



**BUREAU
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**Bureau Veritas Certification
North America, Inc.
SFI Forest Management Audit Report**

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PQC Code	E01E
Contract Number	US.2119421

Certification Audit:		Re-Certification Audit:		Surveillance Audit:	1	Scope extension audit:	
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Audit Summary
<p align="center">Introduction</p> <p>This report summarizes the results of the first surveillance audit conducted on GreenWood Resource's SFI program for forest management operations. Richard Boitnott, Bureau Veritas Certification Lead Auditor, conducted the August 22-23, 2016. Mr. Boitnott is an SAF certified forester, a Texas accredited forester, an EMS lead auditor, and has wildlife management expertise.</p> <p align="center">Audit Scope, Objectives and Process</p> <p>The scope of the audit is "Land and Timber Management". The audit was conducted against the SFI 2015-2019 Standard Forest Management Edition. SFIS Objectives 1-7, 10, 11, 14, and 15 were reviewed during the audit. There was no substitution or modification of indicators. Specifically, two objectives of the SFI audit were to verify that the Program Participant's SFI Program is in conformance with the SFI Objectives, Performance Measures, and Indicators, and any additional indicators that the Program Participant chooses, and verify whether the Program Participant has effectively implemented its SFI Standard program requirements on the ground. Standard Bureau Veritas Certification protocols and forms were applied throughout the audit as provided by the most recent version of the Bureau Veritas Certification SFI Auditor Handbook available on the auditor access website.</p> <p align="center">Audit Plan</p> <p>The document review was conducted for ½ day the morning of August 22, followed by a ½ day field audit of the Lewis and Clark tree farm. The field audit continued on August 23. A closing meeting was held at the end of business on the 23rd. An audit plan was developed and maintained on file by Bureau Veritas Certification.</p> <p align="center">Company Information</p> <p>Greenwood Resources is a timberland investment management company. Greenwood manages a number of hybrid poplar plantations in Oregon. This certification is limited to the approximately 140,000 acres they manage near Seaside Oregon. Greenwood took over management of a landbase that has been under an SFI program under previous management regimes since 1999. This property consists of a coniferous forest typical of the pacific northwest. Primary species are Western Hemlock, Douglas fir, with Red alder, Sitka spruce and Western red cedar also present. The</p>

company regenerates its forest using clearcutting, followed by chemical site preparation where necessary, and artificial regeneration. Given the property's proximity to the Pacific coast, regeneration is heavy to Western Hemlock, although the company often mixes in the other dominant species when it establishes plantations. Douglas fir is the primary species used in more inland areas. A forest practices act (FPAs) is in place in Oregon, which proscribes many activities that support the company's SFI program. Riparian protection is heavily regulated and monitored by state agency stewardship foresters. Wildlife management practices are also regulated, with the amount of standing retention and downed woody debris also controlled by FPA.

Multi-Site Requirements

N/A

Audit Results

The document review was conducted to determine if GreenWood Resources' continues to operate a management system that meets the requirements of the SFI 2015-2019 Standard Forest Management Edition. The field audit consisted of a review of five clearcut harvests, four of which had recently been chemically site prepared, and one harvest/herbicide release tract.

Objective 1-Forest Management Planning:

GreenWood has a stand-level forest inventory. The company now uses the Pacific Northwest version of FVS for its growth and yield model, which it believes better represents actual growth of a coastal forest. Sustainable harvest plans are developed with a 5-year operational plan. Soils information is available in the GIS. Non-productive types are removed from harvest scheduling. Biodiversity at landscape scales is accomplished through the company's wildlife and biodiversity program. 2015 harvest levels and projected harvest levels are in line with the long-term plan. The company is reevaluating projected harvest levels based on the use of a different growth and yield model. Greenwood harvested 99.95% of its projected volume in 2015, and is at 45.14% of projected harvest level for 2016. The company does not convert any forest to other cover types, and does not convert to non-forest uses.

Objective 2-Forest Health and Productivity:

Greenwood plants most harvest sites are planted the first year following harvesting, certainly within two years. All units are designated for artificial regeneration. No substantial amount of natural regeneration is used. The company operates an excellent herbicide application program. Rates are very low, well below label maximums. Only the mix needed to control vegetation on the site is used. Only approximately one-third of the clearcut sites receive a herbicide application, and many of those applications are done using hand spray in order to address neighbor issues. The company applies generous spray buffers along sensitive areas, including riparian areas.

Soil information is available from the NRCS and is mapped in the GIS. Information on acceptable rutting depth is included. Soil maps are provided to logging contractors to help them determine soil conditions on each unit. All harvest units observed during the audit demonstrated protection of soil productivity.

GreenWood addresses forest health by planting Western Hemlock close to the coast instead of Douglas fir due to the susceptibility of fir to Swiss needle cast.

Objective 3-Protection and Maintenance of Water Resources:

Protection of water quality is highly regulated in Oregon. All harvest units complied with the Oregon FPA. Riparian management areas were very well established, meeting or exceeding FPA

requirements. Contracts contain a requirement that all contractors comply with the Oregon FPA, which implies compliance with BMPs.

Objective 4-Conservation of Biological Diversity:

GreenWood has developed a wildlife and biodiversity plan to ensure the incorporation of biodiversity considerations in the activity planning process. Procedures are in place to ensure the company meets the OR FPA requirements for wildlife tree retention and downed woody debris. All harvest units observed during the audit demonstrated more than ample stand-level habitat elements. GreenWood does a very good job of leaving stand-level retention. The company goes beyond just stacking retention in the RMAs, but looks for every opportunity to leave within- stand retention if safe to do so. The company was issued a notable practice for its efforts.

