



Forest Operations Policy and Procedure Manual

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The Forestland Group, LLC
Forest Operations Policy and Procedure Manual
February 2017

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I. Administrative Policies and Procedures

Forest Management Authorization

POLICY:

The Investment Committee delegates to the Forestland Investment Committee the administration of all tracts in a Fund for the achievement of investors' objectives.

PURPOSE:

The Forest Management Authorization provides the Forestland Investment Committee with certain powers as follows:

1. Create, implement, and modify both annual and ten-year operating forest management plans and budgets for individual tracts and aggregate plans and budgets for all tracts owned by a Fund managed by TFG.
2. Sell timber on a Fund tract by either sealed bid offerings or by negotiation.
3. Supervise and oversee Timber Supply Agreements associated with Fund tracts.
4. Establish, supervise, extend and terminate contracts with appropriate forest management consulting firms and others for the ongoing operational control of individual tracts.
5. Implement and contract for physical improvements to any Fund tract.
6. Identify and recommend outsales of portions of land and other assets, including any generated Carbon Offsets, to the Investment Committee. Recommend the acquisition of adjacent or nearby tracts that are offered for sale to TFG directly and meet Fund objectives.
7. React quickly to fire, theft, insect, disease, severe weather, or other similar issues.
8. Establish and execute agricultural and recreational leases; recommend establishment, extension, or termination of mineral leases to the Investment Committee.
9. Undertake other activities necessary to manage Fund tracts.

STANDARD OPERATING PROCEDURE:

The Investment Committee assigns signature and delegation authority to the Senior Vice President – Forestland Operations and the Vice President – Ecological Services. The Forestland Investment Committee may assign in writing authority to the Senior Vice President – Forestland Operations to delegate responsibilities to meet these objectives.

ORIGIN:

Approved by the Investment Committee on July 20th, 1998.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Forest Records Management

POLICY:

The Regional Directors of Forest Operations will be responsible for forest records management. These records will include but not be limited to baseline information providing historical, biological, environmental, and physical information about the tract, and appropriate legal documents. Records of operational plans and activities will also be maintained.

PURPOSE:

TFG requires maintenance and management of baseline and operational forest records that deal with the acquisition, management, and disposition of Fund tracts to ensure that information needed for analysis and decision-making is adequate and available.

STANDARD OPERATING PROCEDURE:

While most of the forest management records will be maintained with tract managers, a master file of all essential records will be kept at the TFG Central Office. Records are kept in the following task areas:

- **Baseline:** All baseline information will be maintained at the TFG Central Office. This will include such information as the appraisal, environmental assessment report, initial timber inventories, relevant contracts, TFG trip reports, and other relevant legal documents. The Regional Directors will decide which baseline information to copy and distribute to the tract managers.
- **Inventory (FIP):** The Sr. Vice President – Forestland Operations will ensure that pertinent Forest Inventory and Management Data are collected at the appropriate time for all management compartments of an acquired tract and entered into TFG’s Forest Information Portal (FIP). This information shall include at a minimum: land classifications; growth, yield, and stand structures; and timber density and quality (i.e., all information needed to best manage Fund tracts to meet investor objectives). The Senior Director – Forest Information Systems is responsible for maintaining Forest Inventory data, provided by the forest consultants, on file in TFG’s Forest Information Portal. Regional Directors will maintain Forest Inventory and Management Data at their Regional Office.
- **Operational:** All historical monthly, quarterly, and annual Tract Management Reports and the various versions of the Forest Management Plan will be maintained at the TFG Central Office, the offices of the Tract Managers, and at the office(s) of the Regional Director of Forest Operations. The Tract Managers will keep copies of their correspondence regarding the tracts, their trip and tract inspection reports, work orders, timber sale reports and related information. In addition, the Tract Manager will keep copies of all invoices prepared or received by the Tract Manager (after forwarding another copy to the TFG Central Office on a monthly basis). The Regional Directors of Forest Operations will keep copies of their correspondence regarding the tracts, their trip reports, and any other categories of information deemed relevant by the Senior Vice President – Forest Operations.
- **Financial:** Hard copies (and associated computer files) of the monthly financial transactions reports, prepared by the Tract Managers, will be kept by both the Tract Manager and the TFG Regional and Central Offices. Timber inventory summaries and timber price reports used to value the properties on a quarterly basis will be maintained by the TFG Central Office. Property valuations approved by the Investment Committee will be maintained by the TFG Central Office. All acquisition and management financial analyses will be kept by the TFG Central Office on computer files.
- **Forest Economy and Timber Market Reports:** The Sr. VP – Forest Operations and the Director – Timberland Transactions will ensure that all Local Forest Economy and Timber Market Reports for a range of products are collected on a quarterly basis for assessment by the Forestland Investment Committee and the Regional Directors of Forest Operations for all Fund Tracts. This information will

