

**Planning Agreement**

**between**

**The Mendocino Redwood Company and  
The California Department of Fish and Game**

**regarding the**

**Mendocino Redwood Company  
Natural Community Conservation Plan**

**June 23, 2003**

# Mendocino Redwood Company Natural Community Conservation Plan

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## **Mendocino Redwood Company Natural Community Conservation Plan**

The Mendocino Redwood Company (“**MRC**”) and the California Department of Fish and Game (“**DFG**”) enter into this agreement regarding the Mendocino Redwood Company Natural Community Conservation Plan and Habitat Conservation Plan (“**Agreement**”) as of the Effective Date. MRC and DFG may be referred to collectively as “**Parties**” and each individually as a “**Party**.”

### **Planning Agreement**

#### **1. Background**

**1.1. Mendocino Redwood Company Timber Operations** MRC was formed in 1998 and owns over 232,000 acres of land in Mendocino County and Sonoma County. MRC is currently conducting its timber harvest operations under an Option A Maximum Sustained Productivity Demonstration (the “**Option A Report**”), approved by the California Department of Forestry and Fire Protection, which provides for a sustainable level of timber production, taking into account biologic factors, economic factors and other forest values, such as recreation, watershed, wildlife, range and forage, fisheries, regional economic vitality, employment and aesthetic enjoyment. In addition, MRC’s timber harvest operations have been certified as meeting the principles and conditions of Forest Stewardship Council certification by two independent accredited certifiers: Scientific Certification Systems and SmartWood. MRC wishes to conduct profitable timber harvest operations while protecting and rebuilding the important ecological attributes of its lands.

**1.2. California Department of Fish and Game** DFG is the agency of the State of California authorized and empowered to act as trustee for wildlife of the State on behalf of its residents. DFG is authorized to develop natural community conservation plans pursuant to the Natural Community Conservation Planning Act, to enforce the terms of the California Endangered Species Act, and to enter into agreements with federal and local governments and other entities for the conservation of species and habitats pursuant to those laws.

**1.3. Natural Community Conservation Planning Act** The Natural Community Conservation Planning Act (“**NCCPA**”) was enacted to encourage broad-based planning to provide for effective protection and conservation of the state’s wildlife heritage while continuing to allow appropriate development and growth. The purpose of natural community conservation planning is to sustain and restore those species and their habitat identified by DFG that are necessary to maintain the continued viability of biological communities impacted by human changes to the landscape. A natural community conservation plan is a plan that identifies and provides for those measures necessary to

conserve and manage natural biological diversity within the plan area while allowing compatible and appropriate economic development, growth and other human uses. Among other things, a natural community conservation plan provides for the protection of habitat, natural communities, and species diversity on a landscape or ecosystem level through the creation and long-term management of habitat reserves or other measures that provide equivalent conservation of covered species appropriate for land, aquatic, and marine habitats within the plan area. The NCCPA also provides that after the approval of a natural community conservation plan, DFG may permit the taking of any identified species (both listed and not listed) whose conservation and management is provided for in the plan.

**1.4. Compliance with the Natural Community Conservation Planning Act and the Federal Endangered Species Act** MRC's lands contain valuable biological resources, including native species of wildlife and their habitat. Among the species on MRC's lands are certain species that are protected, or may need to be protected in the future, under the California Endangered Species Act ("CESA"), the federal Endangered Species Act ("FESA"), or both CESA and FESA. MRC intends to develop a conservation plan that satisfies the requirements for a natural community conservation plan under the NCCPA, as amended in 2002, and a habitat conservation plan under Section 10 of ESA, 16 U.S.C. § 1539 (the "NCCP/HCP" or "Plan"). MRC intends for the Plan to serve as the basis for incidental take permits pursuant to section 2835 of the NCCPA and section 10(a) of FESA that would identify Covered Species whose conservation and management are provided for in the NCCP/HCP and Covered Activities, for which the incidental take of Covered Species would be permitted under the terms and conditions identified in the NCCP/HCP. To serve as the basis for an incidental take permit under the NCCPA, the Plan must be approved by DFG based on its finding that the Plan meets NCCPA requirements. Because there is no local agency with land use permitting authority over the activities proposed to be addressed in the Plan, this Agreement is solely between CDFG and MRC.

