

FAMILY FOREST CARBON PROGRAM

Improve the Health and Value of Your Woodland

The Family Forest Carbon Program is a partnership between the American Forest Foundation and The Nature Conservancy whose goal is to help family landowners increase the health and value of their woods.

We are a long-term resource for landowners who want to improve their land's wildlife habitat and water quality while growing mature trees and increasing carbon storage in their forest.



BENEFITS FOR LANDOWNERS



Expert consultations and advice from forest professionals



Management plans that are customized for your unique goals for your land



Funding to help you reach your goals for your land

Two opportunities for landowners:

Growing Mature Forests

Looking to increase the long-term value of your woodland? Growing Mature Forests provides expert consultations with forest professionals, management plans that are customized for your unique goals for your land, and funding to help you reach your goals.

Enhancing Future Forests

Had a recent harvest on your land? Enhancing Future Forests shares the costs to remove invasive and unwanted plants to help your next generation of trees grow.

1

Confirm Eligibility

We're currently operating in MD, PA, and WV for most woodlands that are 30-2,400 acres.

2

Meet with a Forest Professional

We'll help you schedule a free visit with a forester professional who will walk your land to gather details for enrollment.

3

Enroll

You'll receive payment terms and a contract to review before enrollment. Then, we'll send your first annual payment and begin!

Learn more and get started at

www.familyforestcarbon.org



American
Forest
Foundation



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About the Program

What makes FFCP unique?

We are a carbon program designed around landowner needs. We know that caring for your forest can be difficult and expensive, so in addition to being compensated for the carbon you sequester, we provide guidance and resources to achieve your goals. FFCP is available to properties with as few as 30 acres and provides flexibility around future harvesting needs and reasonable contract lengths. Ultimately, we help you increase the long-term value of your woodland. It's a win for family forest owners, for companies, and for the climate.

For companies looking to reduce their carbon footprint, the Family Forest Carbon Program offers the chance to purchase verified carbon credits and provide them with the

opportunity to support rural American families by investing in a forest carbon project designed specifically for small woodland owners. It's a win for family forest owners, for businesses, and for the climate.

Is FFCP a government-run organization?

No. FFCP was conceived in 2017 by two non-profits that are passionate about forests: the American Forest Foundation and The Nature Conservancy. Working with scientists, foresters, landowners, and businesses, AFF and TNC worked to create a program to help more families and individuals achieve their goals to improve their forest. Your efforts, along with the efforts of many other landowners, can make a meaningful conservation impact.

About Forest Carbon Markets

In addition to the habitat and water quality your forest provides, it also helps the planet by sequestering and storing carbon. U.S. forests currently offset more than 15 percent of the United States' annual carbon emissions, but there's lots of room for improvement. The healthier the forests, the more carbon they're able to sequester.

Environmentally-conscious companies that are working to reduce their carbon footprint are interested in buying the carbon sequestered by landowners in the form of carbon credits. A forest carbon project creates a marketplace for landowners to bring in income that they can put back into their land to help them achieve their own goals.

The Family Forest Carbon Program sells its verified carbon credits to companies who are taking a comprehensive approach their net-zero strategy. This means the company

is reducing as much of their emissions as technically and economically possible first. Once those collective efforts have been exhausted, they are choosing to take the last step needed to neutralize their residual emissions, or the emissions from their supply chain through carbon credits.

Presently, most forest carbon projects are designed and enrolling only large industrial forests of 3,000 acres or more, not small forests. They are complex, have high upfront costs, and require generations-long contracts. This withholds economic opportunities from you, and leaves your property out of a chance to do right for the planet.

FFCP has been designed to remove these barriers. It brings together family forest owners, companies, and local organizations to address climate change together.

Learn more and get started at

www.familyforestcarbon.org



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Improve the Health and Value of Your Woodland

About Growing Mature Forests

Looking to increase the long-term value of your woodland? Growing Mature Forests improves the overall health of woodlands by enhancing wildlife habitat, improving water quality, and increasing the long-term value timber value of family woodlands.

When you enroll in Growing Mature Forests, you receive:

- A **free visit by a forest professional** who provides expert guidance and consultation
- **Management plans** customized for your unique goals for your land
- **Funding** to help you reach your goals

Program Requirements

Basic Eligibility Requirements

- Located within eligible project areas
- Between 30 and 2,400 acres
- Legally allowed to harvest
- Plantations are **not** eligible

Practice Requirements

- 20-year commitment
- Restrict timber harvests (some sustainable harvesting is allowed)
- Confirm every five years that you are sticking to requirements



Payments

In addition to the increased value of the timber that will accumulate throughout your time in the practice, Growing Mature Forests provides funding to help you achieve your goals. Payments are sent throughout the contract period, with 20% of the total payment sent upfront, and the remaining funding sent throughout the rest of the duration of the partnership. The payment amount depends on your land when you sign the contract. The more timber your land currently has, the higher the payment per acre. Total payment will range between \$100-\$230 per acre.

1

Confirm Eligibility

We're currently operating in MD, PA, and WV for woodlands that meet the requirements above.

2

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Enroll

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Improve the Health and Value of Your Woodland

About Enhancing Future Forests

Had a recent harvest on your land, or planning one in the near future? Enhancing Future Forests shares the costs to remove invasive and unwanted plants to help your next generation of trees grow.

When you enroll in Enhancing Future Forests, you receive:

- A **free visit by a forest professional** who provides expert guidance and consultation
- **Professional guidance** on how to remove competing vegetation on your land
- **Funding** to help you reach your goals

Payments

In addition to the increased value of the timber that will accumulate throughout your time in the practice, Enhancing Future Forests provides funding to help you achieve your goals. The more competing vegetation your enrolled land has, the more payment is sent per acre to treat it. Total payment will range between \$50-280 per acre. Payments are received throughout the contract period, with 70% of the total payment received upfront to support the costs of removal.

Program Requirements

Basic Eligibility Requirements

- Located within eligible project areas
- Between 30 and 2,400 acres
- Land is not within 50 feet of streams, spring seeps, lakes, or ponds
- The land has at least 30% cover of undesirable competing plants
- You have conducted a regeneration harvest in the past 10 years or plan to conduct one in the next 10 years

Practice Requirements

- 10-year commitment
- Treat enrolled stands to reduce competing vegetation by at least 85% of pre-treatment value and maintain this level throughout the contract period
- Complete the regeneration harvest as planned, if needed
- Confirm every five years that you are sticking to requirements

“My main objective is to make the place as nice as possible for wildlife. To keep wildlife there, so I can enjoy seeing it.”

-JON, PENNSYLVANIA LANDOWNER

1

Confirm Eligibility

We're currently operating in MD, PA, and WV for woodlands that meet the requirements above.

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**FAMILY FOREST CARBON PROGRAM LANDOWNER AGREEMENT FOR
GROWING MATURE FORESTS**

by and among

FAMILY FOREST IMPACT FOUNDATION

and

Landowner

**FAMILY FOREST CARBON PROGRAM LANDOWNER AGREEMENT FOR
GROWING MATURE FORESTS**

THIS FAMILY FOREST CARBON PROGRAM LANDOWNER AGREEMENT FOR GROWING MATURE FORESTS (this “Agreement”) is entered into on _____ (the “Effective Date”), by and among the FAMILY FOREST IMPACT FOUNDATION, LLC, a limited liability company registered in the District of Columbia (“FFIF”), and [LEGAL NAME OF LANDOWNER], [an adult individual/[TYPE OF ENTITY AND STATE OF ORGANIZATION/REGISTRATION]] (“Landowner”). FFIF and Landowner are sometimes referred to collectively herein as the “Parties,” and each individually as a “Party.”

BACKGROUND

FFIF furthers forest health, carbon sequestration and storage, and other environmental conservation and protection practices in the United States of America through the development and operation of a voluntary Family Forest Carbon Program (the “Program”) that incentivizes private family and other non-industrial private forest landowners to implement carbon-friendly forest management practices on their properties by offering payments to such landowners for their compliance with the Program. Landowner is the owner of certain real property located in [NAME OF TOWNSHIP, COUNTY AND STATE IN WHICH PROPERTY IS LOCATED] and bearing the legal description attached hereto as Exhibit A (the “Property”). Landowner desires to engage FFIF for purposes of enrolling in and implementing the Program with respect to some or all of the Property upon the terms and conditions set forth in this Agreement (the “Project”).

AGREEMENT

NOW, THEREFORE, in consideration of the agreements and covenants hereinafter set forth, and intending to be legally bound hereby, the Parties hereto agree as follows:

Article I. DEFINITIONS

Section 1.01 Definitions. As used herein, the following terms shall have the following meanings: “Action” has the meaning set forth in Section 7.01.

- (b) “Affiliate” of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.
- (c) “Aggregated Projects” has the meaning set forth in Section 3.03.
- (d) “Agreement” has the meaning set forth in the Preamble of this Agreement.
- (e) “Applicable Law(s)” means any law, statute, ordinance, regulation, rule, code, constitution, treaty, common law, judgment, decree, injunction, writ or order of any

Governmental Authority having jurisdiction over the rights, activities, duties, responsibilities or obligations of the Parties set forth in this Agreement.

- (f) “Assigned Carbon Rights” has the meaning set forth in Section 3.01.
- (g) “Attestation” means a certified declaration signed by Landowner that may describe or otherwise include certain requirements relating to the Project, including, without limitation, a description of activities or changes in vegetative cover and health. A form Attestation will be provided by FFIF to the Landowner.
- (h) “Average Stand Diameter” means the quadratic mean diameter or diameter of the tree of mean Basal Area, as applicable and as determined by FFIF in accordance with the following formula:

$$D_q = \sqrt{\frac{\frac{ba}{tpa}}{0.005454154}}$$

where (i) “Dq” means the quadratic mean diameter, (ii) “ba” means the Basal Area per acre, and (iii) “tpa” means trees per acre.

- (i) “Basal Area” or “BA” means a measurement of the cross-sectional area of a tree trunk in square feet at 4.5 feet above the ground. The Basal Area of a forest stand is the sum of the Basal Areas of the individual trees and is reported as BA per acre. For purposes of clarity, only live trees are included in the measurement of Basal Area.
- (j) “Carbon Rights” means all right, title and interest in the sequestration and storage of carbon (including but not limited to carbon credits) within the Project Area that results from the Project including, but not limited to, avoided conversion, implementation of the Forest Management Practice, reforestation, and other types of activities, actions or techniques that are recognized as reducing or preventing emissions of greenhouse gases or sequestering/storing greenhouse gases through the use of forests.
- (k) “Confidential Information” means the terms and conditions of this Agreement and any information that is treated as confidential by a Party, including, but not limited to, all non-public information about its business affairs, products or services, intellectual property rights, trade secrets, third-party confidential information, and other sensitive or proprietary information, whether disclosed orally or in written, electronic, or other form or media, and whether or not marked, designated, or otherwise identified as “confidential”. Confidential Information shall not include information that: (i) is already known to the Receiving Party without restriction on use or disclosure prior to receipt of such information from the Disclosing Party; (ii) is or becomes generally known by the public other than by breach of this Agreement by, or other wrongful act of, the Receiving Party; (iii) is developed by the Receiving Party independently of, and without reference to, any Confidential Information of the Disclosing Party; or (iv) is received by the

Receiving Party from a third party who is not under any obligation to the Disclosing Party to maintain the confidentiality of such information.

