



**BUREAU
VERITAS**

**Bureau Veritas Certification
North America, Inc.**

SFI 2005:2009 Audit Report

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PQC Code	E01E

Contract Number:	HQ17546	Certification Audit:		Re-Certification Audit:		Surveillance: (Indicate visit # or Pre-Assessment)	S3
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Audit Summary

Introduction

This report summarizes the results of the third surveillance audit conducted on Resource Management Service, LLC's SFI program for forest management operations. Richard Boitnott, Bureau Veritas Certification Lead Auditor conducted the document review in the Birmingham Alabama headquarters on 5/7/2010, and the field audit of the Alabama region 5/3/2010 through 5/6/2010. Rick Larkin, audit team member, conducted a field audit of the South Carolina region on 5/3/2010 through 5/5/2010.

Audit Scope, Objectives and Process

The scope of the audit is "SFI Forest Management in Alabama, Arkansas, Georgia, Florida, North Carolina, Texas, Louisiana, Mississippi and South Carolina on approximately 2,629,374 acres". The audit was conducted against the SFI 2005-2009 standard. SFIS objectives 1 (PM 1.1 Ind. 2), 2 (PM 2.2 and 2.3), 3 (PM 3.2 Ind. 3), 4, 5 (PM 5.2 Ind. 2, PM 5.3 Ind. 3), 11 and 13 were covered 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.

Company Information

RMS manages land for institutional investors throughout the southeastern United States. Much of the land it manages under the scope of this certificate was purchased from International Paper. The landbase has been under an SFI certified management system since 1999. Most of the employees responsible for managing the property were employed by the previous owner, and are very well aware of SFI requirements and responsibilities.

Multi-Site Requirements

The company maintains a multi-site certification consisting of eight regions, one of which contains two offices. Headquarters of the management system is in Birmingham Alabama. The company qualifies as a multi-site certification since the management system is controlled and directed by the central office. There is one set of procedures that applies to the entire system, and the SFI manager is

the sole person responsible for maintaining the procedures. Individual sites are responsible for conforming to the company's SFI program, and for providing corrective actions to the SFI manager when necessary. The company has a rigorous internal audit process that the lead auditor considers to be reliable.

Sites covered during the audit were selected based on a randomized schedule developed by Bureau Veritas Certification at the time of renewal.

Sites	Sites Audited During this Event
Birmingham, Alabama	X
North Carolina	
South Carolina	X
Alabama region-Prattville office	X
Alabama region-Greenville office	X
Florida	
Mississippi	
Louisiana	
Texas	
Arkansas	

Audit Plan

The audit consisted of a one-day review of program documentation in the Birmingham Alabama headquarters on 5/7/2010 conducted by Richard Boitnott, lead auditor. Mr. Boitnott conducted field audits in the Alabama region 5/3/2010 through 5/6/2010. The field audit for the Alabama region began in west Georgia, where the company has a small amount of land that had not been subject to an SFI audit in the past due to travel logistics. The west Georgia landbase is managed by one forester who works out of his residence. The remainder of the field audits of the Alabama region covered the Prattville and Greenville offices. Rick Larkin, audit team member, conducted a field audit of the South Carolina region 5/3/2010 through 5/5/2010. This portion of the audit covered land around Georgetown South Carolina, and Augusta Georgia. A closing meeting was held in the Birmingham office 5/7/2010, with field locations participating via conference call. An audit plan was developed and is maintained on file by Bureau Veritas Certification.

Audit Results

The field audits consisted of a review of 21 harvest, 13 regeneration/herbicide application, two mid-story release, and four road construction/betterment sites across Alabama, Georgia, and South Carolina. The field reviews indicated RMS is continuing to effectively implement its SFI program, with the exception of one minor non-conformance related to a BMP issue on one harvest tract. In this instance the contractor failed to stabilize several skid trails located on erodible soils and relatively steep slopes. Erosion from one of the failed skid trails resulted in a minor amount of sediment entering an intermittent stream. While this was the only tract with any BMP issue observed during the audit, with all other tracts demonstrating excellent BMP compliance, the audit team believed there to be a minor breakdown in the implementation of RMS' SFI program to allow a harvest tract to be completed without proper stabilization of skid trails in an area with relatively severe risk of water quality degradation.