**2. Purposes of the Planning Agreement** The purposes of this Agreement are to:

- define the Parties' goals and obligations with regard to the development of an NCCP/HCP for MRC's lands;
- define the geographic scope of the conservation planning area;
- identify a preliminary list of natural communities, and the endangered, threatened, candidate, or other species known, or reasonably expected to be found, in those communities, that are intended to be the initial focus of the Plan's development, and for which incidental take authority will be sought;
- identify preliminary conservation objectives for the planning area;

- establish a process for the inclusion of independent scientific input to assist DFG and MRC;
- encourage concurrent planning for wetlands and waters of the United States;
- establish an interim process during plan development wherein DFG can review projects and recommend mitigation measures or project alternatives that would help achieve the preliminary conservation objectives;
- establish a process for public participation; and
- ensure coordination with federal wildlife agencies for the purposes described in this section.

**3. Definitions** Terms used in this Agreement that are defined in Fish and Game Code Section 2805 will have the meanings set forth therein. The following terms as used in this Agreement will have the meanings set forth below.

**3.1.** Adjustment Area means lands that MRC does not currently own, but which are similar in character to MRC's lands and are included in the analysis in the NCCP/HCP to anticipate MRC's potential acquisition, timber harvest rights or other interest in those lands after the NCCP/HCP is approved.

**3.2.** Analysis Area means the Adjustment Area and the Planning Area, as depicted in Exhibit A.

**3.3.** CEQA means the California Environmental Quality Act, Public Resources Code, Section 21000, *et seq.*

**3.4.** CESA means the California Endangered Species Act, California Fish and Game Code, Section 2080, *et. seq.*

**3.5.** Covered Activities means the activities that will be addressed in the NCCP/HCP and for which MRC will seek an NCCPA take permit pursuant to Fish and Game Code Section 2835 and an incidental take permit pursuant to Section 10 of FESA. The NCCP/HCP will authorize incidental take resulting from Covered Activities only.

**3.6.** Covered Species means species, listed and non-listed, whose conservation and management are provided for under an approved NCCP/HCP. The protection and enhancement of Covered Species and their habitat is one of the primary goals of the NCCP/HCP. Because the NCCP/HCP will provide for the conservation and management of Covered Species, the NCCPA allows DFG to authorize limited incidental take of Covered Species under terms and conditions identified in the NCCP/HCP.

**3.7.** DFG means the California Department of Fish and Game.

**3.8.** FESA means the federal Endangered Species Act, title 16, U.S.C.A., Section 1530, *et seq.*

**3.9.** Habitat Conservation Plan or HCP means a plan prepared pursuant to Section 10 of FESA.

**3.10.** Implementing Agreement or IA means a document that finalizes the agreement between parties to implement the NCCP/HCP and associated take permits, and provides additional guidance on practical application of the permit.

**3.11.** NCCPA or Natural Community Conservation Planning Act means California Fish and Game Code Section 2801, *et seq.*, as amended in 2002.

**3.12.** NCCP/HCP means the joint natural community conservation plan and habitat conservation plan.

**3.13.** NEPA means the National Environmental Policy Act, title 14, USC, section 4321, *et seq.*

**3.14.** Planning Area means the lands subject to MRC's ownership, timber harvest rights or other interest that MRC proposes to cover in the NCCP/HCP and the incidental take permits issued under the NCCPA and FESA, as depicted in Exhibit A.

**3.15.** Reserve means a specified area within the Planning Area that receives special protections under the NCCP/HCP, such as long-term limitations on timber harvest.

**4. Planning Scope, Goals and Objectives** By agreeing to assume responsibility for development of the NCCP/HCP, and committing staff and financial resources for that purpose, MRC intends for the NCCP/HCP to yield numerous benefits, including natural resource conservation and greater regulatory efficiency, streamlining and certainty, as further described herein.

**4.1. Planning Area and Scope of Analysis** The Analysis Area is the geographic area in which MRC plans to focus its analysis in the NCCP/HCP and includes a Planning Area and an Adjustment Area. At present the Planning Area includes approximately 232,000 acres of MRC's lands in Mendocino County and Sonoma County, as depicted in **Exhibit A.** The Planning Area will be the principal focus of the analysis in the NCCP/HCP. Within the Adjustment Area, MRC may acquire an interest in lands that are similar in character to those in the Planning Area and to which MRC may wish to extend coverage of the NCCP/HCP and take authorization. Lands within the Adjustment Area may be included by amendment to the NCCP/HCP and take authorization through a process, and under terms and conditions, described in the Implementing Agreement for the NCCP/HCP, with the approval of CDFG. MRC's intent in including the Adjustment Area in the NCCP/HCP is to enable MRC to add lands within the Adjustment Area to the NCCP/HCP through a minor amendment process. The NCCP/HCP will not require any

actions to be taken on lands in the Adjustment Area; nor will the Adjustment Area or activities in the Adjustment Area be covered in any take authorizations initially issued by CDFG. The Adjustment Area is therefore not part of the Planning Area itself. However, the NCCP/HCP will include an analysis of the addition or deletion of lands to the Planning Area in the context of the conservation and management measures applicable to the Planning Area for the Covered Species and communities.