- (l) “Co-Owners” has the meaning set forth in Section 9.03(b).
- (m) “Decedent Landowner” has the meaning set forth in Section 9.03.
- (n) “Disclosing Party” means a Party that discloses Confidential Information under this Agreement.
- (o) “Dispute” means any dispute or controversy arising out of this Agreement, including a claim by one Party against the other under this Agreement, and any dispute or controversy regarding the existence, construction, validity, interpretation, enforceability, termination or breach of this Agreement, whether based in contract, tort or in any other manner, and “Dispute” as a verb will be construed accordingly.
- (p) “Effective Date” has the meaning set forth in the Preamble of this Agreement.
- (q) “FFIF” has the meaning set forth in the Preamble of this Agreement.
- (r) “FFIF Responsibilities” has the meaning set forth in Section 2.01.
- (s) “Force Majeure Event” has the meaning set forth in Section 8.01.
- (t) “Forest Management Practice” means the forest management practices and requirements that are set forth on Exhibit D attached hereto.
- (u) “Forest Management Practice Fees” means the Implementation Fee [and the Technical Assistance Fee,] collectively.
- (v) “Forestland” means a parcel of land that is at least 1 acre in size and 120 feet wide and has at least 10% canopy cover by live tally trees of any size. For purposes of clarity, unimproved roads and trails, streams, and clearings that are less than 1 acre in size or less than 120 feet wide may be deemed to be part of an applicable designation of Forestland so long as such Forestland otherwise meets the requirements set forth in this definition.
- (w) “Governmental Authority” means any federal, state or local government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision (including, without limitation, any commission, department, board, branch or natural resource trustee), or any self-regulated organization or other non-governmental regulatory authority (to the extent that the rules, regulations or orders of such organization or authority have the force of law), or any arbitrator, court or tribunal of competent jurisdiction.
- (x) “Implementation Fee” has the meaning set forth in Section 2.01(a)(iv).
- (y) “Intentional Reversal” means a reduction of carbon stocks in the Project Area due to one or more of the following events:

- (i) If Landowner has conducted or otherwise permitted only one timber harvest with respect to the Project Area at the time of determination, the aggregate Basal Area removed during such timber harvest is greater than 25% of the Basal Area set forth or otherwise determined in the most recent forest inventory with respect to the Project Area;
- (ii) If Landowner has conducted or otherwise permitted more than one timber harvest with respect to the Project Area at the time of determination, the aggregate Basal Area removed during such timber harvests is greater than 25% of the Basal Area for the Project Area existing at the time of enrollment of the Project, as set forth in the Project Planning and Information Form attached hereto as Exhibit E;
- (iii) Landowner conducts or otherwise permits high-grading (i.e. thinning from above) with respect to the Project Area at any time during the Term and, as a result of such high-grading, whether individually or in the aggregate, the Average Stand Diameter with respect to the Project Area is reduced by more than 10% of the of the pre-harvest Average Stand Diameter of the Project Area, with such pre-harvest Average Stand Diameter shall be determined in accordance with (A) the most recent forest inventory with respect to the Project Area or (B) if no such forest inventory has been performed with respect to the Project Area at the time of such determination, the Project Planning Information Form attached hereto as Exhibit E;
- (iv) Landowner takes, or permits to be taken, any action that results in the conversion of any parcel of land included in the Project Area that qualifies as Forestland into a parcel of land that no longer qualifies as Forestland (including, without limitation, the clearing or cutting of forested areas); or
- (v) Landowner's breach of or failure to comply with any of the Landowner Responsibilities at any time during the Term.
- (z) "Landowner" has the meaning set forth in the Preamble of this Agreement.
- (aa) "Landowner Representative" has the meaning set forth in Section 2.02(b).
- (bb) "Landowner Responsibilities" has the meaning set forth in Section 2.02(a).
- (cc) "Landowner Termination Payment" has the meaning set forth in Section 4.03(a).
- (dd) "Losses" mean all losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification hereunder, and the cost of pursuing any insurance providers.
- (ee) "New Agreement" has the meaning set forth in Section 9.03(a).
- (ff) "Notice of Agreement" has the meaning set forth in Section 3.02.
- (gg) "Party" or "Parties" has the meaning set forth in the Preamble of this Agreement.

- (hh) “Person” means any individual, corporation, partnership, joint venture, association, joint stock landowner, trust, unincorporated organization, limited liability company, or other entity.
- (ii) “Plan” and “Plans” have the meanings set forth in Section 2.01(a)(iii).
- (jj) “Prior Fees” has the meaning set forth in Section 4.03(a).
- (kk) “Program” has the meaning set forth in the Background section of this Agreement.
- (ll) “Project” has the meaning set forth in the Background section of this Agreement.
- (mm) “Project Area” means that portion of the Property comprising approximately **NUMBER** acres of forest set forth on the map attached hereto as Exhibit B and upon which the Project is to be conducted.
- (nn) “Project Year” means (b) the initial consecutive 12-month period commencing on the Effective Date and (b) each consecutive 12-month period thereafter during the Term, as applicable.
- (oo) “Property” has the meaning set forth in the Background section of this Agreement.
- (pp) “Proposed Transfer” has the meaning set forth in Section 9.02.
- (qq) “Proposed Transferee” has the meaning set forth in Section 9.02.
- (rr) “Receiving Party” means a Party that receives or acquires Confidential Information directly or indirectly under this Agreement.
- (ss) **“Technical Assistance Fee” has the meaning set forth in Section 2.01(a)(iv).**
- (tt) “Term” has the meaning set forth in Section 4.01.
- (uu) “Timber Rights” means an interest in a property’s timber that allows a Person to buy or sell the interest in the timber separately from such property.
- (vv) “Unintentional Reversal” means the reduction of 25% or more of the Basal Area per acre with respect to the Project Area resulting from timber theft or a natural event or events beyond the reasonable control of Landowner, including, without limitation, flood, fire, earthquake, wind storm, a taking by eminent domain, disease or pest infestation.
- (ww) “Work Product” means any tangible or intangible property, including any technologies, information, ideas, designs, specifications, reports, concepts, systems, materials, techniques, works of authorship, inventions, or processes of any kind, specifically made or prepared by FFIF in connection with the FFIF Responsibilities.

Article II. RESPONSIBILITIES OF PARTIES

Section 2.01 FFIF Responsibilities.

- (a) At all times during the Term, FFIF shall perform or otherwise comply with each of the following with respect to the Project (collectively, the “FFIF Responsibilities”):
 - (i) FFIF shall develop and maintain a landscape-based accounting of additional carbon sequestered and stored in the geographic area in which the Project Area is located.
 - (ii) FFIF shall collect field management data on the amount of additional carbon sequestered and stored in the geographic area in which the Project Area is located.
 - (iii) At no cost to Landowner, FFIF may, in its sole discretion, provide 2 consecutive 10-year forest management plans setting forth goals, guidelines and procedures relating to forest management and timber harvesting with respect to the Property (each, “Plan”, and collectively, the “Plans”). If provided by FFIF pursuant to this Section 2.01(a)(iii), each such Plan shall be prepared with Landowner’s goals and objectives provided to FFIF in connection with such Plan. For purposes of clarity, the terms “Plan” and “Plans” include any and all updates to such Plan or Plans from time to time.
 - (iv) So long as Landowner fulfills or otherwise complies with the Landowner Responsibilities (including, without limitation, the implementation, performance and compliance with the Forest Management Practice as further set forth herein), FFIF shall pay Landowner each of the following: (A) in connection with Landowner’s implementation of the Forest Management Practice, an amount equal to \$<XXXX> (the “Implementation Fee”); [and (B) in connection with Landowner’s registration in the Program, an amount equal to \$500 (the “Technical Assistance Fee”) [NOTE: TECHNICAL ASSISTANCE FEE APPLIES TO CENTRAL GEOGRAPHY]]. The Forest Management Practice Fees shall be paid by FFIF either by check or ACH transfer to an account specified by Landowner in writing in accordance with the payment schedule attached hereto as Exhibit C.

Section 2.02 Landowner Responsibilities.

- (a) At all times during the Term, Landowner shall perform or otherwise comply with each of the following with respect to the Project (collectively, the “Landowner Responsibilities”):
 - (i) Landowner agrees to implement, perform and otherwise comply with the Forest Management Practice. Notwithstanding any provision of this Agreement to the contrary, Landowner acknowledges and agrees that if the Forest Management Practice Fees to be paid by FFIF to Landowner in accordance with Section 2.01(a)(iv) are not sufficient to cover Landowner’s costs and expenses associated with its implementation, performance of or compliance with the Forest Management Practice or the performance or compliance with its other Landowner Responsibilities hereunder, Landowner shall be solely responsible for any such excess costs and expenses.
 - (ii) Landowner shall, to the extent applicable and upon not less than 10 days’ prior written notice from FFIF or its representatives from time to time, provide FFIF or its representatives with unrestricted access to the Property solely for the purposes of (a)

implementing, developing, completing and updating an applicable Plan on behalf of Landowner, (b) validating Landowner's implementation, performance of or compliance with of the Forest Management Practice and (c) completing required field measurements and data collection; provided, however, that Landowner acknowledges and agrees that, except to the extent expressly provided in Section 4.03(b) and Section 4.03(c), FFIF's and its representatives' right to access the Property in accordance with this Section 2.02(a)(ii) shall survive the expiration or termination of this Agreement for any reason until the date that is the 20th anniversary of the Effective Date.

- (b) Landowner will appoint a representative (the "Landowner Representative") to serve as its liaison with FFIF in connection with all aspects of the FFIF Responsibilities and the Landowner Responsibilities, and to oversee Landowner's obligations under this Agreement. The Landowner Representative will be responsible for communicating all necessary information to Landowner in order to allow Landowner to make informed decisions under this Agreement and will coordinate the participation and response of Landowner to the extent required under this Agreement. Landowner shall cause the Landowner Representative to meet or otherwise communicate with FFIF as often as is reasonably necessary to provide ongoing exchanges of information in connection with the Project. Landowner's initial Landowner Representative is identified on Exhibit F attached hereto.

Article III. CONSIDERATION; NOTICE OF AGREEMENT

Section 3.01 Transfer of Carbon Rights. As consideration for FFIF's performance of or compliance with the FFIF Responsibilities hereunder and effective as of the Effective Date, Landowner hereby transfers and assigns to FFIF any and all of Landowner's right, title, and interest in and to any Carbon Rights generated by the Project during the Term (such rights, the "Assigned Carbon Rights"); provided, however, that Landowner acknowledges and agrees that, except to the extent expressly provided in Section 4.03(b) and Section 4.03(c), FFIF's right, title and interest in and to the Assigned Carbon Rights shall survive the expiration or termination of this Agreement for any reason until the date that is the 20th anniversary of the Effective Date.

