippi Park Connection, Mississippi Watershed Management Organization, Sagiliti and the Minneapolis Regional Chamber.

Specifically, the Twin Cities Climate Resiliency Initiative goals are to:

- Significantly increase tree canopy coverage across the Twin Cities. The University of Minnesota's Twin Cities Metropolitan Area Urban Tree Canopy Assessment estimates that tree canopy coverage can be increased on average 30% across the metro area.
- Mitigate the Metro's major heat islands and equalize tree canopy coverage across environmentally disadvantaged parts of the metro area.
- Increase carbon sequestration and establish a local Carbon Offset Program to fund ongoing investments in climate resiliency.
- Significantly increase the amount of stormwater captured by trees.
- Significantly increase capture of particulate air pollution.
- Increase percentage of native and adapted tree species planted on public and private land to improve habitat for wildlife and pollinators.
- Develop a Green Economy urban arborist workforce recruited from local communities, trained to plant and maintain the Twin Cities tree canopy infrastructure.

## **8. Map**

*Provide a map of the Project Area.*

See attached.

Signed on January 3 in 2024, by Michaela Neu, Director of Programs & Operations, for Green Minneapolis.

*Michaela Neu*

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Signature

Michaela Neu

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Printed Name

904-404-2669

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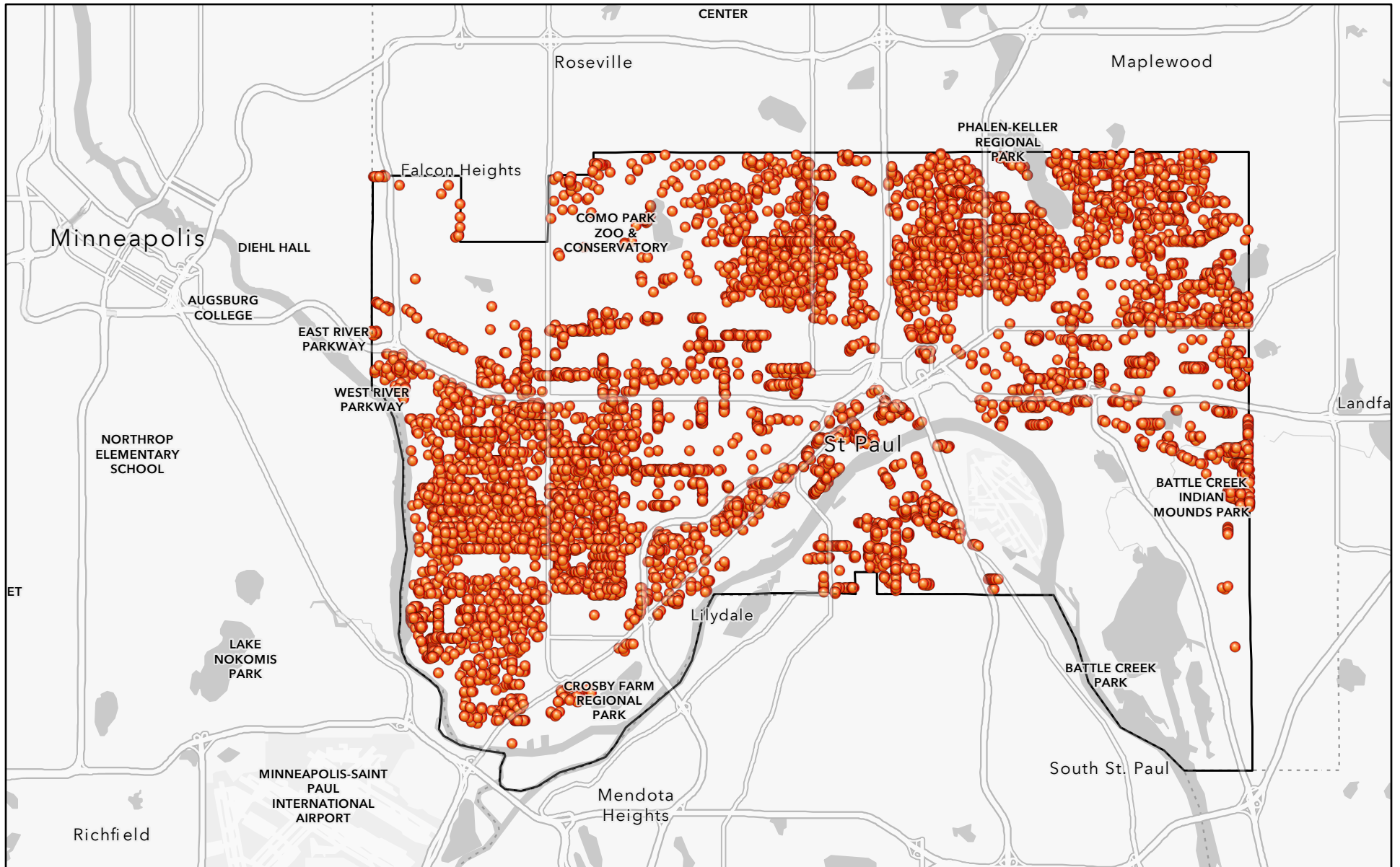
Phone