The company does an excellent job of making herbicide prescriptions. Regeneration specialists visit each completed clearcut to make individual herbicide prescriptions based on the vegetative and soil condition present on the tract. The company uses a number of prescriptions in order to reduce chemical use. The audit team did observe several sites that exhibited evidence of minor overspray of

herbicide into stream buffer zones. In no instance did herbicide enter the stream course, but buffer zones did receive some drift. The company identified the same problem during its internal audit visits, and has already developed and begun implementing corrective actions. The audit team decided to allow the company's corrective action system to work without issuing any additional findings at this point. However, this issue will need to be watched closely during future surveillance audits.

Minimal rutting was observed on harvest sites, even though the area has experienced excessive rainfall in the past several months. Implementation of stand-level wildlife habitat elements was evident on most sites, and landscape considerations were in evidence. The company has done an excellent job of addressing the habitat requirements for the Red-hills salamander, a federally listed threatened species. Aesthetic considerations were in evidence where needed. One site in particular exhibited considerable thought given towards incorporating aesthetic considerations on a tract adjoining a public highway.

Findings

Previous non-conformances: There were no non-conformances issued during the previous audit.

Non-conformances: There was one minor non-conformances issued during this surveillance audit. The SF02 nonconformity report is shown below.

Opportunities for Improvement: One opportunity for improvement was issued. This should be considered in light of how it may affect conformance in the future.

1. PM 3.1, Ind. 1: Consider the use of skidder bridges where appropriate to protect stream crossings

Notable Practices: Three notable practices were issued.

1. PM 3.2 Ind. 3: The company's efforts to stabilize soil following road construction and culvert installations in order to protect water quality are commendable.
2. Pm 4.1 Ind. 7: Observed a commendable effort to reduce infestations of cogon grass, a non-native, highly invasive weed species. The company has expended a considerable amount of resources to identify and spray any occurrences on company land.

Logo/label use:

RMS does not use the Bureau Veritas Certification logo. No unauthorized use of the SFI logo was observed.

SFI reporting:

The 2009 surveillance audit report for RMS was found on the SFI website.

Conclusions

Results of the audit indicate RMS is continuing to effectively implement its SFI program, with the exception of the one minor non-conformance. Corrective actions are due to katina.singleton@us.bureauveritas.com within 90 days of the closing meeting. A closing meeting was held and a recommendation for continued certification to the SFI 2005-2009 standard was issued, pending development of acceptable corrective actions for the non-conformance.

Surveillance audit schedule

RMS is under an annual surveillance audit schedule. Next year's surveillance will be conducted in late April/early May 2011, and will be conducted in accordance with the SFI 2010-2014 Standard.

Follow-up

RMS submitted acceptable corrective and preventative actions for the non-conformance, and was recommended for continued certification to the SFI 2005-2009 standard on 6/4/2010.

SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:						
Audit Date(s):		From: 5/3/2010			To: 5/7/2010	
Number of SF02's Raised:			Major:		0	Minor: 1
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	X	No	Date:	6/4/2010
Proceed to/Continue Certification		Yes	X	No	Date:	6/4/2010
All NCR's Cleared		Yes	X	No	Date:	6/4/2010
Standard audit conducted against:						
1)	SFIS 2005-2009		3)			
2)			4)			
Team Leader (1):		Team Members (2,3,4...)				
Richard Boitnott; CF, RF, EMS(LA)		2) Rick Larkin				
		3)				
		4)				
		5)				
Scope of Supply: (scope statement must be verified and appear in the space below)						
SFI Forest Management in Alabama, Arkansas, Georgia, Florida, North Carolina, Texas, Louisiana, Mississippi and South Carolina on approximately 2,629,374 acres						
Accreditation's		ANAB				
Number of Certificates		1				
Proposed Date for Next Audit Event						
Date	Next audit event scheduled for the last of April/first of May 2011					
Audit Report Distribution						
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