Section 3.02 Notice of Agreement. In connection with Landowner's transfer and assignment of the Assigned Carbon Rights in accordance with Section 3.01 and grant of continuing access to the Property to FFIF in accordance with Section 2.02(a)(ii), Landowner and FFIF agree to execute a Notice of Agreement, Transfer of Carbon Rights and Continuing Rights of Access ("Notice of Agreement") in substantially the form attached hereto as Exhibit G simultaneously with the execution of this Agreement. Promptly after its receipt of the executed Notice of Agreement, FFIF shall record the Notice of Agreement in all applicable legal jurisdictions where the parcels included in the Property are located at FFIF's sole cost and expense. Subject to the further terms and conditions set forth therein, the Parties acknowledge and agree that the execution and recording of the Notice of Agreement shall serve the purposes of providing record notice to any interested party of the existence of this Agreement and the Parties' respective rights, duties and obligations hereunder, including, without limitation, Landowner's (a) transfer and assignment of all of its right, title and interest in and to the Assigned Carbon Rights to FFIF as further set forth in Section 3.01, (b) grant of certain continuing access rights to the Property to FFIF and its representatives as further set forth in Section 2.02(a)(ii), and (c) obligations relating

to a Proposed Transfer of the Property as further set forth in Article IX. The Parties further acknowledge and agree that in no event shall the Notice of Agreement amend or modify any of the terms or provisions of this Agreement and neither this Agreement nor the Notice of Agreement is intended to be considered (i) a conveyance of an interest in all or any portion of the Property or (ii) a lease.

Section 3.03 Landowner Acknowledgment. Landowner acknowledges and agrees that the Assigned Carbon Rights, when combined with Carbon Rights generated from similar carbon sequestration projects in the same geographic area (the “Aggregated Projects”), may result in aggregated Carbon Rights sufficient to register such Carbon Rights and/or the Aggregated Projects with a voluntary greenhouse gas registry as a new carbon credit product. Such aggregated Carbon Rights, when sold by FFIF, will result in FFIF’s receipt of proceeds that are intended to support FFIF’s ongoing administration and management of the Program, including making payments to other participating landowners.

Article IV. TERM AND TERMINATION; SURVIVAL

Section 4.01 Term. This Agreement shall commence as of the Effective Date and, unless earlier terminated as provided herein, shall continue in full force and effect until the date that is the 20th anniversary of the Effective Date (the “Term”).

Section 4.02 Termination.

- (a) Either Party may terminate this Agreement at any time during the Term without cause by providing at least 30 days’ prior written notice of such termination to the other Party.
- (b) FFIF may terminate this Agreement at any time during the Term effective upon written notice to Landowner if FFIF determines in its reasonable discretion that an Unintentional Reversal has occurred; provided, however, that if FFIF determines in its reasonable discretion that an Unintentional Reversal has occurred and, in lieu of terminating this Agreement in accordance with this Section 4.02(b), desires to enroll the Project in an alternative forest management practice, Landowner agrees to cooperate with FFIF in good faith in order to (i) enroll the Project in such alternative forest management practice and (ii) in connection with any such enrollment, enter into an amendment to this Agreement reflecting such alternative forest management practice and related terms and conditions.
- (c) FFIF may terminate this Agreement at any time during the Term effective upon written notice to Landowner if FFIF determines in its reasonable discretion that an Intentional Reversal has occurred.
- (d) Each Party may terminate this Agreement effective upon written notice to the other Party if the other Party:
 - (i) materially breaches this Agreement and such breach is incapable of cure, or with respect to a material breach that is capable of cure, such other Party fails to cure such breach within 30 days after its receipt of written notice of such breach; or

- (ii) (A) becomes insolvent or admits its inability to pay its debts generally as they become due; (B) becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law, which is not fully stayed within 60 days or is not dismissed or vacated within 90 days after filing; (C) is dissolved or liquidated or takes any entity action for such purpose; (D) makes a general assignment for the benefit of creditors; or (E) has a receiver, trustee, custodian, or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business.
- (e) This Agreement shall be immediately and automatically terminated in accordance with, and subject to the terms and conditions of, Section 9.02(b).
- (f) This Agreement may be terminated by FFIF upon the death of a Decedent Landowner in accordance with, and subject to the terms and conditions of, Section 9.03(a), Section 9.03(c), Section 9.03(d)(i) or Section 9.03(d)(iii).

Section 4.03 Effects of Expiration or Termination.

- (a) If (i) Landowner elects to terminate this Agreement in accordance with Section 4.02(a), (ii) FFIF elects to terminate this Agreement in accordance with Section 4.02(c), Section 4.02(d), Section 9.03(a), Section 9.03(c), Section 9.03(d)(i) or Section 9.03(d)(iii), or (iii) this Agreement is terminated in accordance with Section 9.02(b), Landowner or Landowner's estate, as applicable, shall, no later than 10 days after the effective date of such termination, pay to FFIF an amount equal to the following (such amount, the "Landowner Termination Payment"): (A) the total amount of all Forest Management Practice Fees paid to Landowner prior to the effective date of such termination (such amount, the "Prior Fees"); plus (B) interest accruing from the Effective Date on the total amount of the Prior Fees at a rate equal to the prime rate of interest published in the *Wall Street Journal* (or its successor) on the effective date of such termination, which interest shall be calculated on the basis of a year of 365 days and the actual number of days elapsed in any portion of such year; plus (C) an amount equal to 27% of the Prior Fees. The Parties agree that the Landowner Termination Payment shall be deemed to be liquidated damages, that the monetary amount of such damages are difficult to ascertain or compute, and that the amount of the Landowner Termination Payment is a reasonable estimate of the damages that would be incurred by FFIF as the result of the termination of this Agreement pursuant to the conditions set forth in the first sentence of this Section 4.03(a).
- (b) Notwithstanding any provision of this Agreement to the contrary, if FFIF terminates this Agreement pursuant to Section 4.02(a) at any time during the Term, the following terms and conditions shall apply: (A) FFIF's and its representatives' right to access the Property in accordance with Section 2.02(a)(ii) shall immediately and automatically terminate; and (B) all right, title and interest in and to the Assigned Carbon Rights granted to FFIF in accordance with Section 3.01 shall immediately and automatically terminate.
- (c) Notwithstanding any provision of this Agreement to the contrary, if Landowner terminates this Agreement pursuant to Section 4.02(a) at any time during the Term and

pays the full amount of the Landowner Termination Payment to FFIF in accordance with Section 4.03(a), the following terms and conditions shall apply: (A) FFIF's and its representatives' right to access the Property in accordance with Section 2.02(a)(ii) shall immediately and automatically terminate; and (B) all right, title and interest in and to the Assigned Carbon Rights granted to FFIF in accordance with Section 3.01 shall immediately and automatically terminate

Section 4.04 Survival. Except to the extent expressly provided in Section 4.03(b) and Section 4.03(c), the rights and obligations of the Parties set forth in this Section 4.04 and in Section 1.01, Section 2.02(a)(ii), Section 3.01, Section 3.03, Section 4.03, Section 5.01, Section 6.04, Article VII, Section 8.01, Section 8.02, Section 9.01, Section 9.02, Section 9.03, Section 10.01, Section 10.02 and Article XI, and any right or obligation of the Parties in this Agreement which, by its nature, should survive termination or expiration of this Agreement, will survive any such termination or expiration of this Agreement.

Article V. CONFIDENTIALITY; WORK PRODUCT

Section 5.01 Confidential Information.

- (a) The Receiving Party agrees:
 - (i) not to disclose or otherwise make available Confidential Information of the Disclosing Party to any third party without the prior written consent of the Disclosing Party; provided, however, that the Receiving Party may disclose the Confidential Information of the Disclosing Party to: (A) its Affiliates and to its and its Affiliates' respective directors, officers, members, shareholders, employees, agents, consultants, independent contractors, auditors and legal and other professional advisors who have a "need to know", who have been apprised of such Party's confidentiality obligations under this Agreement, and who are themselves bound by nondisclosure obligations at least as restrictive as those set forth in this Section 5.01; and (B) Verra, any applicable third party verification body or registry, or its or their respective representatives or Affiliates, in each case to the extent required to comply with any applicable verification, registry or other legal or regulatory requirements relating to the Project;
 - (ii) to use the Confidential Information of the Disclosing Party only for the purposes of performing its obligations under the Agreement or as is otherwise necessary to conduct its business or operations; and
 - (iii) to promptly notify the Disclosing Party in the event it becomes aware of any loss or disclosure of any of the Confidential Information of the Disclosing Party.
- (b) If the Receiving Party becomes legally compelled to disclose any Confidential Information of the Disclosing Party, the Receiving Party shall provide: (i) prompt written notice of such requirement so that the Disclosing Party may seek, at its sole cost and expense, a protective order or other remedy; and (ii) reasonable assistance, at the Disclosing Party's sole cost and expense, in opposing such disclosure or seeking a protective order or other limitations on disclosure. If, after providing such notice and assistance, the Receiving Party remains required by Applicable Law to disclose any

Confidential Information of the Disclosing Party, the Receiving Party shall disclose no more than that portion of the Confidential Information which, on the advice of its legal counsel, the Receiving Party is legally required to disclose.

- (c) Upon the expiration or termination of this Agreement for any reason, each Party shall promptly return to the other Party all copies, whether in written, electronic or other form or media, of the other Party's Confidential Information, or destroy all such copies and certify in writing to the other Party that such Confidential Information has been destroyed; provided, however, that each Party may retain any copies of the other Party's Confidential Information, regardless of whether such copies are in original form, that:
 - (i) are included in any materials that document a decision to terminate this Agreement or otherwise to cease communications with the other Party;
 - (ii) may be required to comply with a Party's internal record-keeping policies or any applicable federal, state or local law, regulation or regulatory authority to which such Party or the Project is subject (including, without limitation, any regulations or other requirements imposed by Verra or any applicable verification body); or
 - (iii) are maintained as archive copies on a Party's disaster recovery and/or information technology backup systems, which copies will be destroyed on the normal expiration of such Party's backup files.
- (d) Notwithstanding any provision of this Agreement to the contrary: (x) each Party shall continue to be bound by the terms and conditions of this Section 5.01 with respect to any Confidential Information retained by such Party in accordance with Section 5.01(c); and (y) Landowner acknowledges and agrees that:
 - (i) FFIF may provide or otherwise disclose any or all of the following documentation or information (including, without limitation, copies thereof) to its auditors and to Verra (or any other applicable carbon validation and verification body): (A) this Agreement; (B) any applicable Plan; (C) any and all data relating to the Property or Landowner (including Landowner's contact information); and (D) any notes or summaries developed by FFIF in relation to the foregoing;
 - (ii) the polygon/spatial data of the Property may be made public as part of any project design document developed in connection with the Project (provided that such polygon/spatial data may be disclosed with similar data from other Aggregated Projects without specifying Landowner's name); and
 - (iii) Landowner's name may be disclosed and made public in connection with any verification report relating to the Project.