mneu@greenminneapolis.org

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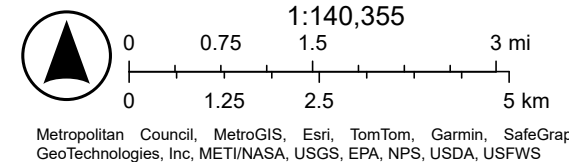
Email

# St. Paul Planting Project 2023 Area Map



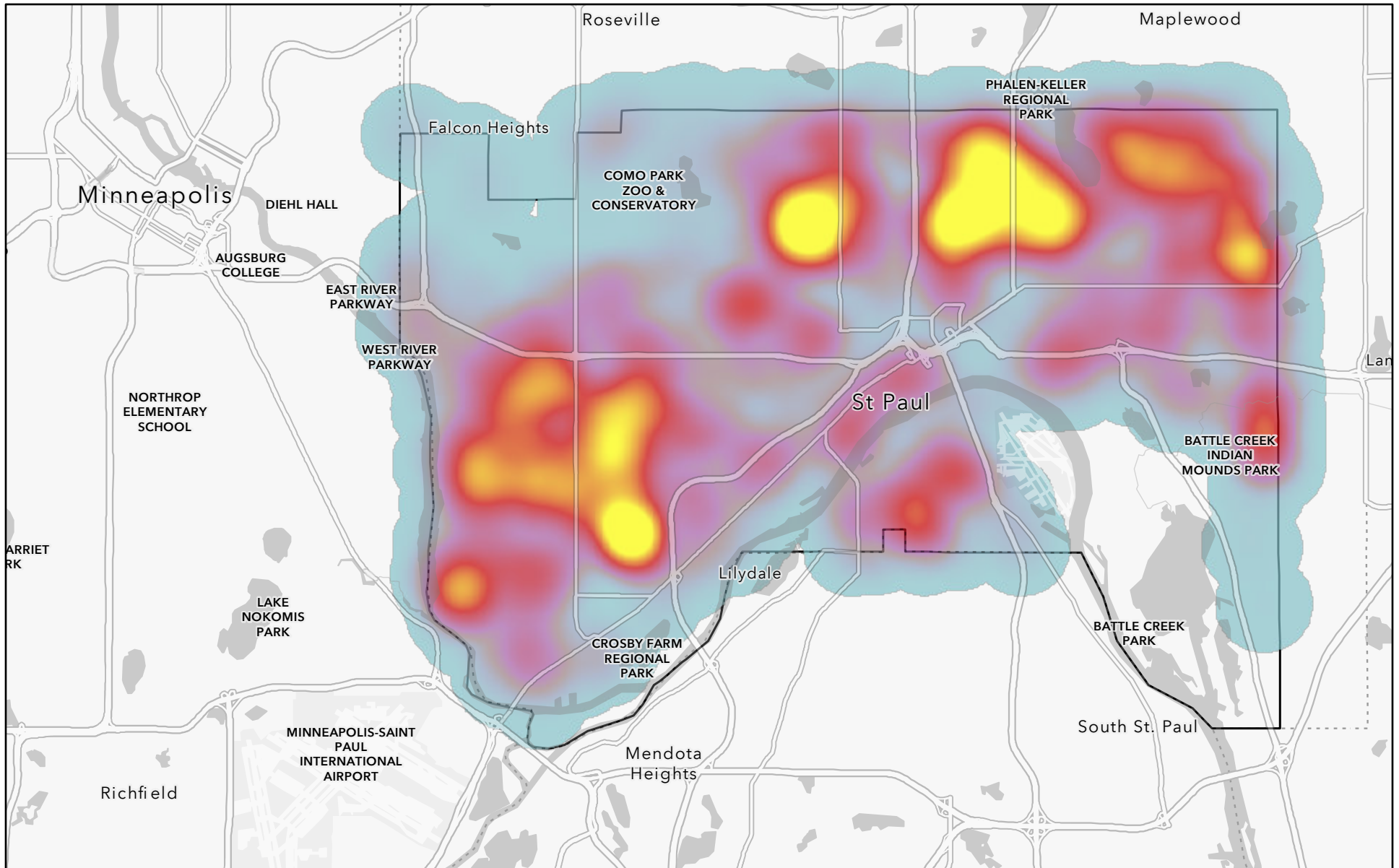
1/5/2024

- St. Paul Trees 2023
- City of St. Paul




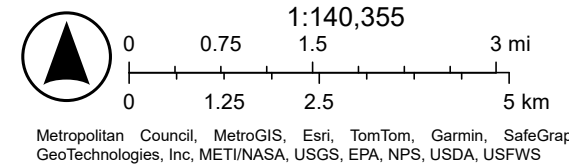


# St. Paul Planting Project 2023 Tree Density



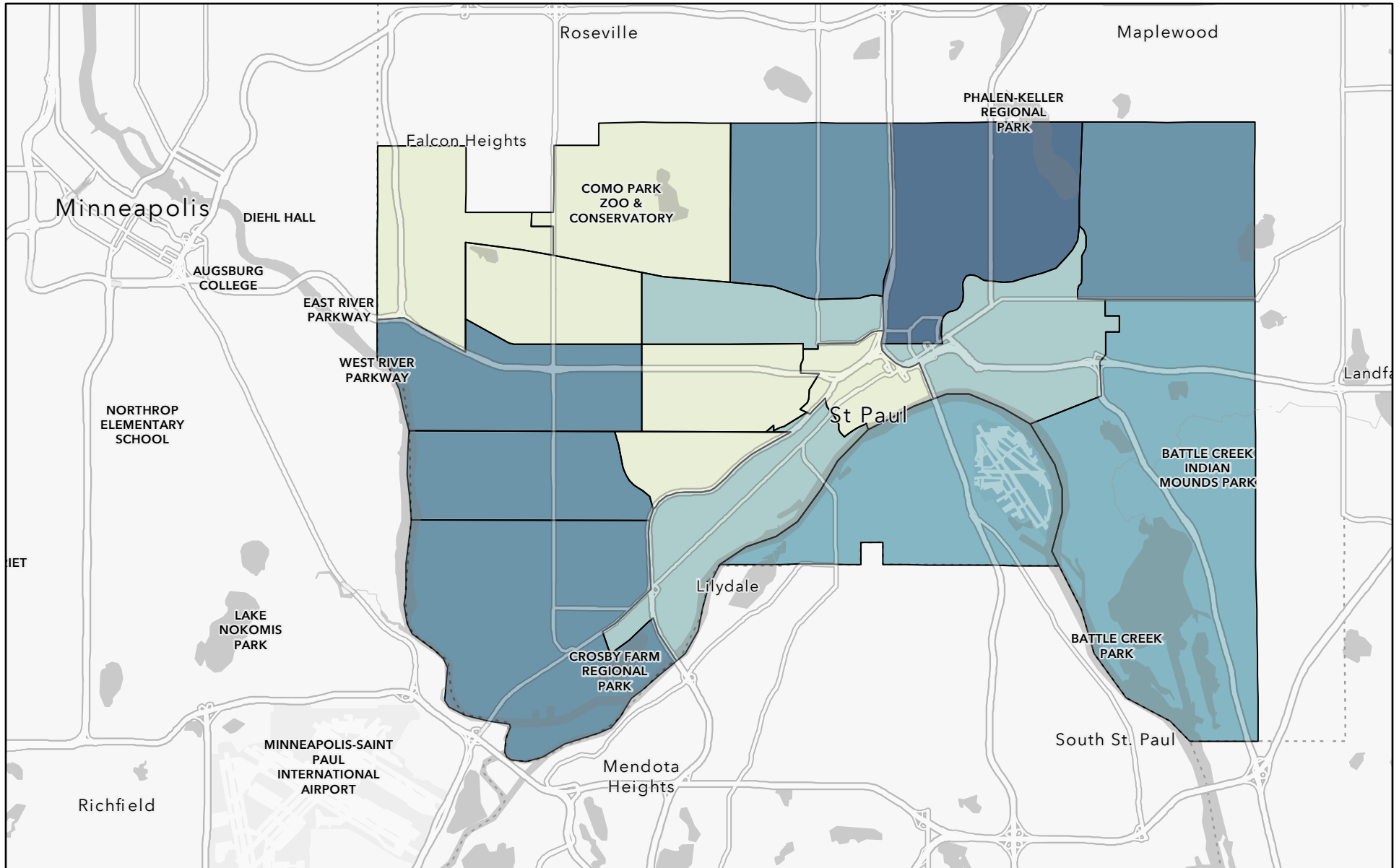
1/5/2024

St. Paul Trees 2023  City of St. Paul

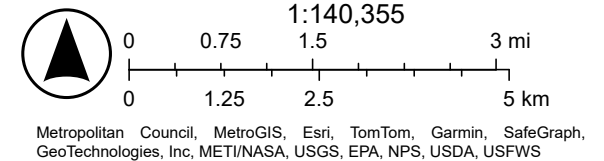
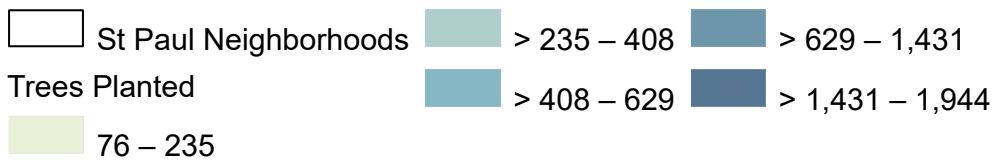




# St. Paul Planting Project 2023 Trees Planted



1/5/2024