**4.2. Covered Activities** Covered Activities are those activities to be discussed in the NCCP/HCP that may result in the take of Covered Species and for which MRC will seek incidental take permits under section 2835 of the NCCPA and section 10(a) of FESA. MRC seeks take authorization for proposed Covered Activities related to silviculture and stand improvement, commercial timber operations, roads and landings, timber regeneration, habitat improvement, adaptive management, monitoring, and harvest of various minor forest products, as described below. The proposed Covered Activities may be revised in the draft NCCP/HCP. The take authorization issued after approval of the NCCP/HCP will authorize take resulting from Covered Activities only.

**4.2.1. Silviculture and stand improvement** Proposed Covered Activities related to silviculture and stand improvement are: pre-commercial thinning; timber stand improvement; commercial thinning; variable retention; shelterwood removal; seed-tree removal; single-tree selection; group selection; high-retention selection; transition; alternative prescriptions; rehabilitation; exemptions; sanitation; and salvage.

**4.2.2. Commercial timber operations** Timber operations, as defined in Public Resources Code, Section 4527, related to the removal of trees from stands, such as falling; bucking; limbing; yarding; loading and hauling timber; and maintenance of logging equipment are proposed Covered Activities.

**4.2.3. Roads and landings** Proposed Covered Activities related to roads and landings are: placement and drainage; construction; reconstruction; maintenance; temporary or permanent road closure; rock-pit development and use; stream-crossing activities; water drafting and use; equipment maintenance and fueling; and right-of-way agreements.

**4.2.4. Regeneration** Tree planting and seeding; site preparation; prescribed burning; and fire control are proposed Covered Activities. The use of pesticides will not be proposed as a Covered Activity.

**4.2.5. Habitat improvement and adaptive management** Activities undertaken for which the purpose is intended to improve aquatic or terrestrial habitat for either covered or other species, as well as adaptive management are proposed Covered Activities.

**4.2.6. Existing Timber Harvest Plans** THPs approved before the NCCP/HCP is approved that adhere to the Interim Guidelines described below in Section 5.5, and

attached as Exhibit C, are proposed Covered Activities. Approved THPs that do not adhere to the Interim Guidelines will not be Covered Activities.

**4.2.7. Research and monitoring** Monitoring the effectiveness of conservation measures implemented under the NCCP/HCP, and implementing and evaluating adaptive management under the NCCP/HCP, are also proposed Covered Activities. Data collection, including capture, handling, marking and release of Covered Species are proposed Covered Activities.

**4.3. Natural Communities and Species** A preliminary list of natural communities, and the endangered, threatened, candidate, or other species known, or reasonably expected to be found, in those communities, that are intended to be the initial focus of the NCCP/HCP is attached as **Exhibit B**. Exhibit B identifies a preliminary list of the species that MRC and DFG will evaluate for inclusion in the NCCP/HCP. Exhibit B is not a final list of the NCCP/HCP's Covered Species. During the preparation of the NCCP/HCP, species may be added to or removed from the list. After approval of the NCCP/HCP, species may be added to or removed from the Covered Species list under terms or processes described in the NCCP/HCP and the Implementing Agreement.

**4.4. Regulatory Goals** MRC intends that the NCCP/HCP will allow MRC to carry out the proposed Covered Activities in compliance with CESA, CEQA, the NCCPA, FESA and NEPA. DFG acknowledges that no 2081 permit is required for take of CESA listed species that are covered by an approved NCCP plan. DFG's approval of the NCCP/HCP shall be based on the NCCPA (as amended in 2002), and will not be based on any NCCP regulations developed subsequent to this Agreement pursuant to Section 2825 of the NCCPA.

