



SERVICE AGREEMENT NNRG Forestry Program & Forest Stewardship Council® Certification

Preamble

NNRG

Northwest Natural Resource Group (NNRG) is a non-profit organization committed to the mission to strengthen the ecological and economic vitality of Northwest forests and communities by connecting people with the knowledge, skills, and markets they need to steward their land. NNRG's Forestry Program (the Program) is organized around the goal of providing landowners that are committed to sustainable forest management with cost-effective access to Forest Stewardship Council® (FSC®) certification and a number of complementary services including:

- FSC and ecosystem market access and development
- Discounted educational workshops
- Information services and referrals to financial, educational, and other opportunities

NNRG's main office is located at: 2701 1st Avenue, Suite 240
Seattle, WA 98121

Information on NNRG and the Forestry Program is available at www.nnrg.org.

Member

The individual listed in Section 11 (the NNRG Member, or the Member) has ownership and/or management rights over the forest parcels listed on the membership application as provided by the applicant to NNRG. The Member intends to have the property certified as a well-managed forest under FSC Standards and Policies, and to comply with NNRG and FSC policies for the term of this agreement. By entering into this agreement, the Member becomes part of an FSC-certified group for which NNRG is the group entity.

Land Parcels

This agreement pertains to all parcels listed in NNRG's membership database, which are reviewable by the Member on request. Any parcel additions or deletions must be made by request in writing to an NNRG staff member.

Terms of the Agreement

This agreement establishes the responsibilities of NNRG and the Member participating in the program.

1. Duration

The period of this contract is indefinite from the day of signing by the latter party.

2. Responsibilities

2.1 The NNRG Director of Forestry is responsible for overseeing compliance with the FSC Principles and Criteria, and the U.S. National Standard and FSC Policies at the Group and Member levels. The Director determines which properties are eligible for membership in the program.

2.2 The NNRG Director of Forestry and Member share responsibility for compliance with FSC guidelines and internal NNRG policies which are clearly stated in the Membership Manual. NNRG reserves the right to modify its membership policies after 30 days prior written notice to all members.

3. NNRG agrees to:

- 3.1 Provide the documents necessary for the Member to understand the requirements of certification, such as the Membership Manual, Inventory & Monitoring Guidelines, or management plan templates;
- 3.2 Complete a gap analysis process, including review and approval of the management plan, prior to Member certification;
- 3.3 Ensure adherence to FSC standards and group entity requirements on an annual basis, either through field or remote audits of Member properties;
- 3.4 Notify Members in writing when their management does not comply with FSC requirements and provide assistance in attaining compliance;
- 3.5 Maintain a record of Member properties;
- 3.6 Collect information from Members annually. This reporting is necessary to comply with FSC certification and will be retained in confidentiality. Group level summary information will be made available as required by FSC;
- 3.7 Regularly communicate with Members about changes within FSC or internal policies, as well as communicate the goals and accomplishments of the group, training opportunities, and to disseminate Member feedback;
- 3.8 Represent the entire group in annual audits, and to communicate the results of these audits. This will include explaining group- or member-level Corrective Action Requests (CARs) and the measures needed to comply with CARs;
- 3.9 Represent Members' concerns and comments regarding FSC and certifier actions and policy;
- 3.10 Provide technical assistance in identifying priorities for conservation and restoration on Member properties;

- 3.11 Provide technical assistance, including staff support, guidance documents, and a preferred service provider list, to ensure efficient, accurate, and consistent forest inventory and monitoring;
- 3.12 Review the work and qualifications of service providers;
- 3.13 Further develop the market for FSC forest products by making market connections between buyers and sellers, coordinating marketing, and facilitating a regional supply chain;
- 3.14 Provide membership benefits that include:
 - a. Discounts on NNRG trainings
 - b. Field tours of Member and other FSC certified properties
 - c. Access to NNRG staff
 - d. Periodic newsletters
 - e. Referrals to Preferred Providers and appropriate government agencies
 - f. Development of ecosystem service markets such as forest carbon offsets