**Exhibit B**  
**Listing of Trees Submitted for Planting Project 2021-2023**

St. Paul Project Trees 2023

Directions	
1) In Table 1 record the number of sites planted for each tree species.	
2) If species are not listed, add them to the bottom of Table 1.	

Table 1. Planting List

Scientific Name	Common Name	Tree-Type	No. Sites
<i>Alnus species</i>	alder	BDM	
<i>Tilia americana</i>	American basswood	BDL	846
<i>Castanea dentata</i>	American chestnut	BDL	
<i>Ulmus americana</i>	American elm	BDL	
<i>Ilex opaca</i>	American holly	BES	
<i>Platanus occidentalis</i>	American sycamore	BDL	
<i>Phellodendron amurense</i>	Amur corktree	BDM	11
<i>Acer ginnala</i>	Amur maple	BDS	
<i>Malus species</i>	apple	BDS	385
<i>Fraxinus species</i>	ash	BDM	
<i>Pinus nigra</i>	Austrian pine	CEM	
<i>Tilia species</i>	basswood	BDL	88
<i>Betula species</i>	birch	BDM	
<i>Fraxinus nigra</i>	black ash	BDM	
<i>Prunus serotina</i>	black cherry	BDL	
<i>Robinia pseudoacacia</i>	black locust	BDL	
<i>Acer nigrum</i>	black maple	BDL	150
<i>Populus nigra</i>	black poplar	BDL	
<i>Picea mariana</i>	black spruce	CEM	
<i>Juglans nigra</i>	black walnut	BDL	
<i>Nyssa sylvatica</i>	blackgum	BDM	1
<i>Picea pungens</i>	blue spruce	CEM	
<i>Pinus contorta</i>	Bolander beach pine	CES	
<i>Acer negundo</i>	boxelder	BDM	
<i>Broadleaf Deciduous Large</i>	broadleaf deciduous large	BDL	