include at a minimum, current stumpage prices for pulpwood and chip-n-saw (where applicable), and for various sizes and grades of sawtimber. Also, recent historic price trends for each of these products will be collected. Mill expansions or additions in the area will also be analyzed regularly to estimate the impact on expected timber prices during the time horizon for the Fund. All Local Forest Economy and Timber Market reports will remain on file at the TFG Central Office.

ORIGIN:

Approved by the Investment Committee on July 20th, 1998.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Forestland Management Accounting

POLICY:

The Forestland Group will ensure that financial and management accounting data required for property budgets are collected and maintained.

PURPOSE:

The management accounting data represent the basis of TFG's control system with respect to property budgets. The financial accounting data are used in the preparation of quarterly financial statements for the Fund.

STANDARD OPERATING PROCEDURE:

Using The Forestland Group's system, financial and management accounting data will be recorded by the Property Manager. The system will be designed so that actual totals for a given line item are compared to budgeted levels in real time. The data will be distributed to the Senior Vice President – Forest Operations and the Regional Directors of Forest Operations on a monthly basis.

ORIGIN:

Approved by the Investment Committee on July 20th, 1998

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Chief Financial Officer for additional information.

Tract Manager Selection and Evaluation

POLICY:

The Forestland Investment Committee will select prospective forestry consultant firms/organizations for management services after completing a due diligence review.

PURPOSE:

TFG relies on forestry consultant organizations to implement and carry out forest management plans on Fund tracts. Selection of competent forestry consultant firms and the performance of these firms is critical in achieving financial and forest management objectives for the Fund.

STANDARD OPERATING PROCEDURE:

It is the responsibility of the Senior Vice President – Forest Operations, the Regional Director(s) of Forest Operations and the Chief Forester to conduct the due diligence review which will include, but not be limited to, personal knowledge of manager performance, reputation in the professional community, discussions with consultant's clients, check of references, and the consultant's experience with the type and location of the specific tract.

Potential tract managers will typically be notified through a written request for proposals (RFP). Exceptions to this notification process can be in geographic regions where TFG has an established forestry consultant manager for that region. When RFPs are used, they will be sent out by the Regional Director, the Sr. VP – Forest Operations or the Chief Forester. At a minimum, proposals received in response to the RFP should include, but not be limited to, a list of references, rates and fees, a demonstrated knowledge of the tract/area, and a list or report of all applicable management and reporting capabilities.

In selecting forestry consultants to manage Fund Tracts, Particular notice should be made to three aspects: (1) the proven ability to carry out prerequisite field activities (2) the potential consultant's rates and fees, and (3) the potential consultant's reporting capabilities.

After a tract manager has been selected and a contractual relationship exists, the Sr. VP – Forest Operations will provide the Forestland Investment Committee with an evaluation of consultant performance for each tract in a Fund. Performance of tract managers will be formally evaluated annually by the Sr. VP – Forest Operations, the Chief Forester, and Regional Director of Forest Operations. The Forestland Investment Committee will terminate contracts of tract managers who fail to satisfy TFG directives in a reasonable time period.

