

FOREST MANAGEMENT AND STUMP-TO-FOREST GATE CHAIN-OF-CUSTODY SURVEILLANCE EVALUATION REPORT

Mendocino Redwood Company *Resource Manager Certificate*

SCS-FM/COC-0001G

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| CERTIFIED | EXPIRATION |
|--------------|--------------|
| 17 Sept 2012 | 16 Sept 2017 |

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| DATE OF FIELD AUDIT |
| 27 Oct 2014 |
| DATE OF LAST UPDATE |
| 06 Jan 2015 |

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| Cycle in annual surveillance audits | | | |
|--|--|---|---|
| <input type="checkbox"/> 1 st annual audit | <input checked="" type="checkbox"/> 2 nd annual audit | <input type="checkbox"/> 3 rd annual audit | <input type="checkbox"/> 4 th annual audit |
| Name of Forest Management Enterprise (FME) and abbreviation used in this report: | | | |
| MRC Resource Manager (MRCRM) | | | |

All certificates issued by SCS under the aegis of the Forest Stewardship Council (FSC) require annual audits to ascertain ongoing conformance with the requirements and standards of certification. A public summary of the initial evaluation is available on the FSC Certificate Database <http://info.fsc.org/>.

Pursuant to FSC and SCS guidelines, annual / surveillance audits are not intended to comprehensively examine the full scope of the certified forest operations, as the cost of a full-scope audit would be prohibitive and it is not mandated by FSC audit protocols. Rather, annual audits are comprised of three main components:

- A focused assessment of the status of any outstanding conditions or Corrective Action Requests (CARs; see discussion in section 4.0 for those CARs and their disposition as a result of this annual audit);
- Follow-up inquiry into any issues that may have arisen since the award of certification or prior to this audit; and
- As necessary given the breadth of coverage associated with the first two components, an additional focus on selected topics or issues, the selection of which is not known to the certificate holder prior to the audit.

Organization of the Report

This report of the results of our evaluation is divided into two sections. Section A provides the public summary and background information that is required by the Forest Stewardship Council. This section is made available to the general public and is intended to provide an overview of the evaluation process, the management programs and policies applied to the forest, and the results of the evaluation. Section A will be posted on the FSC Certificate Database (<http://info.fsc.org/>) no less than 90 days after completion of the on-site audit. Section B contains more detailed results and information for the use by the FME.

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SECTION A – PUBLIC SUMMARY

1. General Information

1.1 Annual Audit Team

| | | | |
|------------------------|--|----------------------|--------------|
| Auditor Name: | Liz Forward | Auditor role: | Lead auditor |
| Qualifications: | Ms. Forward is a Certification Forester in the SCS Forest Management program. She holds a B.A. in Human Biology from Stanford University and Masters of Environmental Management and Masters of Forestry degrees from Duke University’s Nicholas School of Earth and Environmental Science. She has worked in rural land use planning in Colorado and Montana and in forest certification and sustainable agriculture in Indonesia. She is an ISO accredited lead auditor and a Registered Professional Forester (RPF #2974) in the state of California. She has conducted forest management and Chain of Custody evaluation and surveillance audits throughout the United States and Indonesia. | | |

1.2 Total Time Spent on Evaluation

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|---|----------|
| A. Number of days spent on-site assessing the applicant: | 3 |
| B. Number of auditors participating in on-site evaluation: | 1 |
| C. Additional days spent on preparation, stakeholder consultation, and post-site follow-up: | 2 |
| D. Total number of person days used in evaluation: | 5 |

1.3 Standards Employed

1.3.1. Applicable FSC-Accredited Standards

| Title | Version | Date of Finalization |
|--|---------|----------------------|
| FSC US Forest Management Standard | V1-0 | 8 – July – 2010 |
| FSC standard for group entities in forest management groups (FSC-STD-30-005) | V1-0 | 31 – August – 2009 |
| All standards employed are available on the websites of FSC International (www.fsc.org), the FSC-US (www.fscus.org) or the SCS Standards page (www.scsglobalservices.com/certification-standards-and-program-documents). Standards are also available, upon request, from SCS Global Services (www.SCSGlobalServices.com). | | |

2 Annual Audit Dates and Activities

2.1 Annual Audit Itinerary and Activities

| Date Monday, Oct 27 | |
|-----------------------------|--|
| FMU/Location/ sites visited | Activities/ notes |
| 9am, MRC office, Ukiah | Opening Meeting: Client annual update, review audit scope, audit plan, update to FSC and SCS standards and protocols, review of open CARs/OBS, final site selection. |
| Maillard Ranch | - Discussed plans for the future of the property. |