<i>Broadleaf Deciduous Medium</i>	broadleaf deciduous medium	BDM	
<i>Broadleaf Deciduous Small</i>	broadleaf deciduous small	BDS	
<i>Broadleaf Evergreen Large</i>	broadleaf evergreen large	BEL	
<i>Broadleaf Evergreen Medium</i>	broadleaf evergreen medium	BEM	
<i>Broadleaf Evergreen Small</i>	broadleaf evergreen small	BES	
<i>Rhamnus species</i>	buckthorn	BDS	
<i>Quercus macrocarpa</i>	bur oak	BDL	316
<i>Pyrus calleryana</i>	Callery pear	BDM	
<i>Catalpa species</i>	catalpa	BDL	
<i>Prunus cerasifera</i>	cherry plum	BDS	
<i>Ulmus parvifolia</i>	Chinese elm	BDL	
<i>Prunus virginiana</i>	common chokecherry	BDS	
<i>Conifer Evergreen Large</i>	conifer evergreen large	CEL	
<i>Conifer Evergreen Medium</i>	conifer evergreen medium	CEM	
<i>Conifer Evergreen Small</i>	conifer evergreen small	CES	
<i>Populus species</i>	cottonwood	BDL	
<i>Malus spp.</i>	crabapple, flowering	BDS	
<i>Cornus species</i>	dogwood	BDS	
<i>Populus deltoides</i>	eastern cottonwood	BDL	
<i>Tsuga canadensis</i>	eastern hemlock	CEL	
<i>Ostrya virginiana</i>	eastern hophornbeam	BDM	75
<i>Juniperus virginiana</i>	eastern red cedar	CEM	
<i>Cercis canadensis</i>	eastern redbud	BDS	
<i>Pinus strobus</i>	eastern white pine	CEL	1
<i>Ulmus species</i>	elm	BDL	1470
<i>Ulmus x</i>	elm, hybrid	BDL	
<i>Ulmus thomasi</i>	elm, rock	BDL	
<i>Cornus florida</i>	flowering dogwood	BDS	
<i>Ginkgo biloba</i>	ginkgo	BDM	598
<i>Fraxinus pennsylvanica</i>	green ash	BDL	
<i>Crataegus crusgalli</i>	hawthorn, cockspur	BDS	1
<i>Crataegus viridis</i>	hawthorn, green	BDM	
<i>Crataegus spp.</i>	hawthorn, spp.	BDS	1
<i>Carya species</i>	hickory	BDL	
<i>Ilex species</i>	holly	BES	

<i>Gleditsia triacanthos</i>	honeylocust	BDM	
<i>Gleditsia triacanthos inermis</i>	honeylocust, thornless	BDL	929
<i>Acer palmatum</i>	Japanese maple	BDS	
<i>Syringa reticulata</i>	Japanese tree lilac	BDS	303
<i>Juniperus species</i>	juniper	CEM	
<i>Cercidiphyllum japonicum</i>	katsuratree	BDM	
<i>Gymnocladus dioicus</i>	Kentucky coffeetree	BDL	1498
<i>Prunus serrulata</i>	Kwanzan cherry	BDS	
<i>Syringa species</i>	lilac	BDS	21
<i>Tilia cordata</i>	littleleaf linden	BDM	
<i>Acer species</i>	maple	BDL	234
<i>Albizia julibrissin</i>	mimosa	BDS	
<i>Sorbus species</i>	mountain ash	BDS	
<i>Morus species</i>	mulberry	BDM	
<i>Catalpa speciosa</i>	northern catalpa	BDL	151
<i>Celtis occidentalis</i>	northern hackberry	BDL	1295
<i>Quercus ellipsoidalis</i>	northern pin oak	BDL	102
<i>Quercus rubra</i>	northern red oak	BDL	63
<i>Thuja occidentalis</i>	northern white cedar	CEL	
<i>Acer platanoides</i>	Norway maple	BDL	7
<i>Picea abies</i>	Norway spruce	CEL	
<i>Quercus species</i>	oak	BDL	214
<i>Aesculus glabra</i>	Ohio buckeye	BDL	
<i>Betula papyrifera</i>	paper birch	BDL	
<i>Pyrus species</i>	pear	BDM	13
<i>Parrotia persica</i>	persian ironwood	BDS	
<i>Quercus palustris</i>	pin oak	BDL	
<i>Platanus x acerifolia</i>	planetree, London	BDL	130
<i>Prunus species</i>	plum	BDS	
<i>Pinus ponderosa</i>	ponderosa pine	CEL	
<i>Salix discolor</i>	pussy willow	BDS	
<i>Populus tremuloides</i>	quaking aspen	BDL	6
<i>Acer rubrum</i>	red maple	BDL	101
<i>Pinus resinosa</i>	red pine	CEL	
<i>Betula nigra</i>	river birch	BDM	894

