

Maine Forestry Direct Link Loan Program

AGREEMENT

Between

The Maine Forest Service Forest Policy and Management Division

And

Name:
Address:
Phone:
e-mail:

Purpose

This agreement establishes the terms, conditions and responsibilities of Maine Forest Service (MFS) and the Qualifying Entity for the issuance by MFS to the Qualifying Entity of a Certificate of Qualification for participation in the Maine Forestry Linked Deposit Loan Program. The program is administered by MFS, Maine Department of Environmental Protection and the Maine Municipal Bond Bank with the purpose of providing Clean Water State Revolving Loan Fund financing for equipment that will implement nonpoint source pollution reduction.

Terms, Conditions and Responsibilities

Qualifying Entity

The Qualifying Entity agrees to the following terms and conditions for the term of the linked deposit loan. The Qualifying Entity shall:

1. At the time of execution of this agreement be participating in either a second or third party auditing system as recognized by MFS;
2. Not currently be under investigation or have any unresolved violations of either Maine's forestry or water quality protection laws;
3. Maintain on file for the period of the loan, and provide on request by MFS, a Harvest Operations Plan (HOP) including HOP standards specified for the DLL program.
4. On request of MFS, describe the current working location of the equipment purchased through the program to allow inspection of the site by an inspection team. The Qualifying Entity shall obtain landowner permission for inspection team site access;
5. Should operational or structural deficiencies be found, implement the recommendations of the inspection team in order to adhere to Forestry Best Management Practices; and
6. Equipment purchased through the program must remain in the state of Maine.

MFS

To fulfill its responsibilities under the program, the MFS will:

1. Verify the status of the Qualifying Entity as a second or third party auditing system participant prior to the issuance of a Certificate of Qualification;

2. Issue a Certificate of Qualification that specifies those items of equipment for which the Qualifying Entity is eligible to purchase through the program;
3. Form an inspection team to review the use of equipment purchased through the program for effectiveness and any operational or structural deficiencies that have or may lead to nonpoint source pollution;
4. Provide, in the judgment of the inspection team, reasonable, binding recommended actions to be taken by the Qualifying Entity to correct identified operational or structural deficiencies that have led to or may lead to nonpoint source pollution; and
5. Should the Qualifying Entity not adhere to recommended Forestry Best Management Practices, issue in writing a notification of finding of non-adherence to the Qualifying Entity.

Breach of Agreement

The Qualifying Entity shall be in breach of this agreement if:

1. it is subjected to enforcement action by any federal, state or local regulatory body for violations of the state’s forest practices or water quality protection laws related to forest management activity;
2. it fails to maintain participation in a second or third party auditing system;
3. it receives three notifications from MFS finding non-adherence to Forestry Best Management Practices; or,
4. it removes the purchased equipment from the state of Maine.

Should the Qualifying Entity breach the terms of this agreement, the MFS will notify the Maine Forestry Linked Deposit Loan lender and the Maine Municipal Bond Bank of the non-adherence, thus converting the discounted interest rate to standard interest.

Term of Agreement

The term of this agreement shall commence upon the date of signature of all parties and coincide with the term of any loan acquired as a result of the issuance of a Certificate of Qualification resulting from this agreement.

Patty Cormier, Director
Maine Forest Service

Participant

Date

Date