ORIGIN:

Approved by the Investment Committee on July 20th, 1998.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Reporting Relationship with Tract Managers

POLICY:

The Senior Vice President – Forest Operations will manage the relationship with the senior executives of forestry consulting organizations managing Fund tracts.

PURPOSE:

TFG requires an effective and clearly defined reporting relationship with forestry consulting organizations managing all Fund tracts.

STANDARD OPERATING PROCEDURE:

Supervision of the field staff of consulting forestry organizations is delegated through the Senior Vice President – Forest Operations to the Regional Director(s) of Forest Operations.

Standard guidelines for a contractual relationship with tract managers have been established.

ORIGIN:

Approved by the Investment Committee on July 20th, 1998.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Unanticipated Opportunities for Disposition and/or Acquisition of Properties

POLICY:

The Forestland Investment Committee will evaluate unanticipated opportunities for the disposition of acreage on tracts in a Fund or the acquisition of properties near existing Fund tracts. Sale or purchase decisions are made by means of due diligence and financial analysis. Any sale of acreage from a Fund tract, or purchase of property near an existing Fund tract, must provide positive benefits for the financial returns for Fund investors.

PURPOSE:

Disposition opportunities may occur as a result of unsolicited requests received by The Forestland Group, LLC for the sale of acreage on Fund tracts. Requests for the sale of acreage on Fund tracts can and will occur throughout the holding period for the tracts in the Funds. TFG must examine all disposition opportunities in terms of how such a sale enhances returns to Fund investors. Property dispositions will be undertaken to benefit fund investors.

Acquisition opportunities may occur as a result of small tracts of forestland becoming available for purchase, which enhance the value of existing tracts owned by the Funds. The properties are evaluated as enhancements to existing tracts under management rather than major additions to Fund holdings.

STANDARD OPERATING PROCEDURE:

Requests for the sale of acreage from Fund tracts will be evaluated by the Managing Director – Dispositions. The Forestland Investment Committee designates the Managing Director – Dispositions the responsibility to determine if the sale of acreage will detract from the Forestland Management Objectives of the Fund tract (including exit strategy) and the opportunities to sell the Fund tract at a later date at prices that will achieve investors' objectives. If the sale of the acreage is unlikely to detract from the management and exit sale objectives for the Fund tract, the Managing Director – Dispositions will commence additional evaluation of the opportunity.

The Managing Director – Dispositions and the Director – Timberland Transactions will determine whether or not the offered price for the land achieves the objectives of Fund investors. Financial due diligence coupled with periodic outside property appraisals will be used to further assess the attractiveness of the offered price.

The Forestland Investment Committee will assess the evaluations of the sale opportunity and make a formal recommendation to the Investment Committee. If circumstances warrant further action toward selling the acreage, the Investment Committee will authorize a Purchase and Sales Agreement, developed by outside counsel, and initiate negotiation and due diligence procedures to consummate disposition of the property. Proceeds from the sale of the acreage are then subject to the Fund Distribution Policy.

Unanticipated opportunities for acquisition normally will be property that would complement existing Fund tracts. Larger properties will be evaluated by normal procedures of acquisition for stand-alone tracts in a Fund.

The Senior Vice President – Investments, through normal property acquisition due diligence, will evaluate the asking price in terms of achieving investor objectives; in the absence of an asking price, he will determine a target price to be used in negotiation with the seller.

The Forestland Investment Committee will assess the evaluations of the property acquisition opportunity and make a formal recommendation to the Investment Committee. If circumstances warrant further action toward acquisition, the Investment Committee will authorize a Purchase and Sales Agreement, developed by outside council, and initiate negotiation procedures to consummate acquisition of the property.