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| | <ul style="list-style-type: none"> - Discussed tanoak management. Want to do more stand improvement and remove more tanoak. Did frilling this year as part of the Round Valley THP. Had 125 bd ft of HW and 80 bd ft of redwood (RW) – would like to reverse that species mix. Prescription was group and transition in the HW areas. Had pesticide recommendation written by PCA and treated ~ 30 ac, hoping to release suppressed RW. Usage reported to ag commissioner as required. A lot of material on the ground, discussed fire danger. - Many wildlife trees, large firs, generally try to leave the two largest fir, madrone, true oak, etc., that’s in the plan. - Discussed building layouts to lay down large trees. They recontour afterwards. No layouts in riparian areas. - Discussed cattle management, road building and easement monitoring. |
| Webb | <ul style="list-style-type: none"> - Visited the new vineyard site – it was the site of an existing vineyard, where the family makes wine for fun. The vineyard area was expanded to 2.5 ac, got a <3 ac exemption. Reviewed requirements for conversion. - Walked the road through the 2011 harvest. Took off 400,000 bd ft, 36 ac, all selection. Lots of hand lopping, owner wanted it to look good. Scattered slash on the landings. Discussed old growth on the property. - CFI plots throughout the property, last cruised in 2007 before the sale. The NTMP is ten years old. - Discussed habitat retention area (HRA) for Northern spotted owl (NSO). Allows them to survey every year then harvest with a notification. Requires their basal area to increase every year to reward landowner for growing their forest. They have 3 activity centers. |
| Audit team overnight in Mendocino County | |
| Date Tuesday, Oct 28 | |
| FMU/Location/ sites visited* | Activities/ notes |
| Buckeye | <ul style="list-style-type: none"> - Discussed skunk train route through the property and the associated issues, included fire danger and trespass. - Conservation easement over the entire property held by the Mendocino Land Trust. The primary property goal of the owner is recreation – several trails have been built and are used by local church group. There are many legacy trees, all named. - Visited the last harvest in 2002, a thin from below. This site only grows fir, no RW. Oaks are retained, piles burned. The land trust gave a grant to plant fir along the creek. But they only grew well if the deer were fenced out. - Prior to the next harvest forester will do owl surveys, mark, flag waterways, erosion control monitoring. |

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| <p>JDSF</p> | <ul style="list-style-type: none"> - Road 80 THP and Peterson Gulch THP: Anderson logging was the operator, Willits Redwood the purchaser. Fir went to Schmidbauer. Use their own ticket books for CoC. They sell unsevered trees – purchaser pays yield tax and pays up front – advanced stumpage. Transfer ownership as soon as it’s cut. Fallers estimate volume as they go and they track the volume of the sale. - Peterson Gulch THP: Flagging for cable vs. tractor. They mark tanoak and ask them to be felled if there is an adjacent conifer. They don’t want to release tanoak. Trying to control for repeated selection harvests that release tanoak. - Discussed new Option A – in for review now. Original Option A was written for even-age management, which was prohibited by the JAG. Now the new Option A will match their actual practices, which call for low, medium and high retention areas within uneven age management. New plan will be attached to Peterson Gulch THP. - Discussed culvert placement, downspouts, buffers on streams - Herbicide discussion: Dept. of General Services must approve contracts for chemical application. The contractors have applicator’s licenses and the Dept. of Pesticide Regulation is involved. PCA writes the prescription, puts it in the contract. A map of the group selection areas, with set areas for application, goes into the contract. This year two groups were treated, one with hack and squirt, the other manual cutting and logging. Dave Derby will do effectiveness monitoring of both treatments. If they get a lot of sprouts within 2 years, will need to treat again. They plan on planting RW this winter, so monitoring will begin then. Discussed public sentiment around herbicide and how that has affected removing eucalyptus from the Orchard THP. - Caspar Creek THP: Logs going to MFP in Ukiah, bigger fir goes to Scotia, bigger RW to Willits Redwood. Put in new ditch relief culverts, some are erosion control points. 1.5 million bd ft sale, active operations trying to finish this winter. Interview with crew boss at Philbrick Logging. Still logging all selection in Unit A, total sale 247 ac. Discussed new mushroom permit with operator – now pay \$20 as if every permit is commercial. Noted that the road was quite muddy – some rutting, but expected to be repaired when the equipment taken out. - Orchard THP: No harvest within 30 ft of Caspar Creek, retain 240 ba. Last entered in the 1960s. Sale almost done, all the logs are shipped, but lopping not done yet. Alternative prescription, the closest alternative was a group to start a new generation of conifers. Sonoma tree vole is in the stand, in DF, but difficult to find. They don’t cut all the DF. - Weir on N. Form of Caspar Creek: Data used to study cumulative effects of timber management on stream flow and |
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| | suspended sediment. Fish ladder present. V-notch design lets them measure flow rate coming out of the watershed. Data logged every ten minutes and storm sampling. Discussed monitoring with hydrologist with USFS Redwood Science Lab on site. |
| Drive to Humboldt County, overnight in Humboldt | |
| Date Wednesday, Oct 29 | |
| FMU/Location/ sites visited* | Activities/ notes |
| Cook | <ul style="list-style-type: none"> - NRM is the property manager. 172 ac, NTMP was amended when a part of the property was sold – essentially two NTMPs now tied together. New inventory done when the current owner bought the property. NTMP from 1996, purchased in 2000. - Last harvested in 2007, 1.3 million bd ft taken off. NRM staff patrol several times/year, maintain watercourse crossings, check for trespass, repair rills, check fences and gates. Added a water tank two years ago. In 2010 rocked some of the roads – steep sections. One grow site found last year. Anticipate two more harvests in ten years across the entire property. - All selection harvests, but they interplant DF and RW. - Discussed surveys, monitoring, log accounting. One legacy tree on the property. |
| HRC office, Scotia | Closing Meeting Preparation: Auditor takes time to consolidate notes and confirm audit findings |
| HRC office, Scotia | Closing Meeting and Review of Findings: Convene with all relevant staff to summarize audit findings, potential non-conformities and next steps |

