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MEMORANDUM

To: Climate Action Reserve
From: Jeremy Weinstein
Re: Comments on Forest Project Implementation Agreement
Date: June 11, 2009

Thank you for the opportunity to comment on the Forest Project Implementation
Agreement. Here are my comments:

- Section 5 should provide for CAR assignment rights, for example to a successor entity
  that takes over CAR functions.

- Consider a general rule of construction to the effect of "References to any natural person,
  governmental authority, publication, website, regulatory proceeding, corporation,
  partnership or other legal entity include its successors and lawful assigns."

- Section 6(a)(4) seems to be missing language:
    o It is unclear that the Forest owner is in fact obligated to pay damages under
      Section 7 of the Forest Project Protocol.
    o Although Section 3 requires compliance with the FPP, the FPP are not
      incorporated by reference.
    o The meaning of the measure of damages now in the agreement is unclear.
    o As this is a 100 year agreement, referencing an external document, especially by
      specific section reference, is suboptimal; the FPP may, for example, be
      renumbered or superseded by a different protocol.
    o It is unclear how the stated damages meet the provisions of the referenced statute,
      and what happens if that statute is amended in the next 100 years.
    o Rather, there should be specific language providing for damages, and stating what
      those damages are and how they are calculated.

- Section 14 should provide that the Memorandum is to be executed and notarized and
  delivered to CAR along with the PIA, and that CAR can record the Memorandum, if the
  FO doesn't record it, any time after the 10 days.

- Section 8(ii) should insert "in the trees and standing timber located on", to use the
  Uniform Commercial Code term of art (UCC 9-102(44)(ii)).

- In the current draft of the FPP itself, Section 3.3 has the PIA with the landowner, Section
  7.2.2 has the PIA with the "Project Developer". This should be reconciled.