Section 5.02 Work Product. Subject to the further terms and conditions of this Section 5.02, FFIF is, and shall be, the sole and exclusive owner of all right, title, and interest in and to any Work Product, including, without limitation, any and all intellectual property rights therein. Notwithstanding the immediately preceding sentence, FFIF acknowledges and agrees that Landowner is, and shall remain, the sole and exclusive owner of all right, title, and interest in and

to any Confidential Information of Landowner provided to FFIF under this Agreement, including, without limitation, any and all intellectual property rights therein and whether or not such Confidential Information is incorporated or otherwise included in the Work Product; provided, however, that Landowner hereby grants FFIF an irrevocable, perpetual, fully paid-up, royalty-free and worldwide license to use, perform, display, execute, reproduce, distribute, transmit, modify (including, without limitation, to create derivative works), make, have made and otherwise exploit any of Landowner's Confidential Information to the extent such Confidential Information is incorporated in, combined with or otherwise necessary for the use of Work Product solely to the extent reasonably required in connection with FFIF's business and operations.

Article VI. REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 6.01 Mutual Representations, Warranties and Covenants. Each Party represents and warrants to the other Party that:

- (a) to the extent applicable, it is duly organized, validly existing and in good standing as an entity as represented herein under the laws and regulations of its jurisdiction of incorporation, organization, or chartering;
- (b) it has the full right, power, and authority to enter into this Agreement, to grant the rights granted hereunder, and to perform its duties and obligations hereunder;
- (c) to the extent applicable, the execution of this Agreement by its representative whose signature is set forth on the signature page hereof has been duly authorized by all necessary entity action of such Party;
- (d) when executed and delivered by such Party, this Agreement will constitute the legal, valid, and binding obligation of such Party and will be enforceable against such Party in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or other such laws affecting the rights of creditors generally and subject to general equitable principles;
- (e) it is in compliance with, and shall perform its duties and obligations under this Agreement in compliance with, all Applicable Laws (including, with respect to Landowner, any Applicable Laws relating to Landowner's ownership and operation of the Property); and
- (f) there are no actions, suits or proceedings pending or, to such Party's knowledge, threatened against such Party that may affect the validity or enforceability of this Agreement or the transactions anticipated by this Agreement.

Section 6.02 FFIF's Representations and Warranties. FFIF represents and warrants to Landowner that FFIF's execution, delivery and performance of this Agreement does not violate or contradict any Applicable Law or any provision of its operating agreement or any other material agreement by which it is bound.

Section 6.03 Landowner's Representations and Warranties. Landowner represents and warrants to FFIF that:

- (a) to the extent applicable, Landowner's execution, delivery and performance of this Agreement does not violate or contradict any Applicable Law or any provision of its organizational documents or any other material agreement by which it is bound;
- (b) as of the Effective Date, (i) Landowner is the fee simple owner of the Property and (ii) the legal description of the Property set forth on Exhibit A attached hereto includes all forested property owned or controlled by Landowner;
- (c) Landowner owns the full legal and beneficial title to all Timber Rights and Carbon Rights arising from the Project Area and it has not pledged its general intangibles (including, without limitation, any such Timber Rights or Carbon Rights) under a bank or similar loan, whether in connection with the Project or otherwise;
- (d) Landowner has not transferred any of the Carbon Rights arising from the Project Area to any third party, and the Project Area is not part of any other carbon offset or similar project;
- (e) Landowner is under no obligation, whether statutory, judicial or contractual (other than this Agreement), to undertake the Project, and there are no pending or, to Landowner's knowledge, threatened actions that would require Landowner to undertake the Project; and
- (f) to Landowner's knowledge, all information and data with respect to the Project, including, but not limited to, legal description of the Property set forth on Exhibit A, any information set forth on the Project Planning and Information Form attached hereto as Exhibit E and any inventory data, is accurate, correct and complete.

Section 6.04 Disclaimer. EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT, (A) EACH PARTY HEREBY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, UNDER THIS AGREEMENT, AND (B) FFIF SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON-INFRINGEMENT.

Article VII. INDEMNIFICATION; LIMITATION OF LIABILITY

Section 7.01 Indemnification by Landowner. Landowner shall indemnify, defend and hold harmless FFIF, FFIF's Affiliates, and its and their respective directors, officers, employees, agents, managers, members, shareholders, representatives, successors and permitted assigns from and against all Losses arising out of any third-party claim, suit, action, or proceeding (each, an "Action") resulting from: (a) Landowner's breach of any representation, warranty, duty or obligation of Landowner set forth in this Agreement; (b) bodily injury, death of any individual, or damage to real or tangible, personal property resulting from the acts or omissions of Landowner or any of its officers, employees, contractors, agents or representatives; (c) Landowner's gross negligence, fraud or willful misconduct in connection with this Agreement; or (d) any and all environmental conditions or contamination on or related to the Property,

whether or not caused by Landowner.

Section 7.02 Indemnification by FFIF. FFIF shall indemnify, defend and hold harmless Landowner, Landowner's Affiliates, and its and their respective directors, officers, employees, agents, managers, members, shareholders, representatives, successors, personal representatives and permitted assigns from and against all Losses arising out of any Action resulting from: (a) FFIF's breach of any representation, warranty, duty or obligation of FFIF set forth in this Agreement; (b) bodily injury, death of any individual, or damage to real or tangible, personal property resulting from the acts or omissions of FFIF or any of its officers, employees, contractors, agents or representatives; or (c) FFIF's gross negligence, fraud or willful misconduct in connection with this Agreement.

Section 7.03 Indemnification Procedures. The Party seeking indemnification under this Article VII shall promptly notify the indemnifying Party in writing of any Action and shall cooperate with the indemnifying Party at the indemnifying Party's sole cost and expense in connection with such Action. The indemnifying Party shall immediately take control of the defense and investigation of such Action and shall employ counsel of its choice to handle and defend the same, at the indemnifying Party's sole cost and expense. The indemnifying Party shall not settle any Action in a manner that adversely affects the rights of the indemnified Party without the indemnified Party's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. The indemnified Party's failure to perform any obligations under this Section 7.03 shall not relieve the indemnifying Party of its obligations under this Section 7.03 except to the extent that the indemnifying Party can demonstrate that it has been materially prejudiced as a result of such failure. The indemnified Party may participate in and observe the proceedings at its own cost and expense.

Section 7.04 Exclusions from Indemnification. Notwithstanding any provision of this Agreement to the contrary, the indemnifying Party shall not be obligated to indemnify, defend or hold harmless the indemnified Party against any claim (whether direct or indirect) to the extent such claim or corresponding Losses arise out of or result from the indemnified Party's: (a) negligence or more culpable act or omission (including recklessness or willful misconduct); or (b) bad faith failure to comply with any of its obligations set forth in this Agreement.

Section 7.05 Limitation of Liability.

- (a) EXCEPT AS OTHERWISE SET FORTH IN SECTION 7.05(c), IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER OR TO ANY THIRD PARTY FOR ANY LOSS OF USE, REVENUE, OR PROFIT OR FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES, WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGE WAS FORESEEABLE AND WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- (b) EXCEPT AS OTHERWISE PROVIDED IN SECTION 7.05(c), IN NO EVENT WILL FFIF'S LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT

(INCLUDING NEGLIGENCE), OR OTHERWISE, EXCEED THE AGGREGATE AMOUNT OF FOREST MANAGEMENT PRACTICE FEES PAYABLE TO LANDOWNER PURSUANT TO THIS AGREEMENT.

- (c) NOTWITHSTANDING ANY PROVISION OF THIS AGREEMENT TO THE CONTRARY, THE EXCLUSIONS AND LIMITATIONS SET FORTH IN SECTION 7.05(a) AND SECTION 7.05(b) SHALL NOT APPLY TO: (i) DAMAGES OR OTHER LIABILITIES ARISING OUT OF OR RELATING TO A PARTY'S FAILURE TO COMPLY WITH ITS OBLIGATIONS UNDER SECTION 5.01 OR SECTION 5.02; (B) A PARTY'S INDEMNIFICATION OBLIGATIONS UNDER SECTION 7.01 OR SECTION 7.02, AS APPLICABLE; (C) DAMAGES OR OTHER LIABILITIES ARISING OUT OF OR RELATING TO A PARTY'S GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR INTENTIONAL ACTS; (D) DEATH OR BODILY INJURY OR DAMAGE TO REAL OR TANGIBLE PERSONAL PROPERTY RESULTING FROM A PARTY'S ACTS OR OMISSIONS; (E) DAMAGES OR LIABILITIES TO THE EXTENT COVERED BY A PARTY'S INSURANCE; AND (F) A PARTY'S OBLIGATION TO PAY ATTORNEYS' FEES AND COURT COSTS IN ACCORDANCE WITH SECTION 11.12.

Article VIII. FORCE MAJEURE

Section 8.01 Force Majeure Event. Except as expressly provided in Section 8.02, neither Party shall be liable or responsible to the other Party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement, when and to the extent such failure or delay is caused by or results from acts, events or circumstances beyond the impacted Party's reasonable control, including, without limitation, the following force majeure events ("Force Majeure Event"): (a) acts of God; (b) flood, fire, earthquake, epidemic, pandemic or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order, law, or actions; (e) embargoes or blockades in effect on or after the Effective Date; (f) national or regional emergency; and (g) other similar events beyond the reasonable control of the impacted Party. The impacted Party shall give notice within 15 days of the Force Majeure Event to the other Party, stating the period of time the occurrence is expected to continue, and shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The impacted Party shall resume the performance of its duties and obligations under this Agreement as soon as reasonably practicable after the removal of the cause.

Section 8.02 Unintentional Reversal. Notwithstanding any provision of this Agreement to the contrary, in the event a Force Majeure Event results in an Unintentional Reversal, such Force Majeure Event shall be treated as an Unintentional Reversal and shall be subject to the terms and conditions of Section 4.02(b).

Article IX. ASSIGNMENT; TRANSFER OF PROPERTY; DEATH OF LANDOWNER

Section 9.01 Assignment of Agreement. This Agreement is intended to be for the benefit of each Party and upon execution shall be binding upon each of them and their respective heirs, personal representatives, successors and permitted assigns, as applicable. Notwithstanding the

foregoing or anything herein to the contrary, Landowner may not assign any of its rights or delegate any of its duties or obligations under this Agreement without the prior written consent of FFIF; provided, however, that without the consent of FFIF, Landowner may assign all of its rights and delegate all of its duties and obligations under this Agreement to a third party in connection with the proposed sale or transfer of all or part of the Property subject to the further terms and conditions of Section 9.02.

