



**Bureau Veritas Certification
North America, Inc.
SFI and/or PEFC Audit Report**

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PEC Code:	E01E

Contract Number:	HQ17546	Certification Audit:		Re-Certification Audit:		Surveillance: (Indicate visit # or Pre-Assessment)	S1
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Audit Summary

This report summarizes the results of the first 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. Richard Boitnott and Rick Larkin conducted the field audit. 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.

A document review was conducted at the organization's headquarters in Birmingham Alabama on 5/19/2008. RMS's audit scope of *Forestry operations on the approximately 2.6 million acres of client-owned forestlands under the management of Resource Management Service, LLC. Forestlands are located in Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Texas.* was reviewed and confirmed during the document review. There was no substitution or modifications of SFI indicators. Mr. Boitnott then conducted a field audit of the Mississippi region on 5/20/2008 through 5/22/2008. The Louisiana and North Carolina region field audits were conducted 6/3/2008 through 6/5/2008, with Mr. Boitnott in Louisiana and Mr. Larkin in North Carolina. An audit plan was developed and is maintained on file by Bureau Veritas Certification.

The audit was conducted against the SFIS 2005-2009 standard. SFI objectives 2, 3, 4, 6, 7, 9, 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.

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 Mississippi, Louisiana, and North Carolina regions.

The field audit consisted of a field review of 23 harvesting operations; 15 regeneration, site preparation, chemical/fertilizer application tracts, one prescribed burn, and one special site containing threatened or endangered species. 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.

Efforts to protect water quality and incorporate wildlife habitat objectives into harvest planning were very well done. The Louisiana region is managing approximately 11,000 acres of land as natural forest management, including the incorporation of prescribed burning. This was an excellent contribution to habitat diversity. Natural forest management on this scale is not common on intensively managed forests in the south. This practice resulted in one of the notable practices issued in this report.

There were a number of instances of minor chemical drift into SMZs observed on all three regions. This drift was primarily in SMZs established on ephemeral drains in states where BMPs do not require any protection. The SMZs were established to provide habitat diversity, so minor drift did not represent a BMP violation. However, if this were to occur on intermittent or perennial streams, or in ephemeral drains when water was present, it would represent a BMP violation. This resulted in an opportunity for improvement to ensure chemical applications do not spread to off-site areas.

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: Three opportunities for improvement were identified. The opportunities for improvement should be considered in light of how they may affect conformance during future audits.

1. PM 2.1 Ind. 5: Consider better documentation for the ecological consequences of converting to a different species from that which was harvested.
2. PM 2.2 Ind. 6: Review chemical application procedures to ensure potential for chemical drift into off-site areas is minimized.
3. PM 2.3 Ind. 3: Review BMP work by loggers and BMP contractors to ensure erosion control and BMP efforts do not require repeated corrective actions.

Notable Practices: In addition, two notable practices were identified:

1. PM 4.1 Ind. 8: Designation of approximately 11,000 acres of land for natural forest management, including the use of prescribed fire, represents a commendable effort to promote habitat diversity across the landscape
2. Obj. 4: RMS has worked with the NC Wildlife Resource Commission to set aside a tract in the Green Swamp as a bear sanctuary.

Logo/label use:

The organization does not use the Bureau Veritas Certification logo.

SFI reporting:

The 2007 certification audit report for RMS is on the SFI website.

Conclusions

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

A closing meeting was held on 6/5/2008. The opportunities 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 Florida, Arkansas, and Texas 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 5, 2009 for the headquarters audit, May 6-7 for the Florida region field audit, and May 19-21 for the Arkansas and Texas region field audits.

PLEASE SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:											
Stage 1 Audit Dates:	From: May 19, 2008				To: May 19,2008						
Stage 2 Audit Dates:	From: MS: May 20, 2008 LA/NC: June 3,2008				To: MS: May 22, 2008 LA/NC: June 5,2008						
Number of SF02's Raised:				Major:	0		Minor:	0			
Is a follow up visit required:	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Date(s) of follow up visit:						
Follow-up visit remarks:											
Team Leader Recommendation:											
All NCR's now cleared:	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Proceed to/Continue Certification			Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Date:	6/5/2008										
Standard(s) audit conducted against:											
1)	SFI 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)											
<i>Forestry operations on the approximately 2.6 million acres of client-owned forestlands under the management of Resource Management Service, LLC. Forestlands are located in Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Texas.</i>											
Accreditation's:	ANSI			ANAB							
Number of Certificates:				1							
Audit Report Distribution											
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Clause	Audit Report
Opening Meeting	<p>Participants: Larry Norris, John Tuma, Ricky Cockerham, Nathan Hudson, Layne McGuffee, Ken Bragg, Karl Hansen, Chris Mayo, Jeff Waits, Allen Jones, Gary Beacher, Jimmy Bullock, Jimmy King</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: Larry Norris, John Tuma, Ricky Cockerham, Nathan Hudson, Layne McGuffee, Ken Bragg, Karl Hansen, Chris Mayo, Jeff Waits, Allen Jones, Gary Beacher, Jimmy Bullock, Philip Woods, Dale Weizenecker, Danny Norman, Bruno Fritschi, Jim Peeler, Robbie Tombs, Eric O’Conner, Tony Doster, Jerry Hansen, Clay Jenkins</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