**4.4.1. Consistency with Option A Report** MRC and DFG agree that the NCCP/HCP, which is intended to provide the framework for compliance with CESA, the NCCPA and FESA, will to the greatest extent practicable be consistent with MRC's Option A Report. However, MRC understands that the Option A Report was developed to comply with the Forest Practice Rules, but was not intended to fulfill NCCPA mitigation or conservation requirements, nor FESA requirements. MRC and DFG therefore expect the NCCP/HCP to contain some measures, standards or requirements that may apply to Covered Activities which are not specifically identified in the Option A Report.

**4.4.2. Regulatory assurances** MRC's agreement to assume responsibility for preparation of an NCCP/HCP is based in part on its expectation that DFG will provide MRC regulatory assurances regarding Covered Activities in accordance with Section 2820(f) of the NCCPA of 2002.

**4.4.3. Other Regulatory Programs** MRC and DFG will invite the California Coastal Commission, the Regional Water Quality Control Board and, if applicable, other State or federal agencies with jurisdiction over natural resources in the Planning Area to

participate in the development of the NCCP/HCP to address effects on those natural resources. Such participation may include attending planning meetings or commenting on draft documents. MRC and DFG understand that a natural community conservation plan is not specifically intended to address the regulatory requirements of these agencies, but agree that a coordinated planning process will provide improved resource protection opportunities and greater regulatory efficiency, streamlining and certainty. MRC and DFG understand that if the regulatory requirements of these agencies are not met in the NCCP/HCP, the agencies may impose additional requirements on MRC's future activities.

**4.5. Conservation Goals and Objectives** The preliminary conservation goals of the NCCP/HCP are to provide for the conservation and management of the natural communities and species preliminarily identified in **Exhibit B** and, over the period of the NCCP/HCP, improve the native biodiversity on MRC's lands. The preliminary conservation objectives of the NCCP/HCP are as follows:

**4.5.1. Riparian habitat** To preserve and enhance aquatic habitat, primarily by managing for streamside stands with large, dense conifer species, and specifically:

- to promote and increase recruitment of large woody debris;
- to maintain ecologically appropriate water temperatures;
- to promote riparian functions such as nutrient cycling, coarse organic inputs, flood water roughness and structure; and
- to protect stream bank stability.

**4.5.2. Water quality** To minimize new anthropogenic sediment inputs and reduce historic anthropogenic sediment inputs to watercourses that can harm aquatic species.

**4.5.3. Terrestrial habitat** To retain a range of seral stages and conditions of native terrestrial communities, specifically including mature and late seral forests, and provide structural components of terrestrial habitat that are necessary for native species diversity and to conserve existing rare or unique habitats, and specifically:

- to shift silvicultural applications from even-aged to uneven aged management;
- to retain ecologically appropriate numbers and distribution of snags;
- to preserve an ecologically appropriate amount and distribution of large woody debris;
- to develop an ecologically appropriate amount of large old trees and larger, older

forests with large old trees;

- to restore the natural balance between conifer and hardwood stands in accordance with specific site conditions;
- to protect old growth stands;
- to maintain the current distribution and species composition of the pygmy forest; and
- to minimize disturbance to Covered Species during sensitive periods.

**5. Planning Process** MRC and DFG intend that this Agreement will fulfill NCCPA requirements pertaining to planning agreements and will establish a mutually agreeable process for preparing the NCCP/HCP that fulfills the requirements of the NCCPA and FESA.

**5.1. Independent scientific input** MRC and DFG will use independent scientific input and analysis to guide the preparation of the NCCP/HCP. MRC will consult with qualified independent scientists representing a range of pertinent disciplines, such as conservation biology, aquatic resources and terrestrial ecology, and forestry. The independent scientists will be selected by mutual agreement between MRC and DFG, with input from National Marine Fisheries Service (“**NOAA Fisheries**”), United States Fish and Wildlife Service (“**USFWS**”), and the public. The advice and analysis provided by the independent scientists will help inform and guide preparation of the NCCP/HCP. The independent scientists will be asked to: recommend scientifically sound conservation strategies for the species and natural communities proposed to be covered by the NCCP/HCP; recommend a set of reserve design and landscape stewardship principles that addresses the needs of species, landscapes, ecosystems, and ecological processes in the planning area; recommend management principles and conservation goals that can be used in developing a framework for the monitoring and adaptive management component of the plan; and identify data gaps and uncertainties so that risk factors can be evaluated. The independent scientists may be asked to provide additional feedback on other key issues during preparation of the NCCP/HCP, potentially including written reports, as deemed necessary by MRC and DFG. Final written reports prepared by the independent scientists shall be made available to the public. Both MRC and DFG will strive to maintain the scientists’ independence.

