



**BUREAU
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**Bureau Veritas Certification
North America, Inc.
SFI 2005:2009 Audit Report**

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PQC Code	

Contract Number:	HQ17546	Certification Audit:		Re-Certification Audit:		Surveillance: (Indicate visit # or Pre-Assessment)	S2
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Audit Summary

This report summarizes the results of the second surveillance audit conducted on Resource Management Service, LLC's SFI program for forest management operations. Richard Boitnott conducted the document review at the Birmingham headquarters on 5/5/2009. Mr. Boitnott conducted the field audit in the Florida region 5/6/2009 through 5/7/2009, and in the Arkansas region 5/19/2009 through 5/21/2009. Rick Larkin conducted a field audit of the Texas region 5/19/2009 through 5/21/2009. Mr. Boitnott served as Lead Auditor throughout the process. Mr. Boitnott is a certified forester and EMS Lead Auditor. Mr. Larkin is a certified forester, a certified wildlife biologist, and EMS Lead Auditor.

The audit was conducted against the SFIS 2005-2009 standard. SFI objectives 2, 3, 4, 10 and 13, and portions of objectives 1 and 5 were reviewed during this audit. Specifically, two objectives of the SFI audit were to:

1. 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
2. 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. An audit plan was developed and is maintained on file by Bureau Veritas Certification.

RMS manages land for institutional investors in Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, and Texas. The organization is currently divided into 8 regions. This audit was conducted on RMS land management operations in the Florida, Arkansas, and Texas regions.

The field audit consisted of a field review of 27 harvesting operations (7 thinnings, 20 clearcuts); 19 regeneration, site preparation, chemical/fertilizer application tracts, five road maintenance/construction projects, and one special site. Personnel interviewed during the audit are

identified on the SF61 evidence compliance matrix maintained on file by Bureau Veritas Certification. Specific findings on each site are identified on the audit field notes also maintained on file by Bureau Veritas Certification.

One area of focus during this audit was SFIS Objective 4. The organization has done an excellent job of identifying G1/G2 locations, and developing management plans for those sites known to occur on RMS property. Harvest planning demonstrated excellent commitment to enhancing biological diversity. Implementation of stand-level wildlife habitat elements in the three regions observed during the audit was commendable, resulting in the issuance of a notable practice.

All three regions had experienced very heavy rainfall during recent weeks. However, little impact to water quality beyond that normally expected during such rainfall was observed. In addition, very little negative impacts to soil productivity were observed, indicating the organization is doing a good job of selecting sites that can be logged in wet weather, and monitoring those sites to limit adverse soil impacts.

Water control structures installed by logging contractors are an area that still needs some improvement. While some water bars and road maintenance activities were in need of improvement, it still did not contribute to water quality degradation. An opportunity for improvement was issued to improve water control structure establishment by logging contractors.

The findings made by Bureau Veritas Certification are listed below:

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

Non-conformances: There were no non-conformances issued during this audit.

Opportunities for Improvement: One opportunity for improvement was identified. The opportunity for improvement should be considered in light of how it may affect conformance during future audits.

1. PM 2.3 Ind. 3: Water control structures established by logging contractors on harvest sites reviewed during the audit demonstrated need for improvement. While no negative impacts to water quality were observed, continued establishment of inadequate water control structures increases the risk of water quality degradation.

Notable Practices: In addition, two notable practices were identified, both written to PM 4.1, Ind. 4:

1. PM 4.1 Ind. 4: Harvest sites reviewed during the audit demonstrated a commendable effort to retain standing individual trees throughout the harvest area. Aerial herbicide applicators avoided spraying these trees where possible, retaining these as live trees throughout the stand.
2. PM 4.1 Ind. 4: RMS has implemented a SMZ thinning program to large pines from SMZ to promote the development of hardwoods in pine dominated SMZs. RMS uses two small contractors for the SMZ thinnings to ensure BMP conformance and to minimize damage to the residual stand..

Logo/label use:

The organization does not use the Bureau Veritas Certification logo.

SFI reporting:

The 2008 surveillance audit report for RMS is on the SFI website as required.

Conclusions

Results of the audit indicate RMS continues to effectively implement its SFI program.

A closing meeting was held on 5/21/2009. The opportunity for improvement and notable practices were reviewed. The Lead Auditor issued a recommendation for certification to the SFIS 2005-2009 edition.

Surveillance audits

Surveillance audits are conducted annually. Next year's surveillance audit will include the Alabama and South Carolina regions, in addition to a document review at the Birmingham headquarters. A surveillance audit schedule is maintained on file by Bureau Veritas Certification to ensure all applicable indicators are audited over the certification cycle. RMS has requested audit dates of May 3-7, 2010 for the next audit.

PLEASE SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:						
Audit Date(s):		From: 5/5/2009 (Birmingham HQ) 5/6/2009 (Florida)			To: 5/5/2009 (Birmingham HQ) 5/7/2009 (Florida)	
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		Date:	
Proceed to/Continue Certification		Yes	X	No	Date:	5/21/2009
All NCR's Cleared		Yes	No		Date:	
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; CF, CWB, EMS(LA)				
		3)				
		4)				
		5)				
Scope of Supply: (scope statement must be verified and appear in the space below)						
Forestry operations on client-owned forestlands under the management of Resource Management Service, LLC						
Accreditation's		ANAB				
Number of Certificates						
Proposed Date for Next Audit Event						
Date	May 3-7, 2009					
Audit Report Distribution						
RMS: Jimmy Bullock (jbullock@resourcemgt.com)						
BVC: Kim Woodruff (kim.woodruff@us.bureauveritas.com)						

Clause	Audit Report
Opening Meeting	<p>Participants: Jimmy Bullock, Jim Peeler, Mitch Coffee, Jimmy Kuhn, Tucker Allen, Phillip Blake, Bruno Fritschi, Dale Weizenecker</p> <p>Discussions:</p> <ul style="list-style-type: none"> ➤ Introductions ➤ Scope of the audit ➤ Audit schedule/plan ➤ Nonconformance types – Major / Minor ➤ Review of previous nonconformances - 0. ➤ Process approach to auditing and audit sampling ➤ Confidentiality agreement ➤ Termination of the audit ➤ Appeals process ➤ Closing meeting timing
Closing Meeting	<p>Participants: Jimmy Bullock, Phillip Woods, Ken Bragg, David Mulligan, David Smith, Jim Cowser, Ron Parsley, Blair Chaney, Guy Roark, Karl Hansen, Seth Glaze, Charles Hendrix, Jim Peeler, Ryan Reed, Mike Hamilton, Rex Benham, Timothy Locke, Emory Cain, Steve McCoy, Jeff Waits, Robert Griffin</p> <p>Discussions:</p> <ul style="list-style-type: none"> ➤ Introductions and appreciation for selecting Bureau Veritas Certification. ➤ Review of audit process - process approach and sampling. ➤ Review of OFIs and System Strengths ➤ Nonconformances - 0 ➤ Date for next audit. ➤ Reporting protocol and timing