4. The Member agrees, prior to certification, to:

- 4.1 Abide by all NNRG policies and operational guidelines defined in the NNRG Membership Manual;
- 4.2 Maintain an NNRG approved forest management plan and make a long-term commitment to FSC standards;
- 4.3 Provide adequate documentation to show ownership or management rights of land parcels in the certified pool is legally secure;
- 4.4 Properly identify property boundaries on the ground prior to harvest and to verify that contractors or employees know where boundaries are located;
- 4.5 Verify and provide documentation showing that timber harvesting or other operations are legally permitted;
- 4.6 Grant access to lands in the certified pool to NNRG, the certifier staff (Soil Association) and designated contractors, following a minimum two days prior notice, to review compliance with certification standards;
- 4.7 Comply with all conditions, corrective actions, suspension or termination procedures relevant to meeting the certification standards;
- 4.8 Timely respond to the Annual Renewal check-in, which includes any commercial or non-commercial tree/ timber harvesting activity, including acreage treated and volume removed.
- 4.9 The Member will notify NNRG within 30 days of:
 - a. Material changes to their management plan. Any proposed changes must be reviewed for certification compliance and approved by NNRG;
 - b. Any change in management objectives or ownership;

c. Activity that could be incompatible with the Forestry Program, the principles and criteria of FSC certification, or the approved forest management plan. This may include acts by the member or acts of others, such as timber theft.

Both parties agree to the following terms:

5. Fees for Service

5.1 Member will pay annual NNRG Forestry Program membership fees within 30 days of invoice date or through an NNRG approved payment plan. A reduced renewal fee is available to landowners who have not conducted significant management in the previous year as determined by NNRG.

Otherwise the standard annual renewal fee applies to all members who have conducted significant management activities, such as harvesting more than 5 mbf, in the previous year. Partial estate certification is possible under certain conditions, though landowners with more than 200 total forest acres may not apply for the Family or Small member level and will receive negotiated custom fees.

Fees as of 8/1/2011 are:

| Member Level | Year 1 | Reduced Annual Renewal | Standard Annual Renewal |
|-----------------------|---------------|-------------------------------|--------------------------------|
| Family (1-100 acres) | \$350 | \$75 | \$250 |
| Small (101-200 acres) | \$450 | \$150 | \$350 |
| Large (200 acres +) | Negotiated | Negotiated | Negotiated |

5.2 Member will pay for any contracted services related to forest management activities, such as provided by foresters, loggers, tree planters or others.

6. Modification

This agreement may be modified upon the mutual agreement of the parties, or their agents or assigns, in a signed writing.

7. Assignment

The rights and duties of this agreement may not be assigned to third parties, including purchasers for value of the member property, without the prior written consent of the parties or their legal representatives.

8. Conditions

If an aspect of management is largely in compliance with FSC standards and satisfactory at the Criterion level, but needs improvement to achieve indicator level compliance, NNRG can provide conditional FSC certification. NNRG will issue written pre-conditions, conditions, or non-binding recommendations to an applicant following an onsite visit and review of the management plan.

Conditions and recommendations are provided to the Member in their certification client report along with guidance on how to make the correction.

NNRG will follow up prior to the deadline to verify that corrective action has been taken. Compliance with recommendations is not required. Compliance with specific conditions will be required within a specified timeframe, most often prior to harvesting or one year, as deemed appropriate by NNRG in consultation with the landowner.

Non-compliance with a condition will result in a second repeat condition with a firm time frame for compliance, typically 30 - 90 days. Non-compliance with a repeat condition is grounds for immediate expulsion from the certified group.

9. Termination

Failure by NNRG or the member to abide by the provisions of this agreement shall, upon written notification by either party, be grounds for termination of the agreement. Both parties also reserve the right to terminate the agreement with 30 days written notice for any reason.

10. Dispute resolution

The parties reserve the right to request third-party mediation to resolve disputes arising out of this agreement. Either party may make a written request to the other to enter into mediation. The parties will select one independent, impartial mediator.

11. Signatures

By signing, we agree to the terms set forth in this agreement.

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|---------------------|---|
| Landowner(s) | Director, Northwest Natural Resource Group |
| Printed Name(s) | Printed Name |
| Signature(s) | Signature |
| Date | Date |