2.2 Evaluation of Management Systems

SCS deploys interdisciplinary teams with expertise in forestry, social sciences, natural resource economics, and other relevant fields to assess an FME’s conformance to FSC standards and policies. Evaluation methods include document and record review, implementing sampling strategies to visit a broad number of forest cover and harvest prescription types, observation of implementation of management plans and policies in the field, and stakeholder analysis. When there is more than one team member, team members may review parts of the standards based on their background and expertise. On the final day of an evaluation, team members convene to deliberate the findings of the assessment jointly. This involves an analysis of all relevant field observations, stakeholder comments, and reviewed documents and records. Where consensus between team members cannot be achieved due to lack of evidence, conflicting evidence or differences of interpretation of the standards, the team is instructed to report these in the certification decision section and/or in observations.

3. Changes in Management Practices

The biggest management change since the last audit is the departure of Maralyn Renner, who coordinated the Humboldt County group members, and the addition of Gretchen Woessner as the Stewardship Administrator. Gretchen will be trained to assume responsibility for the Humboldt County group members. Sarah Billig will continue to administer the group, with primary responsibility for the Mendocino County group members in her new role as Stewardship Director.

One new group member was added in the past year, the Buckeye property in Mendocino County. This new property was visited during the 2014 field audit.

4. Results of the Evaluation

4.1 Existing Corrective Action Requests and Observations

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| Finding Number: 2013.1 | |
| Select one: <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation | |
| FMU CAR/OBS issued to (when more than one FMU): JDSF | |
| Deadline | <input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify): |
| FSC Indicator: | US Forest Management Standard Indicator 4.4.a |
| Non-Conformity: JDSF monitors many aspects of social impacts, including recreational use, NTFP permits issued, archeological sites maintained and many aspects of community engagement through the JAG. An annual report is prepared for the Board of Forestry, but this report is not readily available to the community of the CB. | |
| Corrective Action Request: JDSF should make a summary of the social impacts of management activities and forest use available to the CB. | |
| FME response <i>(including any evidence submitted)</i> | Pam Linstedt, Deputy Chief and Manager of JDSF, submitted the JDSF Annual Report for 2012 to the CB on 12/2/13. |
| SCS review | A review of the above mentioned report confirms that JDSF staff are well aware of the impacts of JDSF management activities on the local community. The report provides summary information on management activities on the forest, research and demonstration projects, sales of timber products and NTFPs, outreach and educational activities, recreation statistics, and biological and wildlife resources and law enforcement activities. The report thoroughly meets the requirements of indicator 4.4.a. |
| Status of CAR: | <input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision <i>(refer to description above)</i> |

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| Finding Number: 2013.2 | |
| Select one: <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation | |
| FMU CAR/OBS issued to (when more than one FMU): Families Blue Lakes | |
| Deadline | <input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify): |
| FSC Indicator: | US Forest Management Standard Indicator 6.4.a Family Forest |
| Non-Conformity: The 2013 internal audit of Families Blue Lakes identified a Natural Heritage ranked Sitka Spruce stand of scattered old growth individuals (60-100 years old) most likely last entered for harvest prior to current ownership. Sitka spruce stands of this age class are categorized as S1.1 on the NDDB. The stand is mostly within a class 2 WLPZ buffer (150 ft) and blow down was salvaged in 2001. An internal audit by the group entity identified the stand as a potential RSA due to its natural heritage ranking, age and old growth features. | |
| Corrective Action Request: Given the natural heritage ranking and old growth characteristics of the stand, the manager should consider designating the stand as an RSA and managing it to maintain its conservation features. | |
| FME response <i>(including any evidence submitted)</i> | From the MRCRM audit report: The MRCRM observation from the previous audit was closed as the 10 acre patch of Sitka Spruce was assessed as representative sample area since the state ranking is S1.1 (note: this does still allow harvest of Sitka Spruce within the patch). The forest manager (Bob Kelley) knows the exact extent of the Sitka Spruce forest and will maintain the Sitka Spruce forest type while harvesting in the stand. NOTE: This audit took place during active operations. |
| SCS review | Given that there have been no new group participants added in Humboldt County this year, there is little risk of new RSAs being misidentified. The internal audit system caught the above instance and it has been recorded. |
| Status of CAR: | <input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision <i>(refer to description above)</i> |

