



Audit Summary for Public Disclosure Sustainable Forestry Initiative® Standard

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Executive Summary

This report summarizes the results of the certification audit conducted on Resource Management Service, LLC's SFI program for forest management. The stage 1 audit was conducted 5/22/2007 through 5/23/2007. The stage 2 field audit was conducted 6/5/2007 through 6/8/2007. Richard Boitnott and Rick Larkin conducted both stages of the audit. Mr. Boitnott served as lead auditor throughout the process.

No non-conformances were issued during the audit. One opportunity for improvement and three notable practices were issued during the audit.

With this report, the two SFI audit objectives were attained. Since no non-conformances were issued against RMS's SFI program, the lead auditor recommended immediate certification to the SFIS 2005-2009 edition.

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Audit Scope Summary

Contract Number: HQ 17546

Audit Team: Lead Auditor: Richard Boitnott; CF, RF, EMS (LA)
Audit Team Member: Rick Larkin; CF, CWB, EMS (LA)

Country: U.S.

States: Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Texas

Total Land Base: Alabama-791,673
Arkansas-302,604
Florida-121,547
Georgia-58,346
Louisiana-293,994
Mississippi-334,622
North Carolina-240,587
South Carolina-271,618
Texas-224,313

Facilities: N/A

Audit Dates: Stage 1: May 22-23, 2007
Stage 2: June 5-8, 2007

Audit Recommendation: Immediate certification to the SFIS 2005-2009

Date of Completion of
Corrective Actions: N/A

Duration of Certificate: Five (5) years



SECTION 1.0

AUDIT BACKGROUND

This report summarizes the results of the certification audit conducted on Resource Management Service, LLC's SFI program for forest management operations. Richard Boitnott and Rick Larkin conducted both stages of the 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.

The audit was conducted in two stages. The stage 1 audit was conducted in the corporate office in Birmingham Alabama 5/22/2007 through 5/23/2007. The objectives of stage 1 were to: 1) review RMS's SFI system documents in accordance with the requirements of the SFI 2005-2009 standard, and 2) develop the certification audit plan. RMS's Sustainable Forestry Policy was used for documentation of the management system. RMS's audit scope of "*Forestry operations on client-owned forestlands under the management of Resource Management Service, LLC*" was reviewed and confirmed.

The stage 2 audit was conducted 6/5/2007 through 6/8/2007 in the Alabama and South Carolina regions. The audit was conducted against the SFIS 2005-2009 standard. All SFI objectives applicable to land management 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 10/10/2006 version of the Bureau Veritas Certification SFI Auditor Handbook.

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 Alabama and South Carolina regions. Most of the land managed by RMS was purchased from International Paper. This audit was a continuation of the SFIS certificate held by International Paper. RMS will proceed with a surveillance audit cycle, with all regions covered and applicable indicators within SFI Objectives 1-7 and 9-13 audited within a 3 year period.

Opening meetings were held for both stages of the audit. The stage 2 audit began in the Prattville Alabama and Georgetown South Carolina offices on 6/5/2008 with separate opening meetings. The objectives for the audit were outlined and the audit process for collecting evidence and making audit findings was explained. Findings of non-conformance and opportunities for improvement were also explained. The audit plan was discussed and agreed to, and time and date of the closing meeting was confirmed. There was no substitution or modifications of SFI indicators.



SECTION 2.0

AUDIT RESULTS

2.1 General Findings

The stage 2 audit consisted of a field review of eighteen (18) harvesting operations; eleven (11) regeneration, site preparation, chemical/fertilizer application tracts, two (2) road construction/culvert replacement sites, and five (5) special sites 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. The audit was conducted in a positive and cooperative atmosphere. RMS personnel were knowledgeable about their management system and demonstrated commitment to the principles of sustainable forestry. On-the-ground implementation of SFI objectives and performance measures was excellent.

2.2 Non-conformances Issued

There were no non-conformances issued.

2.3 Opportunities for Improvement

One (1) 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. 6: Review guidelines for acceptable soil rutting levels to ensure consistent application across the region and rationales for differences by soil type.

2.4 Notable Practices

In addition, three (3) notable practices were identified:

1. PM 10.1 Ind. 4: During a shovel logging operation with a new contractor RMS staff observed repeated issues with improper logging techniques. After repeated discussions with the supplier and logger, RMS conducted an on-site shovel logging training with an experienced shovel logger to instruct the new logger in proper shovel logging techniques.
2. PM 12.1 Ind. 3: Distribution of landowner information packets to buyers of land managed by RMS is a commendable effort to promote the principles of sustainable forestry.
3. PM 13.1 Ind. 2: Internal audit process is in place to review field level compliance with BMPs and other SFI requirements.



SECTION 3.0

CONCLUSION

With this report, the two SFI audit objectives were attained. The findings and conclusions of this surveillance audit are the results of a constructive and cooperative effort between RMS and Bureau Veritas Certification

A joint closing meeting between the South Carolina and Alabama regions and Birmingham staff was held on 6/8/2007 at 11:30 am EDT. The opportunity for improvement and notable practices were reviewed. The Lead Auditor issued a recommendation for certification to the SFIS 2005-2009 edition.