Section 9.02 Transfer of Property. If Landowner elects to sell or transfer all or part of the Property at any time during the Term (a “Proposed Transfer”), Landowner shall provide FFIF with written notice of the Proposed Transfer at least 45 days prior to the consummation of the Proposed Transfer, which written notice shall specify, at a minimum, the name of the proposed purchaser or transferee (the “Proposed Transferee”), the date on which the Proposed Transfer is intended to occur, whether some or all of the Property is intended to be sold or otherwise transferred as part of the Proposed Transfer and whether Landowner is electing to assign and delegate, and whether the Proposed Transferee is electing to assume, all of Landowner’s rights, duties and obligations under this Agreement.

- (a) If Landowner elects to assign and delegate, and the Proposed Transferee elects to assume, all of Landowner’s rights, duties and obligations under this Agreement in connection with a Proposed Transfer, the following terms and conditions shall apply:
 - (i) Landowner shall promptly provide FFIF with such additional information regarding the Proposed Transfer and/or the Proposed Transferee as may be reasonably requested by FFIF from time to time;
 - (ii) no later than 10 days prior to the consummation of the Proposed Transfer, Landowner shall: (A) provide FFIF with a copy of a proposed assignment and assumption instrument to be executed by Landowner and the Proposed Transferee upon the consummation of the Proposed Transfer (an “Assignment and Assumption Agreement”), which Assignment and Assumption Agreement shall be subject to FFIF’s review and approval in its reasonable discretion; and (B) pay to FFIF an amount equal \$150 as an assignment/administrative fee to cover FFIF’s costs to review the Proposed Transfer, the Assignment and Assumption Agreement and any other documentation related thereto;
 - (iii) no later than 3 days following the consummation of the Proposed Transfer, Landowner shall provide, or shall cause the Proposed Transferee to provide, FFIF with copies of the recorded transfer instrument (e.g., deed) evidencing the Proposed Transfer and a fully executed copy of the Assignment and Assumption Agreement; and
 - (iv) if FFIF requires the Proposed Transferee to execute a new Notice of Agreement with FFIF and/or elects to record such new Notice of Agreement and/or the Assignment and Assumption Agreement in connection with the consummation of the Proposed Transfer, Landowner shall inform the Proposed Transferee of such requirement and election and shall use its commercially reasonable efforts to cause the Proposed Transferee to execute such new Notice of Agreement.

- (b) If Landowner does not elect to assign and delegate, or the Proposed Transferee does not elect to assume, all of Landowner's rights, duties and obligations under this Agreement in connection with a Proposed Transfer, this Agreement shall immediately and automatically terminate effective as of the date on which the Proposed Transfer is consummated and the following terms and conditions shall apply:
 - (i) Landowner shall pay to FFIF an amount equal to the Landowner Termination Payment in accordance with Section 4.03(a);
 - (ii) in accordance with this Section 2.02(a)(ii) of this Agreement, FFIF's and its representatives' right to access the Property shall survive such termination until the date that is the 20th anniversary of the Effective Date;
 - (iii) in accordance with Section 3.01 of this Agreement, FFIF's right, title and interest in and to the Assigned Carbon Rights shall survive such termination until the date that is 20th anniversary of the Effective Date; and
 - (iv) no later than 10 days prior to the consummation of the Proposed Transfer, Landowner shall provide FFIF with a copy of an acknowledgement duly executed by the Proposed Transferee which sets forth the Proposed Transferee's acknowledgment of, and agreement to be bound by, the terms and conditions relating to the Property and the Assigned Carbon Rights that are set forth in Section 9.02(b)(ii) and Section 9.02(b)(iii), respectively.

Section 9.03 Death of Landowner. Notwithstanding any provision of this Agreement to the contrary, the following terms and conditions shall apply upon the death of Landowner (in the event Landowner is an individual) or the death of an owner of Landowner (in the event Landowner is an entity), as applicable (in either such case, the "Decedent Landowner"):

- (a) If the Decedent Landowner was an individual and did not own the Property with any other individual or entity, then the death of the Decedent Landowner shall be considered to be a dissolution and liquidation of Landowner for all purposes of this Agreement and FFIF shall have the right to terminate this Agreement in accordance with Section 4.02(d)(ii)(C); provided, however, that FFIF may, prior to exercising such right of termination, offer the Decedent Landowner's heir(s) (by law via intestacy) or devisee(s) (by will) to whom the Property (or the Decedent Landowner's ownership interest therein) is conveyed the opportunity to enter into a new Family Forest Carbon Program Landowner Agreement for Growing Mature Forests Agreement with FFIF with respect to the Property upon substantially the same terms and conditions as are set forth in this Agreement (a "New Agreement"). If FFIF elects to terminate this Agreement pursuant to this Section 9.03(a) or FFIF and the Decedent Landowner's heir(s) or devisee(s) fail to enter into a New Agreement within a reasonable time period after such Decedent Landowner's death, then the Decedent Landowner's estate shall be obligated to pay the Landowner Termination Payment to FFIF pursuant to Section 4.03(a).
- (b) If the Decedent Landowner was an individual and owned the Property with one or more other individuals or entities (the "Co-Owners") jointly with the right of survivorship

(such as joint tenants with right of survivorship or tenants by the entireties), then this Agreement shall remain in full force and effect and such Co-Owners (in his, her, its or their capacity as Landowner hereunder) shall continue to be bound hereby.

- (c) If the Decedent Landowner was an individual and owned the Property with Co-Owners jointly with no right of survivorship (such as tenants in common), then the death of the Decedent Landowner shall be considered to be a dissolution and liquidation of Landowner for all purposes of this Agreement and FFIF shall have the right to terminate this Agreement in accordance with Section 4.02(d)(ii)(C); provided, however, that FFIF may, prior to exercising such right of termination, offer the Decedent Landowner's heir(s) or devisee(s) to whom the Property (or the Decedent Landowner's ownership interest therein) is conveyed the opportunity to enter into a New Agreement. If FFIF elects to terminate this Agreement pursuant to this Section 9.03(c) or FFIF and the Decedent Landowner's heir(s) or devisee(s) fail to enter into a New Agreement within a reasonable time period after such Decedent Landowner's death, then the Decedent Landowner's estate shall be obligated to pay the Landowner Termination Payment to FFIF pursuant to Section 4.03(a).
- (d) If Landowner is an entity (including, without limitation, a corporation, limited partnership, limited liability company, trust or 501(c)(3) corporation) and the Decedent Landowner was an owner of such Landowner entity, then:
 - (i) if the Decedent Landowner was the sole owner of the Landowner entity and the Landowner entity dissolves and/or is liquidated as a result of the Decedent Landowner's death, then FFIF shall have the right to terminate this Agreement in accordance with Section 4.02(d)(ii)(C); provided, however, that FFIF may, prior to exercising such right of termination, offer the distributee(s) of the Property upon such Landowner entity's dissolution and/or liquidation the opportunity to enter into a New Agreement. If FFIF elects to terminate this Agreement pursuant to this Section 9.03(d)(i) or FFIF and the distributee(s) of the Property fail to enter into a New Agreement within a reasonable time period after such Decedent Landowner's death, then Landowner shall be obligated to pay the Landowner Termination Payment to FFIF pursuant to Section 4.03(a);
 - (ii) if the Decedent Landowner was the sole owner of the Landowner entity and the Landowner entity is not dissolved or liquidated in connection with such Decedent Landowner's death and instead continues in existence (including, without limitation, as a result of the Decedent Landowner's ownership interest in the Landowner entity passing to an heir or devisee who or which wishes to continue the entity), then this Agreement shall remain in full force and effect;
 - (iii) if the Decedent Landowner was not the sole owner of the Landowner entity and the remaining owner(s) of the Landowner entity elect to dissolve and/or liquidate the Landowner entity as a result of such Decedent Landowner's death, then FFIF shall have the right to terminate this Agreement in accordance with Section 4.02(d)(ii)(C); provided, however, that FFIF may, prior to exercising such right of termination, offer the distributee(s) of the Property upon such Landowner entity's dissolution and/or liquidation the opportunity to enter into a New Agreement. If FFIF elects to terminate

this Agreement pursuant to this Section 9.03(d)(iii) or FFIF and the distributee(s) of the Property fail to enter into a New Agreement within a reasonable time period after such Decedent Landowner's death, then Landowner shall be obligated to pay the Landowner Termination Payment to FFIF pursuant to Section 4.03(a); and

- (iv) if the Decedent Landowner was not the sole owner of the Landowner entity and the remaining owner(s) of the Landowner entity do not elect to dissolve or liquidate the Landowner entity as a result of such Decedent Landowner's death, then this Agreement shall remain in full force and effect.

Article X. DISPUTE RESOLUTION; GOVERNING LAW AND VENUE

Section 10.01 Meet and Confer; Mediation; Court. If any Dispute arises out of, or in relation to, this Agreement, the Parties agree that they will meet, if requested by the other Party, to discuss such Dispute. In the event that the Parties are unable to resolve the Dispute informally, the Parties agree that such Dispute shall then be submitted to non-binding mediation and that they will mediate such Dispute in good faith before one or more mediators chosen by mutual agreement. If the Dispute is not resolved by meetings or mediation within 30 days from the date on which either Party requests a meeting pursuant to the first sentence of this Section 10.01, either Party may, subject to Section 10.02, initiate court proceedings and provide notice of such proceedings to the other Party.

Section 10.02 Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the internal laws of the District of Columbia, without giving effect to any choice or conflict of law provision or rule (whether of the District of Columbia or any other jurisdiction). With respect to any suit, action or proceedings relating to any Dispute arising out of or in connection with this Agreement, including, without limitation, any informal meetings, mediation, or litigation, each Party irrevocably: (a) submits to the exclusive jurisdiction of the Superior Court of the District of Columbia and the United States District Court for the District of Columbia; and (b) waives (i) any objection which it may have at any time to the laying of venue of any proceedings brought in any such court, (ii) any claim that such proceedings have been brought in an inconvenient forum and (iii) the right to object, with respect to such proceedings, that any such court does not have any jurisdiction over such Party.

Section 10.03 Irreparable Damage or Status Quo. Notwithstanding any provision of this Agreement to the contrary, each Party will have the right to initiate litigation to toll any statute of limitations or seek injunctive relief or other equitable remedy if, in such Party's reasonable and good faith judgment, such action is deemed necessary to avoid irreparable damage or preserve the status quo.

Article XI. MISCELLANEOUS

Section 11.01 Further Assurances. Each Party shall, upon the reasonable request of the other Party, promptly execute such documents and perform such acts as may be necessary to give full effect to the terms of this Agreement.

Section 11.02 Entire Agreement. This Agreement (including the Preamble and Background sections of this Agreement), together with all exhibits and schedules referred to herein and any

other documents incorporated herein by reference, constitutes the sole and entire agreement of the Parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any conflict between the terms and provisions of this Agreement and those of any exhibit or schedule to this Agreement, the terms and provisions of this Agreement shall govern unless otherwise expressly set forth in such exhibit or schedule.

Section 11.03 Relationship of Parties. The relationship between the Parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture, or other form of joint enterprise, employment, or fiduciary relationship between the Parties, and neither Party shall have authority to contract for or otherwise bind the other Party except as otherwise expressly provided herein.