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| Finding Number: 2013.3 | |
| Select one: <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation | |
| FMU CAR/OBS issued to (when more than one FMU): Group Entity | |
| Deadline | <input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify): |
| FSC Indicator: | US Forest Management Standard Indicator 6.4.d |
| <p>Non-Conformity: The group entity typically conducts RSA assessments for group participants upon entry into the group or acquisition of new land, using the HCVF/RSA Assessment Form as guidance. However, different assessment forms are in use for group participants in Humboldt County versus Mendocino County, with different potential RSA types listed on the two different forms. For example, the assessment form for Humboldt County participants includes RSA types of Western Lily, Chinquapin stands and Oregon White Oak stands, which are not included on the form in use in Mendocino County. Not only do the potential RSA and HCVF types differ between forms, but the understanding of the definitions of and differences between HCVF and RSAs may differ among internal auditors.</p> | |
| <p>Corrective Action Request: The internal auditors for group participants should coordinate a review of the HCVF/RSA assessment form so that the need for HCVF and RSA designation can be reviewed and the types revised based on more current assessments and a common understanding of the area under the scope of the group certificate.</p> | |
| FME response <i>(including any evidence submitted)</i> | This is still ongoing within the group certificate as no new participants have joined in Humboldt county since the last audit. This work will occur in winter of 2014. |
| SCS review | Given that there is a new certification manager for the Humboldt properties, and training on RSAs and HCVF is needed for this person prior to the next round of internal audits, this Observation is raised to a Minor CAR and listed under the 2014 findings below. |
| Status of CAR: | <input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input checked="" type="checkbox"/> Other decision (refer to description above) |

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| Finding Number: 2013.4 | |
| Select one: <input type="checkbox"/> Major CAR <input type="checkbox"/> Minor CAR <input checked="" type="checkbox"/> Observation | |
| FMU CAR/OBS issued to (when more than one FMU): Families Blue Lakes | |
| Deadline | <input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify): |
| FSC Indicator: | US Forest Management Standard Indicator 5.3.b |
| <p>Non-Conformity: While visiting a site on the most recent harvest block the auditor noted an area above the landing where skid trail width and concentration seemed high and residual stand damage greater than that noted at other harvest sites, particularly for an operation under an NTMP. Between skid trails several leave trees has been damaged or snapped during operations and several hardwoods (bays) knocked down. The internal audit by the group entity also noted the area for excessive skid trails and an excessively large landing, though conversation during the audit confirmed that the landing was being reused from past harvests and had not been opened up recently. The forester for the property noted that he was not entirely pleased with the level of residual stand damage following the harvest, though the operators were otherwise skilled and trustworthy and had been working the property for many years without major incident. The auditor noted with harvests conducted every year the intensity of operations could be considered higher than that usually associated with an NTMP.</p> | |
| <p>Corrective Action Request: Harvest practices should be managed to protect residual trees and techniques implemented to minimize impacts to vegetation, soil and water resources whenever possible.</p> | |
| FME response <i>(including any evidence submitted)</i> | On the site visit, MRCRM auditor observed harvest practices that were consistent with protecting residual trees and opening skid trails only as needed. |
| SCS review | No evidence of excessive levels of residual stand damage were noted during the 2014 field audit. |
| Status of CAR: | <input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above) |

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| Finding Number: 2013.5 | |
| Select one: <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation | |
| FMU CAR/OBS issued to (when more than one FMU): Parker 10 Mile Ranch | |
| Deadline | <input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify): |
| FSC Indicator: | SCS Chain of Custody Indicators for FMEs Indicator 2.3 |
| <p>Non-Conformity: A review of trip tickets for a recent sale on Parker 10 Mile confirmed that while the forester has begun using the group certificate code, the claim (FSC 100%) is not in use. It should be noted that this is a new participant in the group this year and the forester was unable to attend the CoC training offered by the Group Entity, which likely resulted in confusion over required CoC procedures.</p> | |
| <p>Corrective Action Request: The FME shall ensure that all sales documents issued for outputs sold with FSC claims include the following information:</p> <ul style="list-style-type: none"> a) name and contact details of the organization; b) name and address of the customer; c) date when the document was issued; d) description of the product; e) quantity of the products sold; f) the organization’s FSC Forest Management (FM/COC) or FSC Controlled Wood (CW/FM) code; g) clear indication of the FSC claim for each product item or the total products as follows: <ul style="list-style-type: none"> i. the claim “FSC 100%” for products from FSC 100% product groups; ii. the claim “FSC Controlled Wood” for products from FSC Controlled Wood product groups. <p>If separate transport documents are issued, information sufficient to link the sales document and related transport documentation to each other.</p> | |
| FME response <i>(including any evidence submitted)</i> | Auditor visited the following sites with FSC-certified harvests in 2014: Families Blue Lakes, Jackson State Demonstration Forest, and Whittaker. It is now common practice on the audits to check trip tickets to confirm the claim and certificate code is on the trip ticket. Additionally, during annual meetings in the spring of 2014 in Humboldt and Mendocino county – auditor trained all participants (and potential participants on this exact requirement) – see slides 11 and 12 of the attached powerpoint presentation. |
| SCS review | All trip tickets checked during the internal audit and during the SCS audit were found to be correctly labelled and accurate. |
| Status of CAR: | <input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above) |