**5.2. Coordination with federal wildlife agencies** MRC and DFG have been coordinating and will continue to coordinate closely with USFWS and NOAA Fisheries to ensure that the NCCP/HCP meets the requirements of Section 10(a) of FESA. This coordination will include, at a minimum, scheduling joint meetings with USFWS and NOAA Fisheries, sharing information about preparation of the NCCP/HCP, and sharing draft documents with and actively seeking comments from the USFWS and NOAA

Fisheries on conservation planning issues pertaining to FESA and NEPA.

**5.3. Concurrent planning for wetlands and waters of the United States** MRC intends to address impacts to wetlands and waters of the United States in the NCCP/HCP to meet the requirements of and obtain all necessary authorizations under the Clean Water Act for Covered Activities. Similarly, MRC intends to address in the NCCP/HCP impacts resulting from changes to the bed, bank or channel of rivers, streams and lakes on MRC lands to meet the requirements of and obtaining all necessary authorizations under Fish and Game Code Section 1603 for Covered Activities. Based on the NCCP/HCP, MRC may seek programmatic permits or authorizations under the Clean Water Act and Section 1603 as necessary for Covered Activities. However, such programmatic permits or authorizations are not necessary for approval of the HCP or NCCP or for issuances of incidental take permits and authorizations.

**5.4. Public participation and outreach** In coordination with public scoping under CEQA and NEPA, DFG and MRC will conduct at least three public meetings at locations and times selected to maximize participation by interested members of the public. DFG and MRC will provide reasonable public notice of the meetings. In addition, MRC will provide reasonable public notice for and will conduct at least three additional public workshops to address specific areas of interest or concern identified during the public scoping meetings.

**5.4.1. Preliminary draft documents** All planning documents associated with the NCCP/HCP that are subject to public review shall be made available at least ten working days before any public hearing in which they will be discussed. Public participants will be invited to submit written comments on the draft planning documents or informational material, and the comments will be considered by MRC and DFG in preparing the NCCP/HCP. MRC's public workshops will not be "public hearings" under this Section 5.4.1 as they are intended to address specific issues of interest or concern, rather than review draft planning documents proposed for DFG's adoption, or adoption by the USFWS or NOAA Fisheries.

**5.4.2. Internet website** MRC will make information about the NCCP/HCP available to the public by maintaining a page on its Internet website (<http://www.mrc.com/>) that provides an overview of the NCCP/HCP and includes all current public review draft documents.

**5.4.3. Public review of NCCP/HCP before adoption** Draft documents proposed for adoption, including the draft NCCP/HCP, Implementing Agreement, and attachments, will be made available for public review and comment for a minimum of 60 days, and will be made available at least ten working days before any public meeting regarding the documents. MRC and DFG expect to fulfill this obligation by distributing the draft NCCP/HCP, Implementing Agreement, and attachments with the draft environmental impact report prepared for the NCCP/HCP pursuant to CEQA, and/or the draft environmental impact statement prepared for the NCCP/HCP pursuant to NEPA.

**5.4.4. NCCP and CEQA decision and findings** In order to approve the NCCP/HCP for implementation, DFG must make findings based on substantial evidence, required by CEQA and the NCCPA. Such findings must be based on DFG's independent judgment and analysis. Absent sufficient evidence to support the findings required for approval, DFG may be unable to approve the NCCP/HCP.

**5.5. Interim land management and timber harvest activities** DFG recognizes that MRC will continue to manage its land and carry out commercial timber operations during preparation of the NCCP/HCP. As part of its commercial timber operations, MRC will propose new timber harvest plans (“**THPs**”) and other new timber harvest activities. New THPs and timber harvest activities that MRC proposes after the Effective Date of this Agreement and pending approval of the NCCP/HCP are referred to collectively in this Agreement as MRC's “**Interim Activities**”. MRC will ensure that all Interim Activities implemented during NCCP/HCP preparation are consistent with the preliminary conservation goals and objectives in Section 4.5 and will not preclude important conservation planning options or connectivity between areas of high habitat values. To establish mutually agreeable standards and measures that will ensure MRC's Interim Activities will be consistent with these goals and objectives and will not take threatened or endangered wildlife protected by CESA or FESA, MRC and DFG have developed certain Interim Guidelines that will apply to MRC's Interim Activities. (See **Exhibit C.**) MRC and DFG agree that Interim Activities implemented in accordance with the Interim Guidelines, the California Forest Practice Rules, and MRC's Option A Report will be consistent with the preliminary conservation goals and objectives described in this Agreement, will likely avoid take of CESA or FESA-listed threatened or endangered species of wildlife, will not preclude important conservation planning options or connectivity between areas of high habitat values, and will not compromise the successful development or implementation of the NCCP/HCP. MRC and DFG recognize that USFWS and NOAA Fisheries are not parties to this planning agreement and retain the authority and responsibility to protect federally listed species, and may provide additional guidance or require other measures to avoid take of such species. If any take occurs as a result of interim activities notwithstanding the Interim Guidelines, it will be included in the analysis of take to be authorized under the NCCP, if and when it is approved.