Section 11.04 No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties and their respective heirs, personal representatives, successors and permitted assigns, as applicable, and except with respect to the indemnitees expressly set forth in Section 7.01 or Section 7.02, as applicable, nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit, or remedy of any nature whatsoever, under or by reason of this Agreement.

Section 11.05 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.**Notices.** Except with respect to (a) day to day communications between the Parties and communications relating to the discharge of either Party's duties or obligations under this Agreement (including, without limitation, communications between FFIF and the Landowner Representative) and (b) Attestations (which may be submitted by Landowner via an online form provided by FFIF), all notices, requests, consents, claims, demands, waivers, and other communications between or among the Parties hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by email (with confirmation of receipt) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the 3rd day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to each Party at its address set forth on the signature page of this Agreement (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 11.06).

Section 11.06 Amendments; Waivers. This Agreement may be amended, modified, or supplemented only by an agreement in writing signed by each Party. No waiver by either Party of any of the provisions of this Agreement shall be effective unless explicitly set forth in writing and signed by the Party so waiving. Except as otherwise expressly set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.**Severability.** If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this

Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal, or unenforceable, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 11.08 Publicity. Neither Party shall issue or release any announcement, statement, press release, or other publicity or marketing materials relating to this Agreement, or otherwise use the other Party's names, trademarks, service marks, logos, symbols or brand names, in each case, without the prior written consent of the other Party.

Section 11.09 Exhibits and Schedules. The exhibits and schedules referred to herein shall be construed with, and as an integral part of, this Agreement, to the same extent as if they were set forth verbatim herein.

Section 11.10 Equitable Remedies. Each Party acknowledges and agrees that (a) a breach or threatened breach by such Party of any of its obligations under this Agreement may give rise to irreparable harm to the other Party for which monetary damages would not be an adequate remedy, and (b) if a breach or a threatened breach by such Party of any such obligations occurs, the other Party will, in addition to any and all other rights and remedies that may be available to such Party under this Agreement, at law, at equity, or otherwise in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction, without any requirement to post a bond or other security, or prove actual damages or that monetary damages will not afford an adequate remedy. Each Party agrees that such Party shall not oppose or otherwise challenge the appropriateness of equitable relief or the entry by a court of competent jurisdiction of an order granting equitable relief, in either case, consistent with the terms of this Section 11.11. Notwithstanding foregoing provisions of this Section 11.11, the Parties expressly acknowledge and agree that FFIF's right to receive the Landowner Termination Payment from Landowner or Landowner's estate, as applicable, in accordance with Section 4.03(a) is FFIF's exclusive remedy if this Agreement is terminated pursuant to the conditions set forth in the first sentence of Section 4.03(a).

Section 11.11 Attorneys' Fees. If any action, suit, or other legal or administrative proceeding is instituted or commenced by either Party against the other Party arising out of or related to this Agreement, the prevailing Party shall be entitled to recover its reasonable attorneys' fees and court costs from the non-prevailing Party.

Section 11.12 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the Parties hereto has caused this Agreement to be duly executed on its behalf as of the Effective Date.

FFIF:

Landowner:

FAMILY FOREST IMPACT FOUNDATION:

[IF LANDOWNER IS AN INDIVIDUAL(S)]

Name: [PRINT LEGAL NAME OF INDIVIDUAL(S)]

By: _____
Name: _____
Title: _____

Signature

[IF LANDOWNER IS AN ENTITY]

[INSERT LEGAL NAME OF ENTITY]

Address:

Family Forest Impact Foundation
2000 M Street, NW, Suite 550
Washington, D.C. 20036
Attn: Tess Cameron
Email: info@familyforestimpact.org

By: _____
Name: _____
Title: _____

Address:

[INSERT LANDOWNER'S ADDRESS, INCLUDING EMAIL ADDRESS]

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Note: The legal description of the Property should conform with the legal description for the Property contained in the property deed(s). A copy(ies) of such deed(s) is(are) attached hereto as Exhibit A-1.

The legal description of the Property is set forth below:

Parcel 1: a <XXXX acres> acre parcel located at <address>, in <township>, <county>, and with a Tax Map ID number of <XXXXXXX> as recorded in Deed Book <XXX>, Page <XXX>.

Parcel 2: a <XXXX acres> acre parcel located at <address>, in <township>, <county>, and with a Tax Map ID number of <XXXXXXX> as recorded in Deed Book <XXX>, Page <XXX>.

EXHIBIT A-1

PROPERTY DEED(S)

[attached]

EXHIBIT B

MAP OF PROJECT AREA

[attached]

EXHIBIT C

FOREST MANAGEMENT PRACTICE FEES PAYMENT SCHEDULE

So long as Landowner performs or otherwise complies with the Landowner Responsibilities for each applicable Project Year during the Term (including, without limitation, submission of any Attestations or notices required under Exhibit D attached hereto), FFIF shall pay to Landowner such percentage of the Implementation Fee [and the Technical Assistance Fee], as applicable, for such Project Year and on such payment date as is set forth in the table below:

Project Year	Payment Date	Percentage of Implementation Fee	Percentage of Technical Assistance Fee¹
1	No later than 60 days after Effective Date	20%	100%
2	No later than 45 days after commencement of Project Year 2	3%	0%
3	No later than 45 days after commencement of Project Year 3	3%	0%
4	No later than 45 days after commencement of Project Year 4	3%	0%
5	No later than 45 days after the later of the commencement of Project Year 5 or Landowner's submission of the Attestation for Project Year 5	3%	0%
6	No later than 45 days after commencement of Project Year 6	3%	0%
7	No later than 45 days after commencement of Project Year 7	3%	0%
8	No later than 45 days after commencement of Project Year 8	3%	0%
9	No later than 45 days after commencement of Project Year 9	4%	0%
10	No later than 45 days after the later of the commencement of Project Year 10 or	4%	0%

¹ Column to be removed if Technical Assistance Fee does not apply.

	Landowner's submission of the Attestation for Project Year 10		
11	No later than 45 days after commencement of Project Year 11	4%	0%
12	No later than 45 days after commencement of Project Year 12	4%	0%
13	No later than 45 days after commencement of Project Year 13	4%	0%
14	No later than 45 days after commencement of Project Year 14	4%	0%
15	No later than 45 days after the later of the commencement of Project Year 15 or Landowner's submission of the Attestation for Project Year 15	5%	0%
16	No later than 45 days after commencement of Project Year 16	5%	0%
17	No later than 45 days after commencement of Project Year 17	5%	0%
18	No later than 45 days after commencement of Project Year 18	5%	0%
19	No later than 45 days after commencement of Project Year 19	5%	0%
20	No later than 45 days after the later of the commencement of Project Year 20 or Landowner's submission of the Attestation for Project Year 20	10%	0%

EXHIBIT D

FOREST MANAGEMENT PRACTICE REQUIREMENTS

The Forest Management Practice includes the following terms, conditions, specifications and requirements:

1. If and to the extent Landowner is provided with one or more Plans pursuant to this Agreement, Landowner shall (a) utilize the then-applicable Plan for purposes of implementing activities intending to improve the Property's woodland health and (b) use its reasonable efforts to conduct such activities in accordance with the purposes and the goals of such Plan.
2. Landowner shall have the right to conduct timber harvests, tree cutting and/or dead wood removal on the Property so long as such activity is conducted in accordance with the following terms and conditions (which terms and conditions may be waived by FFIF in writing from time to time during the Term):
 - a. If Landowner has not conducted any prior timber harvests or tree cutting during the Term, any timber harvest or tree cutting shall result in no more than 25% of the Project Area's Basal Area per acre being removed (which Basal Area per acre shall be determined in accordance with the most recent forest inventory for the Project Area).
 - b. If Landowner has conducted one or more timber harvests or tree cuttings during the Term, any additional timber harvest or tree cutting, when aggregated with any and all prior timber harvests and tree cuttings conducted by Landowner during the Term, shall result in no more than 25% of the Project Area's Basal Area per acre being removed (which Basal Area per acre shall be determined as of the Effective Date and as set forth on the Project Planning and Information Form attached hereto as Exhibit E).
 - c. Notwithstanding the requirements set forth in clauses (a) and (b) above: (i) in no event will any timber harvest or tree cutting conducted by Landowner during the Term, whether individually or in the aggregate when combined with any other timber harvests or tree cuttings conducted by Landowner during the Term, result in more than a 10% reduction in the Average Stand Diameter of the Project Area (which Average Stand Diameter shall be determined in accordance with the most recent forest inventory for the Project Area).
 - d. Landowner shall only be permitted to remove dead wood from the Project for personal (non-commercial) use or so long as such dead wood poses a threat to human safety and health, as determined by Landowner in its reasonable discretion.
 - e. Landowner shall have the right to conduct commercial timber harvests on the Project Area so long as:

- i. Landowner provides FFIF with written notice of such planned commercial timber harvest no later than 30 days prior the commencement thereof, which written notice shall set forth (A) the Project Area's Basal Area and Average Stand Diameter in existence as of the date of such notice and (B) the planned timber harvest prescription and harvest acreage as a result of such activity; and
 - ii. In no event will any commercial timber harvest result in any tree removal within 50 feet of any intermittent and perennial streams with defined banks, spring seeps, lakes, ponds, and/or vernal pools within the Project Area; and
 - iii. Such commercial tree harvests otherwise complies with the terms and conditions applicable to timber harvests, tree cutting and dead wood removal set forth in sections 7(a) through (d) above, as applicable.
3. No later than 30 days after Landowner becomes aware of any such occurrence, Landowner shall notify FFIF in writing upon the occurrence of any extensive impact to tree cover or tree health with respect to the Project Area. Upon providing any such notice to FFIF, Landowner shall provide FFIF or its representatives with access to the Project Area in order to verify the extent of any such impact to tree cover or tree health and thereafter shall meet with FFIF and/or its representatives in order to discuss the results of such occurrence with respect to the Project.
4. Landowner shall not place (or allow to be placed) any legal restrictions on the Property that permanently prohibits timber harvesting, tree cutting and/or dead wood removal on the Project Area.
5. For each of Project Year 5, Project Year 10 and Project Year 15, Landowner shall provide FFIF with an Attestation setting forth (i) a reasonably detailed description of any tree harvesting, tree cutting and dead wood removal activities conducted on, and any material changes in tree cover or tree health with respect to, the Project Area during the 5-year period immediately preceding the date of such Attestation and (ii) the Project Area's Basal Area and Average Stand Diameter immediately preceding and immediately following any such activities. Landowner shall provide the applicable Attestation no later than 90 days after the commencement of such Project Year.
6. For Project Year 20, Landowner shall (i) provide FFIF with an Attestation certifying that it has performed and otherwise complies with each of the terms, conditions, specifications and requirements relating to the Project Area and the Forest Management Practice set forth in this Exhibit D, and (ii) upon FFIF's request, meet with FFIF in order to discuss its compliance with such terms, conditions, specifications and requirements and whether any extension of the Term is advisable or otherwise necessary. Landowner shall provide such Attestation no later than 90 days after the commencement of such Project Year, and any such extension shall be evidenced by a written amendment or other document signed by each of Landowner and FFIF.