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| Finding Number: 2013.6 | |
| Select one: <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation | |
| FMU CAR/OBS issued to (when more than one FMU): Perry Gulch | |
| Deadline | <input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify): |
| FSC Indicator: | SCS Chain of Custody Indicators for FMEs Indicator 3.2 |
| Non-Conformity: Perry Gulch has a sign at the entrance to the property which uses the FSC logo and references the other CB under which the FME was previously certified. | |
| Corrective Action Request: 3.2 The FME shall replace the sign to reference the correct CB and certificate number and shall request authorization from SCS to use any FSC on-product labels and/or FSC trademarks for promotional use, including signage. | |
| FME response <i>(including any evidence submitted)</i> | All signs referencing old certificate codes have been removed from the properties in question. Group manager is working internally to purchase correct signs for interested participants – this process is ongoing. Participants are aware if they want to use the FSC trademark in any way, they need to contact group manager to get an approval for use. |
| SCS review | The certificate manager is working on getting approval for a set of signs for group participants. Training has been provided to participants on appropriate logo use and no further violations were found during the 2014 audit. |
| Status of CAR: | <input checked="" type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision <i>(refer to description above)</i> |

4.2 New Corrective Action Requests and Observations

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| Finding Number: 2014.1 | |
| Select one: <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation | |
| FMU CAR/OBS issued to (when more than one FMU): | |
| Deadline | <input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify): |
| FSC Indicator: | FSC US FM Standard, Indicator 6.4.d |
| <p>Non-Conformity: The group entity typically conducts RSA assessments for group participants upon entry into the group or acquisition of new land, using the HCVF/RSA Assessment Form as guidance. However, different assessment forms are in use for group participants in Humboldt County versus Mendocino County, with different potential RSA types listed on the two different forms. For example, the assessment form for Humboldt County participants includes RSA types of Western Lily, Chinquapin stands and Oregon White Oak stands, which are not included on the form in use in Mendocino County. Not only do the potential RSA and HCVF types differ between forms, but the understanding of the definitions of and differences between HCVF and RSAs may differ among internal auditors. While it is expected that there may be some differences between RSA or HCVF categories between counties based on different ecotypes present, these differences should be arrived at through a common understanding of the internal auditors.</p> <p>Additionally, RSAs and HCVF are tracked in the group participant database by member number, but not by category. Acreage is estimated and HCVF and RSAs are not differentiated. Unless the auditor has specific knowledge of a property, there is no way to know if the special area identified has been designated as an RSA or as HCVF. This likely leads to additional confusion between categories for internal auditors.</p> | |
| <p>Corrective Action Request: The internal auditors for group participants shall coordinate a review of the HCVF/RSA assessment form so that the need for HCVF and RSA designation can be reviewed and the types revised based on more current assessments and a common understanding of the area under the scope of the group certificate. Once specific categories are clarified, all identified areas listed in the database shall be designated as either RSA or HCVF.</p> | |
| FME response <i>(including any evidence submitted)</i> | |
| SCS review | |
| Status of CAR: | <input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above) |

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| Finding Number: 2014.2 | |
| Select one: <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation | |
| FMU CAR/OBS issued to (when more than one FMU): | |
| Deadline | <input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify): |
| FSC Indicator: | FSC US FM Standard, Indicator 8.5.a |
| <p>Non-Conformity: MRCRM posts an annual monitoring report on their website, summarizing the last year’s annual internal monitoring visits to group participants’ properties. Information in the online report includes basic data regarding group participants, the number of sites visited during the internal audit, any internal findings issued and any significant discoveries. Although much of the monitoring information required under 8.2 is collected by the participants themselves prior to harvests, a summary of this information is not included in annual monitoring reports. This includes updated information on inventory, significant/unanticipated loss, road conditions, stakeholder comments, timber harvest records and proper implementation of site specific plans.</p> | |
| <p>Corrective Action Request: While protecting landowner confidentiality, and retaining any sensitive information, MRCRM shall present either full monitoring results or an up to date summary of the most recent monitoring information, covering the indicators listed in Criterion 8.2, for group participants.</p> | |
| FME response <i>(including any evidence submitted)</i> | |
| SCS review | |
| Status of CAR: | <input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision <i>(refer to description above)</i> |

