

Sierra Nevada Carbon Cooperative

Removing Barriers & Building Benefits

Thank you for expressing interest in exploring the option of developing a carbon project on your Sierra Nevada forest property. The Sierra Nevada Carbon Cooperative is designed to help landowners and land managers measure, certify, market, and sell Sierra Nevada carbon offsets from forestland conservation and management in the Sierra Nevada. Sierra Business Council will do this by playing the role of project consultant, manager, and/or developer, in accordance with the Climate Action Reserve's (CAR's) forest protocols. SBC is currently seeking qualified projects on forested lands of the Sierra Nevada, which have been managed for conservation, avoided conversion to development or agriculture, or need to be reforested.

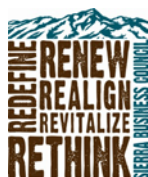
Sierra Business Council (SBC) is a non-profit 501(c)3 member-based organization of over 700 individuals and businesses who are committed to our mission of pioneering innovative projects and approaches that foster community vitality, environmental quality, economic prosperity and social fairness in the Sierra Nevada. The Sierra Nevada Carbon Cooperative (SNCC) fulfills this mission by demonstrating a proactive and holistic approach to sustainable conservation and economic development by capturing the monetary value of forests for the climate benefits they provide, while simultaneously enhancing the ability of the Sierra Nevada to adapt to climate change, provide quality jobs, conserve and restore natural ecosystems, create economic value, and mitigate greenhouse gas emissions. By doing so, SBC is helping the ecological matrix of this unique region repair and adapt to the effects of climate change.

The SNCC is a program developed to assist Sierra Nevada landowners in registering their lands for emerging carbon markets. The SNCC program reduces the risks and costs of participating in emerging carbon markets for individual landowners by providing high-quality flexible services and/or aggregating several properties to achieve a necessary economy of scale.

In 2009, SBC will select several projects that qualify under rigorous standards established by the CAR and share characteristics required for aggregation. Acting as the project developer, SBC will work with forestry professionals to conduct the required inventory, registration, and verification services for all participating properties under a single contract. Upon completion of a successful project, participating landowners will use funds to conserve, restore, and maintain their forest property. SBC will use revenue from credits and/or compensation to reinvest in the program, and continue providing upfront funding for new projects. Investment of public and private funds in the SNCC will simultaneously create and build upon an emerging market dedicated to evaluating ecosystem services while providing important co-benefits, such as improved water quality, climate change adaptation and mitigation, and conservation of open space.

Following this letter is a more thorough description of SBC's carbon services, and lays out the process of completing a project under CAR protocols. If you are interested in exploring the options of developing a carbon offset project on your property, please fill out the following questionnaire. Please feel free to contact us directly if you have any questions or comments.

Thank you again, we look forward to working with you.



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Sierra Business Council – Sierra Nevada Carbon Cooperative Our Services

Sierra Business Council offers a wide-range of expertise in emerging forest carbon markets. We have been involved in the registering of carbon projects since 2007 and are currently working with several landowners on carbon projects within the Sierra Nevada. Our team members have attended and participated in over 90% of Climate Action Reserve's public workgroup meetings in which a variety of stakeholders meet monthly and have designed a final draft of the updated version of the forest project protocol, to be adopted in the summer of 2009.

SBC is qualified to play a variety of roles, depending on your unique project and overall mission. We tailor our services to your project and your individual needs. Possible roles include:

- **Project Developer:** SBC will work with you from start to finish of a carbon project, overseeing the entire project, managing costs, and providing up-front financing.
- **Project Management:** SBC will assess the feasibility of a project, consult on financing, hire contractors, and oversee project management.
- **Project Consultation:** SBC can also provide solely the initial analysis necessary to determine project feasibility.

In any case, terms, roles, responsibility, and compensation will be negotiated and presented in a contract signed by both parties.

SBC has the in-house capacity to perform any and all of the following services, tailored to your specific needs.

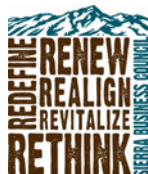
Strategy Consultation:

If you are anticipating a carbon management project, SBC can assist you by providing expert evaluations of greenhouse gas market positions and strategies. Our goal is to maximize the multiple benefits of projects while also maximizing revenue. SBC can help you determine whether or not a carbon program is appropriate to meet your management objectives. In addition to organizational consultation, SBC would be available to strategically:

- Provide training and presentations to Boards of Directors and other interested parties
- Work on conservation easement language to ensure compliance with protocols

Project Finance Consultation:

SBC can provide research and analysis to advise you on the appropriate entry point and evaluate differing greenhouse gas emission reduction strategies. This approach can help you increase value, reduce risks, and assess the appropriate process and certification protocols to meet your needs. SBC can also provide access to a network of potential funding sources for project



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development. We specialize in an individualized approach that assists landowners in attaining efficiencies necessary to maximize the value of their carbon reducing activities. Activities related to assessing the value of your forest property on the carbon market include:

- Determine project type and eligibility of forest lands
- Assess financial feasibility of starting and completing the project, taking into account current and future market values, project sizes, and other pertinent tasks
- Leverage funding from other SBC resources and grants to help with project start-up costs
- Aggregation of regional projects to reduce risk and costs to individual landowners