7. Landowner shall provide any and all notifications or other communications (including, without limitation, any Attestations) required under this Exhibit D to FFIF in accordance with the requirements set forth in Section 11.06 of this Agreement.

EXHIBIT E

PROJECT PLANNING AND INFORMATION FORM

GROWING MATURE FORESTS

Landowner Information

Name(s): John and Nancy Viscichini

Mailing Address: xxxxx

Phone Number: xxxx

Email: xxxx

Total Property Acreage: xxxx

Planner Information

Name(s): xxxx

Mailing Address: xxxx

Phone Number: xxxx

Email: xxxx

Project Information and Current Forest Condition

Project Area Acreage: xxx

Is the Property subject to any legal restrictions that prohibit timber harvesting?

Basal Area: xxx

Average Stand / Quadratic Mean Diameter: xxx

Estimated Sawtimber Volume (Board feet/acre, International 1/4"): xxxx

Number of Inventory Plots: xx

EXHIBIT F

LANDOWNER REPRESENTATIVE

[NOTE: If the landowner is a single person or a married couple, this is likely not necessary, but if the landowner is an entity or includes multiple parties, Landowner shall designate a representative so that FFIF does not have to communicate with multiple parties. If a landowner representative is not needed, this exhibit shall be removed entirely. (Note that you'll also need to delete Sections 1.01(aa) and 2.02(b), as well as the reference to "Landowner Representative" in Section 11.06.)]

Name of Landowner Representative: _____

EXHIBIT G

FORM OF NOTICE OF AGREEMENT

[attached]

FAMILY FOREST CARBON PROGRAM LANDOWNER FAQ



FAMILY FOREST IMPACT
FOUNDATION



This document is intended to provide general guidance as to the proposed transaction and is NOT intended to form a contract (or an offer thereof) in and of itself, or to provide legal advice. You are encouraged to seek legal counsel from an attorney to evaluate and explain fully all of your rights, duties and obligations under and with respect to the proposed Agreement and applicable law. This document shall NOT be deemed to modify or amend any contract between the parties in any way. The specific terms and conditions of the parties' respective contract shall govern (including, without limitation, in the event of any inconsistency between such contract and this document).

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8. Is there an incentive for me if I refer another landowner who enrolls in FFCP?
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Updated March 17, 2021

FFIF, FFCP, and the Voluntary Carbon Market

1. Who is FFIF?

FFIF stands for Family Forest Impact Foundation. It is an affiliate of the American Forest Foundation that makes payments to landowners enrolled in the Family Forest Carbon Program and holds the carbon rights for landowners enrolled in the program.

2. Where does funding for the FFCP come from?

FFCP was developed through generous philanthropic investment from a variety of conservation-minded organizations. Moving forward, it will be fully supported by revenue from the voluntary carbon market, where buyers like Amazon sign agreements to purchase the carbon credits generated from the implementation of the FFCP's forest management practices.

3. What is the voluntary carbon market, and who buys carbon credits?

You've probably seen ads from companies voluntarily pledging to reduce their emissions to net-zero in the coming years. To achieve their ambitious goals, many will need to purchase carbon credits, or pay to remove carbon from the atmosphere that in the short-term cannot be removed from their supply chains. FFCP is your chance to benefit from this market and get paid for the carbon that your forest holds.

All carbon buyers that the FFCP partners with go through a corporate assessment process to review their climate commitments and actions. The FFCP only partners with buyers that have established rigorous carbon reduction goals, prioritize reducing direct emissions first, and look to carbon credits as a last phase tool to neutralize residual emission.

4. Why is the program only in Pennsylvania? Are there plans to expand?

Pennsylvania was chosen as the pilot location for the Family Forest Carbon Program due to its unique forest structure, abundance of family owned land, and capacity of professional foresters that make it a great spot for learning and adapting the Family Forest Carbon Program to best meet the needs of the landowners it engages while sequestering as much additional carbon as possible.

Due to the success of our pilot in Pennsylvania in 2020, we will be expanding to more parts of Pennsylvania, Maryland, and West Virginia in 2021. We'll also be starting out pilots in two new regions outside of the Central Appalachians in 2021--Vermont, Massachusetts, and New York; and Minnesota, Wisconsin, and Michigan.

General Enrollment Questions

5. What will be the impact of my participation in FFCP?

Your participation in FFCP plays a vital role in improving woodland health and environmental quality in Pennsylvania and beyond. You will remove carbon from the atmosphere while enhancing water quality, wildlife habitat and other benefits of healthy forests for everyone in your surrounding area.

Our exact calculations of carbon sequestration occur across the program on a landscape scale, rather than on each individual parcel. However, you can visit the Environmental Protection Agency's [greenhouse gas calculator](#) to get an estimate for how much additional carbon you are storing by your participation. For example, a 100-acre wooded property enrolled in the Growing Mature Forests practice would annually remove about the same CO₂ as is emitted by the consumption of more than 360,000 gallons of gas.

6. What will my relationship with the Family Forest Impact Foundation look like throughout my enrollment?

FFIF partners with you during your enrollment in the Family Forest Carbon Program through sending you payments according to the schedule outlined in your agreement for performing the forest management practice you are enrolled in, offering advice and assistance in connecting with foresters to perform forest management activities on your land, and collecting reports every few years on the status of your woods so that we can quantify the carbon benefits occurring across all landowners enrolled.

You can expect an FFCP-representative to be responsive to your questions throughout your enrollment, and in addition to us sending you your payments, you can expect to hear from us now and then about tips for forest management, reminders of when a reporting requirement is due, and guidance on anything pertaining to the forest management practice you signed up for.

7. Can I enroll in FFCP and an NRCS cost share program?

In most cases, yes. If you have signed up for a program such as EQIP, typically you can still participate in FFCP as long as the FFCP practice does not conflict with the EQIP practice. If you've signed up for FFCP, it may make it harder to get additional money from NRCS for the specific practice that FFCP is incentivizing. If you already have a contract with NRCS or are considering one, let us know and we'll walk through it together.

8. Is there an incentive for me if I refer another landowner who enrolls in FFCP?

Yes! We are creating a way for enrolled landowner to receive an incentive payment for landowners they refer who enroll in the program. If you are an enrolled landowner and would like to learn more, please contact Elizabeth Vranas at evranas@familyforestimpact.org.

9. Can I work with my own forester or change foresters through the contract period?

Yes. You may work with any professional forester that you'd like to perform the work associated with your enrollment in the Family Forest Carbon Program. You may also change foresters at any time, and do not need to notify FFCP of such a change.

10. How and when do I get paid?

You will receive your contract payments in annual (for Growing Mature Forests) or every-5-year installments (for Enhancing the Future Forest), with the first payment coming no more than 60 days after you sign your contract. We can pay you by check or direct deposit – whichever you prefer.

11. Will I receive 1099 forms for the payments I receive?

Yes, FFIF will send you a 1099 form every year that you receive at least \$600 in Family Forest Carbon Program payments.

12. What if the price for carbon credits increases after I enroll? Will I get paid more?

Landowner payments are based on the characteristics of your woods, including your acreage and sawtimber volume. These characteristics help us estimate the carbon benefit that your enrollment in the program will have over the enrollment period. That estimated carbon benefit is then balanced in our program's financial model, which tells us what we can afford to pay you based on the price at which we believe we will be able to sell the carbon credits generated from your property. The projected carbon price in the financial model increases annually based on our assumptions regarding the growth of demand for credits in the international carbon market. So the assumption that the demand for carbon credits will increase is factored in to your payments, and those payments will not change once the agreement is executed.

General Landowner Agreement Questions

13. Is the contract negotiable?

Most contract terms are not negotiable. If you see something that doesn't make sense for your situation as you review the contract, you can always let us know and we will do what we can to work through it together.

14. What happens if I sell my land?

If the property is sold, you can work with the new landowner to take over the FFCP Agreement. For example, if the property is sold when there are 8 years left in the FFCP Agreement, we would work with the initial landowner to execute an Assignment of Agreement, and the new landowner would take on the Agreement in full for those remaining 8 years. If for any reason the new landowner does not take on the Agreement, it will trigger a repayment by the initial landowner who signed the Agreement of the total paid by FFIF to the initial landowner, plus interest, plus 27% of the total paid by FFIF to the initial landowner.

15. Can I add acres to my enrolled project area in a few years?

Yes. The agreement specifics may look different for acres enrolled in future years, as FFCP quantifies the carbon benefit being generated by enrolled landowners on an annual basis. So acres that you enroll in 2020 may have different eligibility requirements and payments available than acres you enroll in 2030. We would be glad to talk to you more if you have additional acres you'd like to enroll down the road, and we will work with you to enroll them in the program.

16. Do I need to own the mineral rights?

No, you do not need to own the mineral, oil or gas rights to sign up. If extraction occurs, we will work with the extraction company to cover any costs of contract noncompliance, should it be required.

17. What happens if a disease, pest, natural disaster or government mandate wipes out my woods?

If a natural disaster or invasive insects destroy the woods that you enrolled in the FFCP, you will not be required to pay back what we have paid you. However, depending on the level of destruction, your agreement may be canceled and you may not be eligible for future payments.

18. Can I exit the FFCP agreement? What happens if I do?

You may exit the FFCP Agreement at any time by providing a 30-day notice to FFIF. After providing notice, you will be required to pay back to FFIF the sum of what we have paid you so far, plus interest on that sum, plus 27% of that sum.

19. Can I remove only some acres from the FFCP agreement? What happens if I do?

Yes, if you need to, you may remove acres from your project area during the contract term. Removal of acres constitutes an intentional reversal on those acres. That triggers a contractual obligation for the landowner to pay back to FFIF the sum of what we have paid you so far for those acres, plus interest on that sum, plus 27% of that sum.

At minimum, 30 acres must be maintained in the project area; otherwise the entire agreement may be terminated and an intentional reversal will be triggered on the entire project area.

Keep in mind, if you remove those acres from the project area, they still need to be managed in accordance with your third-party approved Forest Management Plan.

20. What does FFIF mean when it says I am required to allow monitoring and access on my property?

A small subset of enrolled properties will be randomly selected for permanent monitoring plots to be installed on their properties. This is an essential step in the Family Forest Carbon Program verifying that the carbon credits being generated by your enrollment are actually producing the carbon benefit that we are claiming. If your property is randomly selected for monitoring, a forester will reach out to you to coordinate a day that works for you for them to come to your property and install 10 1-cm-diameter, 2-ft-long metal rebars into the ground. About 3-6 inches of the rebar will remain exposed. The rebars will be installed at various points throughout the FFCP project area that you enrolled in the program, and the forester will collect a tree inventory at each of those 10 installed plots. Once installed, these monitoring plots would be checked by a professional forester at most once per year, and any visits to your property to check the plots would be coordinated with you ahead of time.