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| Finding Number: 2014.3 | |
| Select one: <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation | |
| FMU CAR/OBS issued to (when more than one FMU): | |
| Deadline | <input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify): |
| FSC Indicator: | FSC US FM Standard, Indicator 9.1.a |
| Non-Conformity: Although each group participant property is assessed for the presence of HCVF, those areas identified have not been mapped. | |
| Corrective Action Request: All HCVF areas identified on group participant properties shall be mapped. | |
| FME response <i>(including any evidence submitted)</i> | |
| SCS review | |
| Status of CAR: | <input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision <i>(refer to description above)</i> |

| | |
|---|--|
| Finding Number: 2014.4 | |
| Select one: <input type="checkbox"/> Major CAR <input checked="" type="checkbox"/> Minor CAR <input type="checkbox"/> Observation | |
| FMU CAR/OBS issued to (when more than one FMU): | |
| Deadline | <input type="checkbox"/> Pre-condition to certification <input type="checkbox"/> 3 months from Issuance of Final Report <input checked="" type="checkbox"/> Next audit (surveillance or re-evaluation) <input type="checkbox"/> Other deadline (specify): |
| FSC Indicator: | Group Standard 30-005 4.1 |
| Non-Conformity: The auditor reviewed the information provided to two new group members this year and found most all the following information to be provided. The information provided new group members includes: <ol style="list-style-type: none"> 1) A welcome letter detailing requirements of the program 2) An executed copy of the participation agreement 3) A copy of the internal audit report of the property <p>However, group members are not provided with access or a link to the Group Operations Manual, which is located on the MRC website: http://www.mrc.com/pdf/MRCRM_manual_2010.pdf . Much of the information required under 4.1 is more completely described in this manual. Furthermore, the version of the manual currently on the website is out of date (2010, as opposed to the most recent 2012 version).</p> | |
| Corrective Action Request: MRCRM shall update the Operations Manual found on the website and ensure all group members have access to this document. | |
| FME response (including any evidence submitted) | |
| SCS review | |
| Status of CAR: | <input type="checkbox"/> Closed <input type="checkbox"/> Upgraded to Major <input type="checkbox"/> Other decision (refer to description above) |

5. Stakeholder Comments

In accordance with SCS protocols, consultation with key stakeholders is an integral component of the evaluation process. Stakeholder consultation takes place prior to, concurrent with, and following field evaluations. Distinct purposes of such consultation include:

- To solicit input from affected parties as to the strengths and weaknesses of the FME's management, relative to the standard, and the nature of the interaction between the company and the surrounding communities.

- To solicit input on whether the forest management operation has consulted with stakeholders regarding identifying any high conservation value forests (HCVFs).

Principal stakeholder groups are identified based upon results from past evaluations, lists of stakeholders from the FME under evaluation, and additional stakeholder contacts from other sources (e.g., chair of the regional FSC working group). The following types of groups and individuals were determined to be principal stakeholders in this evaluation:

5.1 Stakeholder Groups Consulted

| | |
|----------------------|--|
| Group members | |
| Consulting Foresters | |

Stakeholder consultation activities are organized to give participants the opportunity to provide comments according to general categories of interest based on the three FSC chambers, as well as the SCS Interim Standard, if one was used. The table below summarizes the major comments received from stakeholders and the assessment team’s response. Where a stakeholder comment has triggered a subsequent investigation during the evaluation, the corresponding follow-up action and conclusions from SCS are noted below.

5.2 Summary of Stakeholder Comments and Responses from the Team, Where Applicable

| <input checked="" type="checkbox"/> FME has not received any stakeholder comments from interested parties as a result of stakeholder outreach activities during this annual audit. | |
|--|--------------|
| Stakeholder comments | SCS Response |
| Economic concerns | |
| | |
| Social concerns | |
| | |
| Environmental concerns | |
| | |

6. Certification Decision

| | |
|--|---|
| The certificate holder has demonstrated continued overall conformance to the applicable Forest Stewardship Council standards. The SCS annual audit team recommends that the certificate be sustained, subject to subsequent annual audits and the FME’s response to any open CARs. | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
| Comments: | |

7. Changes in Certification Scope

Any changes in the scope of the certification since the previous audit are highlighted in **yellow** in the tables below.