<i>Hibiscus syriacus</i>	rose-of-sharon	BDS	
<i>Quercus coccinea</i>	scarlet oak	BDL	
<i>Pinus sylvestris</i>	Scotch pine	CEM	
<i>Amelanchier laevis</i>	serviceberry, Allegheny	BDM	88
<i>Amelanchier canadensis</i>	serviceberry, shadblow	BDS	124
<i>Amelanchier</i> spp.	serviceberry, spp.	BDS	
<i>Ulmus pumila</i>	Siberian elm	BDM	
<i>Acer saccharinum</i>	silver maple	BDL	5
<i>Magnolia grandiflora</i>	southern magnolia	BEM	
<i>Picea species</i>	spruce	CEL	
<i>Acer saccharum</i>	sugar maple	BDL	17
<i>Rhus species</i>	sumac	BDS	
<i>Quercus bicolor</i>	swamp white oak	BDL	514
<i>Magnolia virginiana</i>	sweetbay	BEM	
<i>Liquidambar styraciflua</i>	sweetgum	BDL	
<i>Liriodendron tulipifera</i>	tulip tree	BDL	
<i>Pinus virginiana</i>	Virginia pine	CEM	
<i>Quercus nigra</i>	water oak	BEL	
<i>Fraxinus americana</i>	white ash	BDL	
<i>Morus alba</i>	white mulberry	BDM	
<i>Quercus alba</i>	white oak	BDL	22
<i>Salix species</i>	willow	BDL	
<i>Cladrastis kentukea</i>	yellowwood	BDM	1
<i>Abies concolor</i>	white fir	CEL	3
<i>Abies fraseri</i>	Fraser fir	CEL	
<i>Carpinus caroliniana</i>	Beech Blue - Musclemore	BDM	
<i>Corylus colurna</i>	Turkish filbert	BDL	
<i>Fagus grandifolia</i>	American beech	BDL	66
<i>Larix laricina</i>	Tamarack	CEM	
<i>Maackia amurensis</i>	Maackia Amur	BDM	270
<i>Maackia amurensis</i>	Maackia Amur 'Starburst'	BDM	
<i>Metasequoia glyptostroboides</i>	Dawn redwood	BDL	
<i>Pinus cembra</i>	Pine Swiss Stone	CEL	
<i>Pseudotsuga menziesii</i>	Douglas-fir	CEL	
<i>Taxodium distichum</i>	Baldcypress	BDL	

<i>Aesculus hippocastanum</i> 'Baumannii'	BDL	250
<i>Aesculus x arnoldiana</i> 'Autumn Splendor'	BDS	
<i>Aesculus x 'Homestead'</i>	BDS	
<i>Magnolia acuminata</i>	BDL	
<i>Phellodendron lavallei</i> 'Longenecker'	BDM	24
<i>Prunus x yedoensis</i> 'Akebono'	BDS	
<i>Quercus acutissima</i>	BDL	

Table 2. Summary of Planting Sites

Tree-Type	Tree-Type Abbreviation	No. Sites Planted
Brdlf Decid Large (>50 ft)	BDL	8474
Brdlf Decid Med (30-50 ft)	BDM	1975
Brdlf Decid Small (<30 ft)	BDS	835
Brdlf Evgrn Large (>50 ft)	BEL	0
Brdlf Evgrn Med (30-50 ft)	BEM	0
Brdlf Evgrn Small (<30 ft)	BES	0
Conif Evgrn Large (>50 ft)	CEL	4
Conif Evgrn Med (30-50 ft)	CEM	0
Conif Evgrn Small (<30 ft)	CES	0
Total Sites Planted		11288



## **Exhibit C**

### **Deducted Fees**

**Project Administration Fee:** 10% of any credit sale proceeds. To be deducted upon Project Operator's receipt of credit sale proceeds.

#### **Registry Fees:**

1) Application Fee: \$1,500

2) Validation and Verification Fees:

- Single Tree Quantification Method- planting more than 10,000 trees
  - \$1,000 after planting
  - \$1,500 at Year 4
  - \$1,500 at Year 6
  - \$5,000 at Year 14
  - \$7,500 at Year 26
- Total for all five credit issuances is \$16,500 over 26 years
- Invoiced by CFC five times during Project Duration, after Validation and Verification and before each credit issuance

3) Credit Issuance Fee: Greater of \$4.00 per credit or 10% of the sales price of credits, due when sold