21. Can FFIF transfer the rights of my carbon to another entity?

FFIF will aggregate the carbon rights from enrolled landowners across a landscape and register the rights in the form of carbon credits through a voluntary greenhouse gas registry. Through the registry, the carbon credits become available to buyers to purchase, which generates proceeds that are intended to support FFIF's ongoing administration and management of the Family Forest Carbon Program, including making payments to enrolled landowners.

In the course of a company purchasing the carbon credits, the right to the carbon on your property may be transferred to them as part of the purchasing agreement. You will not have to interact with such buyers during your enrollment in the program.

22. Will FFCP require me to open my land to the public?

No, FFCP does not require you to open your land to the public. We do require that you allow access to the property for the purposes described above of monitoring the carbon benefit on your enrolled project area, which will occur on a small, randomly selected subset of enrolled properties. Any such visits would be limited to the relevant professional foresters and would be coordinated with you ahead of time.

23. Does enrolling in the Family Forest Carbon Program put a lien on my property?

- Mortgages and liens are typically put in place to secure a payment obligation to a third party.
- FFCP is not a mortgage or lien. It does not secure a landowner's payment obligation, and FFIF couldn't foreclose on a landowner's property. FFCP is a private agreement, and the filing notice is to let all know there is a carbon contract in place and that the parties to the agreement have certain specified rights and obligations under the contract.
- While FFIF's rights under the agreement do technically encumber the land, those rights would not be characterized as a lien or mortgage because they do not give FFIF the right to foreclose on the property.
- The filing notice is intended to protect FFIF in the case that the property is subject to a transfer. It puts a potential transferee on notice that FFIF maintains certain contractual rights under the agreement. However, subject to various termination provisions in the agreement, these rights would no longer exist upon the expiration or termination of the agreement.
- In the case that the FFCP Agreement is terminated, (for reasons including if the landowner files for bankruptcy, the entity owning the land dissolves, or the land is sold and the new landowner elects not to take on the Agreement), FFIF will seek payment of the termination fee as outlined in the Agreement. However, FFIF does not put a lien on the property nor have the ability to foreclose on the property.

24. What happens at the end of the contract?

At the end of your FFCP agreement, you will receive a new offer to continue in the program, whether in the same practice as you originally signed up, or for a new practice. The payments available at that time may be different than that in your original contract.

Growing Mature Forests Practice

25. Why is the contract term 20 years? Is there a shorter contract available?

The 20-year contract is required in order to demonstrate that the landowners in FFCP are managing their forests in a way that sequesters and stores more carbon, and in turn, produce enough carbon credits for the FFCP to pay at the rates that we are able to offer. Enhancing the Future Forest offers a shorter contract if you are eligible.

26. What am I responsible for; what do I have to do?

1. Always have an up-to-date (no more than 10 years old) forest management plan for your entire property that is subject to approval or oversight by a third party. You have one year from the Agreement date to work with a forester to get this plan written and submitted.
2. Manage under the forest management plan. We suggest that forest management plans should state *management activity options* that could be used to achieve the landowner's objectives. Harvesting is *not* a requirement, and nor are any activities that would require costs out-of-pocket for the landowner.
3. Let us know when major changes occur (with as much notice as possible) and submit forms every five years with information on what's been going on in your woods.
 - a. This includes:
 - i. Advance notice for commercial harvests or selling your land. For a commercial harvest, we'll ask you to work with your forester to collect and report pre- and post-harvest basal area and average stand (quadratic mean) diameter.
 - ii. Notice ASAP when you notice unintended impacts on the woods, like disease, pest, or natural disaster.
 - iii. Every five years, use the form we provide to let us know if you've had non-commercial harvests, cut firewood, etc. If those impact more than 5% of the forest, we'll ask you to work with your forester to collect and report pre- and post-harvest basal area and average stand (quadratic mean) diameter. You will receive reminders with clear expectations well in advance of these deadlines from us or your forester.
4. For any harvests you conduct or allow to be conducted in the project area, be sure to follow restrictions outlined in the contract. This includes cutting no more than 25% of the basal area and no more than 10% of the average stand diameter.

27. What is a forest management plan?

A forest management plan is a document written by a professional forester that includes information about your woods such as what species are present and the health of your trees, your goals for your woods such as increasing wildlife habitat or improving water quality, and recommended activities to implement to achieve your goals.

28. Why is a forest management plan required?

A goal of the Family Forest Carbon Program is to partner with landowners so that they feel empowered to actively steward their woods. The creation of a forest management plan helps landowners be thoughtful and intentional about managing the woods in their care, and it gives them an opportunity to consult with a professional forester about how to achieve their goals.

A forest management plan is also important to the program because it helps us mitigate the risk of something called “leakage” – the idea that a landowner might enroll 100 acres with us, and then do an unhealthy type of harvesting on other forested property they own that over-runs the positive carbon impact their enrolled acres were having. Having a forest management plan on their whole forested property helps set landowners up to steward all their land so that if they were to harvest, it would be done in a thoughtful, forest-health-conscious way. Mitigating the risk of leakage is essential to our carbon credits getting verified and able to be sold, which is what allows us to finance payments to landowners.

29. How much does it cost to get a forest management plan approved?

There is no cost associated with getting approval of a forest management plan. Creating the plan will likely have a cost. You can discuss what the cost of creating the forest management plan might be for you with a forester.

30. How do I create a forest management plan?

A professional forester will work with you to write the forest management plan by learning about your woods and incorporating your goals for your woods into recommendations of activities to implement to accomplish your goals.

31. How long does it take to create a forest management plan?

It can take a few weeks to a few months to create a forest management plan depending on your coordination with your forester.

32. Am I required to follow my management plan perfectly?

While management plans should guide/inform management, we suggest that forest management plans should not be so prescriptive that they are impossible to follow. Rather, they should state management activity options that could be used to achieve the landowner's objectives.

If specific management actions (i.e. silvicultural prescriptions) are in the plan along with timeframes and the landowner does not execute these actions, then this may be risen as a non-conformity. We want to avoid that. The best way to address this is to amend the forest management plan to modify or remove the specific actions - this can be a simple one-page addendum to the plan. These changes should be simply documented and become part of the living plan.

There will undoubtedly be situations that arise that will mean a landowner cannot complete a specific activity that was recommended in their plan. In these cases, it is our aim to be flexible here. It's not our aim to tell a landowner that they *have* to do any sort of management. So if the plan is amended using the method above – either by adding in or removing actions – that will be a good way to move forward. That

being said, of course, if there are things that the landowner definitely doesn't foresee themselves doing, those shouldn't go into the plan to begin with.

33. What if I already have a management plan?

To participate in GMF, you need to have a management plan under 10 years old. So if your existing plan is three years old, for example, you would need to update it within seven years, then update it again 10 years later. In addition, your plan must be approved by or subject to oversight by a third party, such as the American Tree Farm System, CAP-106, Forest Stewardship Program, Sustainable Forestry Initiative, or Forest Stewardship Council.

34. Can I clear out a small area for a cabin?

Yes, as long as:

- The area affected is less than 1 acre; AND
- The harvest does not remove more than 25% of the Project Area basal area; AND
- The harvest does not reduce the Project Area average stand diameter by more than 10% (when combined with any other harvests done during the term)

35. Can I still cut my trees for firewood? Do a select cut? Cut trees for habitat improvement?

Yes, as long as:

- The harvest doesn't convert 1 acre or more from forestland to non-forestland use; AND
- The harvest(s) does not remove more than 25% of the Project Area basal area per acre (when combined with all other harvests done during the term); AND
- The harvest(s) does not reduce the Project Area average stand diameter by more than 10% (when combined with all other harvests done during the term); AND
- You do not commercially sell firewood that exceeds the harvesting restrictions listed above.

You may cut dead wood for firewood for personal use, and that cutting is not subject to the harvesting restrictions.

36. Am I required to cut trees?

No, not at all. If you don't want to cut, or want to cut only minimally, be sure to work with your forester to ~~put~~ reflect this goal in your forest management plan.

37. Does the FFCP take a cut of the profit from timber sales that I may do on my property?

No. You retain full ownership of the timber rights on your property. If you work with your forester to coordinate a timber sale, it is customary for that forester to charge a commission. The sale and commission would all be independent of FFCP.

38. Are there any restrictions or requirements on forested acres that I own that are not enrolled in GMF?

The only requirement for non-enrolled forested acres is that they are managed under the approved forest management plan for your property. This requirement can be fulfilled during the first year of your enrollment; for example, if you don't have a forest management plan currently, you can get one within the first year of your enrollment.

Enhancing the Future Forest Practice

39. How long is the contract?

The EFF contract is 10 years, during which you will have responsibilities. After those 10 years, FFIF will retain the rights to access the property and conduct monitoring/measurements for an additional 20 years. The purpose of the additional 20 years is that it's a requirement for us to get the carbon benefit produced by the EFF practice during the first 10 years of the contract verified by a carbon crediting body. Without the ability to monitor the property, FFIF cannot create verified carbon credits from the practice, and without that, we can't finance the program or the payments to the landowner.

40. What am I responsible for; what do I have to do?

1. Remove 85% of the competing vegetation within two years of agreement signature.
2. Maintain that 85% or more control throughout the 10-year agreement.
3. If you have not conducted a regeneration harvest in the past ten years, you need to have a plan to conduct one within ten years in order to enroll, prior to enrollment. You are required to conduct this harvest as planned.
4. Every five years, let us know, through a form provided by FFIF, whether you have been conducting the practice as outlined in the contract. You will receive a reminder with clear expectations well in advance of these deadlines from us or your forester. Also provide advance notice of a proposed land sale or transfer.

41. Is a forest management plan required for the Enhancing the Future Forests Practice?

No, it is not required for this practice because the carbon benefit of Enhancing the Future Forests is associated with forest regeneration, not with preventing the removal of trees. Therefore, there is reduced risk of something called "leakage"—the idea that someone might enroll some acres in a carbon project, but then harvest other acres they own in an unhealthy way to make up for it. Because the Enhancing the Future Forests practice is about the enhancing growth of new forest rather than preventing unhealthy harvesting practices, the risk of leakage does not need to be mitigated in the same way as is required for the Growing Mature Forests practice. Without the need to mitigate the risk of leakage, we don't need to require landowners to get a forest management plan, though we do encourage it as a great practice for landowners who want to be mindful stewards of their woods.

42. Are there any restrictions or requirements on forested acres that I own that are not enrolled in EFF?

No.

*This document is intended to provide general guidance as to the proposed transaction and is NOT intended to form a contract (or an offer thereof) in and of itself, or to provide legal advice. **You are encouraged to seek legal counsel from an attorney to evaluate and explain fully all of your rights, duties and obligations under and with respect to the proposed Agreement and applicable law.** This document shall NOT be deemed to modify or amend any contract between the parties in any way. The specific terms and conditions of the parties' respective contract shall govern (including, without limitation, in the event of any inconsistency between such contract and this document).*