Name and Contact Information

| | | | |
|--------------------------|---|------------------|---------------------|
| Organization name | Mendocino Redwood Resource Manager Certification Program | | |
| Contact person | Sarah Billig | | |
| Address | Mendocino Redwood | Telephone | 707-463-5125 |
| | Company | Fax | 707-466-5530 |
| | P.O. Box 996 | e-mail | sbillig@mendoco.com |
| | Ukiah, California 95482 | Website | http://www.mrc.com/ |

FSC Sales Information

| | | | |
|--|------------------|--|--|
| <input checked="" type="checkbox"/> FSC Sales contact information same as above. | | | |
| FSC salesperson | | | |
| Address | Telephone | | |
| | Fax | | |
| | e-mail | | |
| | Website | | |

Scope of Certificate

| | | |
|--|--|---|
| Certificate Type | <input type="checkbox"/> Single FMU | <input type="checkbox"/> Multiple FMU |
| | <input checked="" type="checkbox"/> Group | |
| SLIMF (if applicable) | <input type="checkbox"/> Small SLIMF certificate | <input type="checkbox"/> Low intensity SLIMF certificate |
| | <input type="checkbox"/> Group SLIMF certificate | |
| # Group Members (if applicable) | 17 | |
| Number of FMU's in scope of certificate | 23 | |
| Geographic location of non-SLIMF FMU(s) | Latitude & Longitude: | |
| Forest zone | <input type="checkbox"/> Boreal | <input checked="" type="checkbox"/> Temperate |
| | <input type="checkbox"/> Subtropical | <input type="checkbox"/> Tropical |
| Total forest area in scope of certificate which is: | | Units: <input type="checkbox"/> ha or <input checked="" type="checkbox"/> ac |
| privately managed | 33,690ac | |
| state managed | 48,652 ac | |
| community managed | 0 | |
| Number of FMUs in scope that are: | | |
| less than 100 ha in area | 9 | 100 - 1000 ha in area 11 |
| 1000 - 10 000 ha in area | 2 | more than 10 000 ha in area 1 |
| Total forest area in scope of certificate which is included in FMUs that: | | Units: <input type="checkbox"/> ha or <input type="checkbox"/> ac |
| are less than 100 ha in area | 912 ac | |
| are between 100 ha and 1000 ha in area | 14,717 ac | |

| | |
|---|---|
| meet the eligibility criteria as <i>low intensity</i> SLIMF FMUs | 0 |
| Division of FMUs into manageable units: | |
| Most group participants represent one FMU – most properties are further divided into management units. Two resource managers (Gill and Lindren) represent multiple FMUs as resource managers. Jackson Demonstration State Forest (JDSF) and Mailliard Ranch, due to their size, further divide their land for management according to standard stand classifications and treatment options. | |

Non-SLIMF Group Members

| Name | Contact information | Latitude/ longitude of Non-SLIMF FMUs | |
|------------------------------------|------------------------------------|---------------------------------------|-------------|
| Jackson Demonstration State Forest | Pam Linstedt, Forester Cal Fire | 39.352260 | -123.558623 |
| Mailliard Ranch | Todd McMahon, NCRM | 39.125488 | -123.475307 |
| Families Blue Lakes | Bob Kelley, NRM | 40.54 | -124.00 |
| | | | |

Production Forests

| Timber Forest Products | Units: <input type="checkbox"/> ha or <input checked="" type="checkbox"/> ac |
|---|--|
| Total area of production forest (i.e. forest from which timber may be harvested) | 82,342 |
| Area of production forest classified as 'plantation' | 0 |
| Area of production forest regenerated primarily by replanting or by a combination of replanting and coppicing of the planted stems | 82,342 |
| Area of production forest regenerated primarily by natural regeneration, or by a combination of natural regeneration and coppicing of the naturally regenerated stems | 0 |
| Silvicultural system(s) | Area under type of management |
| Even-aged management | |
| Clearcut (clearcut size range) | 0 |
| Shelterwood | 2,700 |
| Other: | 0 |
| Uneven-aged management | |
| Individual tree selection | 79,792 (will be a mix of IT selection, GS, and other) |
| Group selection | 0 |
| Other: | 0 |
| <input type="checkbox"/> Other (e.g. nursery, recreation area, windbreak, bamboo, silvo-pastoral system, agro-forestry system, etc.) | |
| The sustainable rate of harvest (usually Annual Allowable Harvest or AAH where available) of commercial timber (m3 of round wood) | 43.7 million board feet for all group members |
| Non-timber Forest Products (NTFPs) | |
| Area of forest protected from commercial harvesting of timber and managed primarily for the production of NTFPs or services | 0 |
| Other areas managed for NTFPs or services | 0 |

| | |
|---|---|
| Approximate annual commercial production of non-timber forest products included in the scope of the certificate, by product type | 0 |
| Explanation of the assumptions and reference to the data source upon which AAH and NTFP harvest rates estimates are based: | |
| All data based on inventory, growth, and yield assessments of group members, all of which are reviewed by the State timber regulatory agency, Cal-Fire, under THP or NTMP review. | |
| Species in scope of joint FM/COC certificate: <i>Scientific/ Latin Name (Common/ Trade Name)</i> | |
| <i>Sequoia sempervirens (redwood);</i> <i>Pseudotsuga menziesii (Douglas-fir);</i> <i>White fir (Abies concolor);</i> <i>Hemlock (Tsuga heterophylla);</i> <i>tanoak (Lithocarpus densiflorus);</i> <i>Madrone (Arbutus menziesii);</i> <i>(Abies grandis) Grand fir;</i> <i>(Picea sitchensis) Sitka Spruce</i> | |

