

**AMERICAN LUMBER STANDARD COMMITTEE, INCORPORATED
AGREEMENT WITH AGENCIES WHICH
PROVIDE SERVICE TO DENSIFIED FUEL FACILITIES**

This agreement entered into this ____ day of _____, 20__, by and between the American Lumber Standard Committee, Incorporated, ("ALSC") and _____ of _____ an agency that monitors densified fuel facilities (the "Agency").

WITNESSETH: The American Lumber Standard Committee has adopted a policy to authorize the Board of Review to accredit and monitor agencies that provide service to densified fuel facilities under procedures developed or enforced by the American Lumber Standard Committee or the Board of Review and including the requirements of the Pellet Fuels Institute's ("PFI") *Standard Specification for Residential/Commercial Densified Fuel* and the Pellet Fuels Institute's *Residential/Commercial Densified Fuel QA/QC Handbook* (the "Program Documents").

Upon the accreditation by the Board of Review that the Agency has met the requirements incorporated herein, the American Lumber Standard Committee authorizes the Agency to function as an accredited agency, subject to the conditions and requirements specified or enumerated in this agreement and to all of the rules and regulations of the American Lumber Standard Committee and the Board of Review relating to the quality marking of densified fuel and the performance of agencies as they may be amended from time to time.

In consideration of this accreditation and authorization and in order to retain such, the Agency shall maintain the same procedures and efficiency in its conduct of this service as were required for the granting of this privilege, and shall abide by all of the provisions of the American Softwood Lumber Standard PS 20, American Lumber Standard Committee Bylaws, American Lumber Standard Committee Residential/Commercial Densified Fuel Policy and the American Lumber Standard Committee-Board of Review Residential/Commercial Densified Fuel Enforcement Regulations, the agreement between the American Lumber Standard Committee and the Pellet Fuels Institute, and all other requirements and policies of the American Lumber Standard Committee and the Board of Review as now in effect or hereafter adopted. It shall also meet the following requirements:

1. It shall maintain a bona fide supervisory service under which each participating densified fuel facility shall be inspected at least twelve times each year at approximately monthly intervals, and thoroughly check the performance of all densified fuel facilities authorized to quality mark with the Agency symbol. Its supervisory staff shall make a written report on each inspection, sending a copy of the report to the densified fuel facility and to Agency's office. The report shall show the complete information necessary to determine conformance to all applicable specifications and requirements, including, but not limited to, the quantity of each item checked, whether quality marked, when checked and where checked.
2. It shall have all of its inspections conducted only by properly supervised and qualified inspectors, none of whom shall be engaged in any undertaking which might conflict with his/her independent position as an inspector.
3. It shall maintain sufficient supervision of its inspection staff to assure not only the continuing competency of its members, but consistency on their part in the uniform application of the Program Documents.
4. It shall conform to all of the requirements for quality marking as set forth in the ALSC Residential/Commercial Densified Fuel Enforcement Regulations.
5. It shall require that when its quality mark is applied to any densified fuel products, the densified fuel products shall conform in every respect to the provisions of the Program Documents, and no special agreements between buyer and seller shall justify any deviation from this requirement.
6. It shall enter into a written agreement (including a licensing arrangement) approved by the Board of Review with

each densified fuel facility that quality marks under its supervision, setting forth the conditions that shall be met by the densified fuel facility in order to be entitled to use the Agency's quality mark.

7. It shall include in its agreement with each monitored densified fuel facility a provision giving the Board of Review the continuing right to have a representative examine any accredited agency quality marked densified fuel at the point where the Agency official quality mark is being used.

8. It shall permit representatives of the Board of Review to spot check at destination points any products bearing its quality mark and shall incorporate a similar provision in its contract with the densified fuel facility giving the Board of Review representatives the right to make such examinations wherever such products are encountered.

9. It and the densified fuel facility shall agree that the Board of Review shall require the complete reinspection of incorrectly labeled products, and shall cooperate fully in taking such steps as are necessary to eliminate or minimize the recurrence of such improper labeling.

10. The Agency shall allow its quality mark to be used only on densified fuel products which conform to procedures referenced in the Program Documents. Conversely, the Agency shall not authorize the use of its quality mark on densified fuel products not conforming to procedures referenced in the Program Documents.

11. It shall maintain, for a period of at least two years, complete records of all inspections which shall be available for examination by a Board of Review representative at any time during normal business hours.

12. It shall within ten days inform PFI and the ALSC-Board of Review of the name, location and contact information of each facility that has been qualified to use the PFI Mark. The Agency shall inform PFI within ten days of any suspension of service at a facility. It is understood that PFI will maintain a web-site listing of facilities that are qualified under the Program.

13. It will be notified annually of the enrollment and annual license fees attributable to the pellet fuel facilities and shall collect and, no later than the last day of the month following the month of the facility's enrollment, remit such fees directly to PFI.

ALSC hereby grants to Agency for the term of this Agreement, a royalty-free, non-exclusive sublicense to exercise legitimate control over the use of the PFI Certification Mark, attached as Exhibit A (the "Mark"), in accordance with the provisions of the Program Documents and subject to the restrictions of the license agreement between PFI and ALSC, as they may be amended from time to time, and to certify that the pellet fuel manufacturers comply with the quality control and other requirements of the Program. This grant of authority shall not alter, diminish or change the ownership of the Mark which resides with PFI.

The Agency further agrees to withdraw its service promptly from any densified fuel facility found to be not in conformity with the requirements of the American Lumber Standard Committee or the Board of Review, and to have in place a procedure to prohibit the facility from using its quality mark when service is withdrawn.

It is further agreed by the Agency that it shall make all reports required by the Board of Review and pay such fees, including consulting services fees, as may be assessed to cover its pro rata or direct portion of the cost of this program, payment to be made annually or quarterly, in advance. Failure on the part of the Agency to fulfill any of the agreements contained herein or any rules and regulations in relation to quality marking of densified fuel products adopted by the American Lumber Standard Committee or the Board of Review, shall be grounds for notice to be given to the Agency of the immediate termination of its authorization to function as a Board of Review accredited agency.

In consideration of the accreditation and authorization, the Agency hereby agrees to defend, hold harmless, and indemnify the ALSC, the National Grading Rule Committee, the Board of Review and the Standing Committee and the members, alternate members, directors, alternate directors, officers, and employees of such against and in connection with any claim, action, suit, proceeding or liabilities in connection with or arising out of the activities of the Agency. This undertaking shall continue in effect after any termination of this contract.

This contract may be terminated at any time by either party on 30 days written notice, but otherwise will continue in full force and effect as long as said agency desires to be a participant in the ALSC densified fuel facility program, maintains its standing as an accredited agency, and conforms to all of the requirements of this agreement and rules and regulations of ALSC pertaining to the densified fuel facilities program.

This agreement shall be construed in accordance with, and all disputes shall be governed by, the laws of Maryland without giving effect to its conflict of laws provisions.

IN WITNESS WHEREOF, we have signed our names the date above written.

AMERICAN LUMBER STANDARD COMMITTEE, INC.

By _____
Thomas D. Searles
President

Accepted:

Agency _____

By _____

Title _____

EXHIBIT A