**5.5.1. Consideration of independent scientific input** Upon the issuance of a report by the independent scientists as described in Section 5.1, MRC and DFG will evaluate the report and its conclusions and will make any necessary or appropriate revisions to the Interim Guidelines.

**5.6. Restoration of habitat during the planning process** MRC is currently restoring or permitting the restoration of portions of its lands in the planning area that contain native species of wildlife and natural communities. MRC intends to continue these restoration activities during preparation of the NCCP/HCP. MRC will solicit input from

DFG regarding potential restoration sites and methods. To the extent that DFG is aware of and informed about MRC's restoration actions, DFG agrees to credit such restoration actions fully, in accordance with their biological value, toward the conservation requirements of the NCCP/HCP, once it is approved. This provision will not apply to restoration actions undertaken to mitigate the impacts of THPs or timber harvest activities carried out prior to or during NCCP/HCP preparation.

## **6. Commitment of Resources**

**6.1. NCCP/HCP costs** MRC understands that, as a prospective applicant for a State take authorization, it has the primary responsibility for developing an NCCP/HCP that meets applicable legal requirements and that, as a result, the development and implementation of the NCCP/HCP must be funded primarily by MRC.

**6.2. NCCPA funding** DFG agrees to cooperate with MRC in identifying and securing, where appropriate, Federal and State funds earmarked for natural community conservation planning. Pursuant to Fish and Game Code, Section 2810, the Parties agree that MRC shall not provide reimbursement to DFG for its participation in the planning phase of the NCCP/HCP. However, compensation and reimbursement for plan implementation, including DFG's monitoring costs, will be discussed in the future. Preparation of the CEQA documents necessary for public review and approval of the NCCP/HCP shall be funded by MRC and under the direct supervision of DFG, NOAA Fisheries and USFWS, subject to any memorandum of understanding for the preparation of a NEPA/CEQA document that the Parties may enter into. DFG's commitments and obligations under this Agreement are subject to the availability of appropriated funds. The Parties acknowledge that this Agreement does not require DFG to expend its appropriated funds unless and until an authorized officer of DFG affirmatively acts to commit to such expenditures as evidenced in writing.

**6.3. DFG expertise** Subject to funding and staffing constraints, DFG agrees to provide technical and scientific information, analyses and advice to assist MRC with the timely and efficient development and implementation of the NCCP/HCP.

## **7. Miscellaneous provisions**

**7.1. Statutory authority** MRC will not construe this Agreement to require DFG to act beyond, or inconsistent with, its statutory authority.

**7.2. Effective date** The Effective Date of this Agreement will be the date on which it is fully executed.

**7.3. Duration** This Agreement will be in effect for three years following the Effective Date, unless extended by amendment or terminated.

**7.4. Amendments** This Agreement can be amended only by written agreement of MRC and DFG.

**7.5. Termination** This Agreement may be terminated by MRC or DFG upon thirty days' written notice. In addition, this Agreement shall be terminated upon DFG's approval of the NCCP/HCP. In the event DFG has provided MRC with grant funds for the development or implementation of the NCCP/HCP, upon termination of this Agreement, MRC shall return any remaining grant funds to DFG within 30 days of termination.

Dated: \_\_\_\_\_

**THE MENDOCINO REDWOOD COMPANY**

By: \_\_\_\_\_

Michael Jani  
Vice President and Chief Forester

Dated: \_\_\_\_\_

**THE CALIFORNIA DEPARTMENT OF  
FISH AND GAME**

By: \_\_\_\_\_

Ron Rempel, Deputy Director  
Habitat Conservation Division

Approved as to form:

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Michael R. Valentine, General Counsel