FSC Product Classification

| Timber products | | |
|----------------------------|-------------------------|--|
| Product Level 1 | Product Level 2 | Species |
| W1 | W1-1 – Roundwood (logs) | <i>Sequoia sempervirens (Redwood), Pseudotsuga menziesii (Douglas fir)</i> |
| W1 | W1-2 – Fuel wood | <i>Any of the species listed save redwood and Douglas fir</i> |
| W3 | W3-1 – Wood chips | <i>Sequoia sempervirens (Redwood), Pseudotsuga menziesii (Douglas fir)</i> |
| Non-Timber Forest Products | | |
| Product Level 1 | Product Level 2 | Product Level 3 and Species |
| | | |
| | | |

Conservation Areas

| Total area of forest and non-forest land protected from commercial harvesting of timber and managed primarily for conservation objectives | ha or ac | | | |
|---|--|--|--|-------|
| High Conservation Value Forest/ Areas | | | | |
| High Conservation Values present and respective areas: ac | Units: <input type="checkbox"/> ha or <input checked="" type="checkbox"/> ac | | | |
| | Code | HCV Type | Description & Location | Area |
| <input checked="" type="checkbox"/> | HCV1 | Forests or areas containing globally, regionally or nationally significant concentrations of biodiversity values (e.g. endemism, endangered species, refugia). | Type I and II old growth (JDSF and Mailliard Ranch); NSO core areas (most participant sites); MAMU areas (JDSF); | 7,236 |
| <input type="checkbox"/> | HCV2 | Forests or areas containing globally, regionally or nationally significant large | | |

| | | | | |
|--|------|--|--|----------------|
| | | landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance. | | |
| <input type="checkbox"/> | HCV3 | Forests or areas that are in or contain rare, threatened or endangered ecosystems. | | |
| <input type="checkbox"/> | HCV4 | Forests or areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control). | | |
| <input type="checkbox"/> | HCV5 | Forests or areas fundamental to meeting basic needs of local communities (e.g. subsistence, health). | | |
| <input type="checkbox"/> | HCV6 | Forests or areas critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities). | | |
| Total Area of forest classified as 'High Conservation Value Forest/ Area' | | | | 7236 ac |

Areas Outside of the Scope of Certification (Partial Certification and Excision)

| | | |
|--|---|---|
| <input type="checkbox"/> N/A – All forestland owned or managed by the applicant is included in the scope. | | |
| <input checked="" type="checkbox"/> Applicant owns and/or manages other FMUs not under evaluation. | | |
| <input type="checkbox"/> Applicant wishes to excise portions of the FMU(s) under evaluation from the scope of certification. | | |
| Explanation for exclusion of FMUs and/or excision: | Jackson Demonstration State Forest is owned and managed by the State of California. JDSF is the only one of the eight state forests to be certified. Information on the other state forests may be found at http://www.fire.ca.gov/resource_mgt/resource_mgt_stateforests.php | |
| Control measures to prevent mixing of certified and non-certified product (C8.3): | None of the state forests are contiguous, nor do they conduct harvests or sales jointly – there is no risk of mixing certified wood products from JDSF with non-certified wood products from other state forests. | |
| Description of FMUs excluded from or forested area excised from the scope of certification: | | |
| Name of FMU or Stand | Location (city, state, country) | Size (<input type="checkbox"/> ha or <input checked="" type="checkbox"/> ac) |
| LaTour | Shasta | 9,033 |
| Mountain Home | Tulare | 4,807 |
| Boggs Mountain | Lake | 3,493 |
| Soquel | Santa Cruz | 2,681 |
| Las Posadas | Napa | 796 |
| Mount Zion | Amador | 164 |
| Mount Zion | Amador | 164 |

8. Annual Data Update

8.1 Social Information

| | | |
|---|---------------------|-----------------|
| Number of forest workers (including contractors) working in forest within scope of certificate (differentiated by gender): | | |
| 120 of male workers | 2 of female workers | |
| Number of accidents in forest work since last audit: | Serious: 0 | Fatal: 0 |

8.2 Annual Summary of Pesticide and Other Chemical Use

| <input type="checkbox"/> <i>FME does not use pesticides.</i> | | | | |
|--|-------------------|---------------------------------------|---|---------------------------|
| Commercial name of pesticide / herbicide | Active ingredient | Quantity applied annually (kg or lbs) | Size of area treated during previous year | Reason for use |
| Glyphosate | Glyphosate | 46.5 lbs. | 20 + road | Control of invasive weeds |
| Imazapyr | Imazapyr | 77 lbs | 168 | Tanoak control |
| | | | | |