Age classes have been documented. All forest types are mixed conifer. A matrix has been developed describing the diversity of age class distribution. The company's land is adjacent to a considerable amount of public land (USFS and BLM). Therefore, GreenWood's goal is to provide early seral stages of forest adjacent to public land's later seral stage.

The wildlife and biodiversity plan identifies the T&E species that could occur on land managed by GreenWood. The most significant species are the norther spotted owl (NSO) and marbeled murrelett (MAMU). Protection measures are in place where these species are found. No NSO nest sites are located on GreenWood property. No MAMUs are known to occur on Greenwood property, but the company is impacted by occupied or potential habitat on adjacent public land.

Information from the Oregon Biodiversity Information Center (OBIC) has been gathered on GreenWood property. Management plans are developed for the most significant. Training is provided for all employees and contractors to identify potential occurrences of FECVs.

Employees are very well aware of the potential invasive species that could occur in their area of operation. One of the most significant is scotch broom, which is treated aggressively with herbicides.

Objective 5-Management of Visual Quality and Recreational Benefits:

GreenWood has a very robust visual quality management program, given the proximity of its landbase to coastal communities with high tourist traffic. The company has a GIS-based analysis tool used to evaluate the potential impacts of its harvest sites. Mitigation measures are taken if the tool demonstrates high visibility of a site to the public. While all harvest sites reviewed during the audit were well out of the view of the general public, Greenwood has demonstrated its ability to address visual quality in the past.

Average clearcut size for 2015 was 68 acres. The Oregon FPA limits clearcuts to a maximum of 120 acres, so the company will never exceed that amount for its average. The Oregon FPA also regulates green-up, but GreenWood practices the 3 years or 5 feet in height requirement of the SFI Standard. All clearcut sites reviewed during the audit demonstrated compliance with the company's green-up requirement.

Objective 6-Protection of Special Sites:

Geologically or culturally unique sites have been identified. No such sites are known to occur on company property.

Objective 7-Efficient Use of Fiber Resources:

Utilization was acceptable on all harvest units observed during the audit.

Objective 8: Not audited

Objective 9-Not audited

Objective 10-Not audited

Objective 11-Training and Education:

Roles and responsibilities are outlined in the training and education document. Records verified training has occurred as required by the company's own procedures. Greenwood requires all contractors to be qualified loggers. The company's logging contract now contains a requirement that each contractor have at least one person on-site who has conducted training. This addresses a non-conformance issued last year.

Objective 12-Community Involvement and Landowner Outreach:

Greenwood produced evidence it is a member of the Oregon SIC. Its participation in the OR SIC includes support for the development and distribution of landowner information materials that includes information on the conservation of biological diversity. The company produced ample evidence of its involvement in a variety of public educational opportunities. The company is quite involved in local educational efforts. Greenwood has a procedure in place to respond to public inquires.

Objective 13: Public Land Management Responsibilities: N/A

Objective 14-Communications and Public Reporting:

The initial audit report issued in 2015 was found on the SFI, Inc. website as required for public review. The company was not certified until March of this year, so it has not yet submitted a annual progress report. The company has procedures in place to enable it to complete the SFI annual progress report.

Objective 15-Management Review:

Greenwood has a management review process in place. The company has conducted an internal audit to use for evaluation of its compliance with the SFI objectives. Management review has been conducted annually as required by the standard.

Findings

Previous non-conformances:

One non-conformance was issued previously. This non-conformance was closed by the end of the initial audit in October 2015.

Non-conformances:

No non-conformances were issued

Opportunities for Improvement:

No opportunities for improvement were issued.

Notable Practices:

Two notable practices were issued.

1. PM 4.1, Ind. 2: GreenWood does a very good job of leaving stand-level retention. The company goes beyond just stacking retention in the RMAs, but looks for every opportunity to leave within-stand retention if safe to do so. Trees retained normally have very little to no merchantable value, so the company's effort is done in a manner that meets its fiduciary responsibility to its client.

Logo/label use:

GreenWood does not plan to use either the SFI or BVC logos, but knows to get permission before doing so.

SFI reporting:

The initial audit report issued in 2015 is on the SFI, Inc. website as required for public review.

Conclusions

Since no non-conformances were issued, the company is recommended for continued certification to the SFI 2015-2019 Standard Forest Management Edition.

SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:									
Audit Date(s):		From: August 22, 2016				To: August 23, 2016			
Number of SF02's Raised:			Major:		0		Minor:		0
Is a follow up visit required:		Yes		No	X	Date(s) of follow up visit:			
Follow-up visit remarks:									
Team Leader Recommendation:									
Corrective Action Plan(s) Accepted		Yes		No		N/A	X	Date:	
Proceed to/Continue Certification		Yes	X	No		N/A		Date:	8/23/2016
All NCR's Closed		Yes		No		N/A	X	Date:	
Standard audit conducted against:									
1)	SFIS 2015-2019 FM Edition			3)					
2)				4)					
Team Leader (1):			Team Members (2,3,4...)						
Richard Boitnott; CF, AF, EMS(LA)			2)						
			3)						
			4)						
			5)						
Scope of Supply: (scope statement must be verified and appear in the space below)									
Land and timber management									
Accreditation's		ANAB							
Number of Certificates		1							
Proposed Date for Next Audit Event									
Date									
Audit Report Distribution									
BVC : Dawn Komnick-dawn.komnick@us.bureauveritas.com									
GreenWood Resources: Andrew Rodstrom-andrew.rodstrom@gwrglobal.com									