New Methodologies:

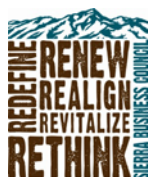
SBC specializes in carbon reduction strategies that pioneer new methodologies or project types designed to “layer” or aggregate ecosystem service valuation on individual properties. Projects developed and managed by SBC will provide landowners with:

- Value added offsets that provide multiple co-benefits, increasing value on the market and to the buyers
- Funds to initiate and maintain a healthy forest management regime, in perpetuity
- Locally sourced offsets which provide a visible benefit to the Sierra Nevada region, environmentally, socially, and financially

Project Development:

SBC has national and international contacts and sources for funding, coupled with in-house expertise on project management. SBC specializes in assisting with project development using local professional contractors for forest carbon inventories and management planning. We can assist with calculations of risk and reward, help develop your financial pro forma, and potentially provide limited capital for your project. Project development services also include:

- Development of a project that meets protocol requirements and recommendations: project type and description, baseline, additionality, permanence and buffers, leakage assessment and avoidance, third-party verification
- Assistance with coordination and oversight of required inventory of all required carbon pools
- Assistance with coordination and oversight of certification process necessary to meet requirements of third-party verification, ensuring that the credits are real, additional, accurate and permanent
- Registration of certified offsets
- Assistance with annual monitoring and recertification
- Assistance with the development of a forest management and monitoring plan



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Marketing & Brokerage:

SBC can use our unique knowledge of carbon markets and network of professionals to assist buyers and sellers of carbon credits. We analyze needs and risks, assess strategies for sale, and connect buyers and sellers to unique projects, which can leverage benefits to meet the needs of customers and the region. Using these resources, SBC can help you to:

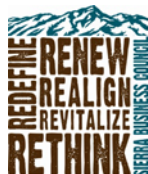
- Locally market and broker the credits as “value-added offsets” to attain the best prices and terms for Sierra Nevada landowners
- Work with each landowner to define a specific strategy for selling offsets in a manner that provides the greatest benefit to both the buyer and the seller.
- Match seller with buyers interested in purchasing and retiring tons, rather than wholesalers looking to find the lowest price and resell purchased tons on the market.

Contact Information:

Christina Prestella – SNCC Program Assistant

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Removing Barriers & Building Benefits

Forest Carbon Offset Project Eligibility

This form will be used by Sierra Business Council to determine if your project is eligible for consideration as a carbon offset project under the Climate Action Reserve Forest Project Protocols. Any information you provide will be used solely to evaluate your property's eligibility and provide us with a better understanding of your project site.

Please attach a property map, records of previous management activities, and any other documentation that you feel may provide SBC with a complete understanding of the current conditions at the site.

Ownership Summary

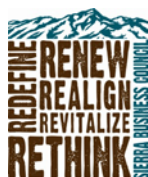
Who is the owner of the project's commercial/non-commercial trees? If more than one, indicate proportionate share of ownership.

Who is the owner of fee title underlying the project's trees?

Project Description

Please provide a summary of the property including the following information: Location, Assessor's Parcel Number (if available), date acquired, total acres, forested acres, and primary tree species.

Are there conservation easements or other liens on the property? Please describe.



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How long does the owner plan on holding the property?

Did the acquisition of the property limit the development rights? (Commercially, agriculturally, etc.) Does the landowner own any other properties on which they transferred this activity?

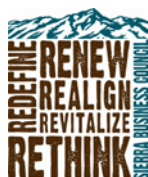
Forest Management:

Does the property have a written management plan? When was it prepared? Has it been certified as sustainable under a recognized program? Is the certification up to date?

Has there been any harvest activity on the property since you acquired it? If so, what products are produced?

What are the management objectives for the property?

If a management plan has not been prepared, would the landowner be interested in having one prepared, as part of the development of the forest carbon project?



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Forest Inventory:

Has an inventory been done in the last 12 years? If so, when was it completed? What was the methodology used? Who completed the inventory? Were growth models used? What were the statistical results? Please provide as much information as possible, and attach any documentation that might be helpful.

Property Map:

Please attach a location map of the property.

SBC can customize a financial arrangement based on your needs. SBC would be compensated based on a time and materials contract and/or commission for sale of offsets. SBC may be able to offer your group upfront funding for start-up costs. If you are interested in learning more about the different funding options available, contact SBC today.

SBC understands that no forest property or landowner is the same, and will treat each project with a unique and customized process. SBC is happy to work with your business, organization, family, or agency to determine the best role to play, and the best approach to take in order to minimize costs, maximize revenue, and reduce risk. As unique circumstances arise, SBC will work with your group to provide proposals, estimates, and solutions that fit your needs.

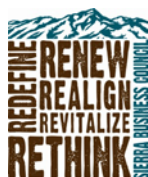
Please send this questionnaire by email, fax, or mail to:

Email: cprestella@sbcouncil.org

Fax: 530.582.1230

Mail:

Sierra Business Council
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Truckee, CA 96160



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