Further, the Investment Committee will determine the source of investment resources for the purchase of the property. If the property to be acquired is adjacent to a tract in a Fund that has already closed, either distributions allocated to the closed Fund or resources from a subsequent Fund would be utilized to purchase the unanticipated acquisition property.

ORIGIN:

Approved by the Investment Committee on July 20th, 1998.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Contract/Lease Activities

POLICY:

The Senior Vice President – Forest Operations will ensure that contract/lease opportunities for a tract are identified and evaluated for financial return and tract enhancement. Contract/Leases that promise financial returns while maintaining the nature and productivity of a Fund tract will be considered.

PURPOSE:

Contracts/Leases on The Forestland Group, LLC's Fund tracts add to investor financial returns while providing users of the tracts with vested interest in protecting the nature and security of the contracted/leased holding.

STANDARD OPERATING PROCEDURE:

All contracts/leases must have prior legal review and approval before TFG can contractually commit on behalf of any Fund. Agricultural, recreational, or right-of-way contracts/leases will be subject to recommendation by the Senior Vice President – Forest Operations for approval by the Forestland Investment Committee. All mineral leases must have additional approval of the Investment Committee. In general, contract/lease administration will be conducted by the tract manager with oversight by the Regional Director(s) of Forest Operations. All leases will remain on file at the TFG Central Office, the Regional Office, and with the appropriate tract manager.

ORIGIN:

Approved by the Investment Committee on July 20th, 1998.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Safety Policy

POLICY:

It is the policy of The Forestland Group, LLC to ensure and provide a safe working environment for its employees. The Forestland Group, LLC will adhere to all U.S. Department of Labor regulations pertaining to worker safety applicable to the operations of Timberland Investment Management Organizations.

PURPOSE:

To ensure that safety is a priority of all (TFG) Managing Director(s) of Forest Operations and other TFG employees.

STANDARD OPERATING PROCEDURE:

The Forestland Group, LLC identifies three major areas to classify safety in our operations. The three areas are:

1. Office or work place safety
2. Vehicle safety
3. Woodlands safety

Office or Work Place Safety

All TFG offices shall be maintained in a clean and orderly fashion conducive to a safe and comfortable work environment. Each office shall have access to a first aid kit, comparable in size to the number of individuals occupying the office, for the purpose of providing care for minor work place injury. Each office shall post all applicable work place documents in accordance with U.S. Department of Labor regulations applying to safety requirements that apply to Timberland Investment Management Organizations. Each office shall have fire protection systems as required by regulations and shall have an evacuation route posted in a common area accessible to all employees.

Vehicle Safety

Refer to the Vehicle Policy for details on vehicle safety.

Woodlands Safety

All (TFG) employees are expected to conduct themselves in a safe manner when on properties managed by TFG. Expected actions include but are not limited to the following:

1. Hard hats should be worn while inspecting or visiting active logging jobs.
2. Use appropriate safety gear when using a chainsaw. This would include but is not limited to, hard hat, saw chaps, boots, gloves, eye/ear protection.
3. When working alone on any property, always make sure you let someone know what area you intend on working in and what time you expect to return to the office.
4. Always consider the liability associated with your actions and decisions.

ORIGIN:

Approved by the Investment Committee on September 27th, 2004.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Vehicle Policy

POLICY:

It is the policy of The Forestland Group, LLC to ensure and provide a safe working environment for its employees. The Forestland Group, LLC will adhere to all U.S. Department of Labor regulations pertaining to worker safety applicable to the operations of Timberland Investment Management Organizations. Additionally, TFG is committed to promoting safe vehicle use throughout the company. Drivers are expected to understand and obey laws governing operations of motor vehicles in their respective locations.

PURPOSE:

Company vehicles are provided to assist in the management and operations of Fund owned properties. To ensure safety of TFG employees operating a company vehicle, the Investment Committee has established the following safety related guidelines.

STANDARD OPERATING PROCEDURE:

The Forestland Group, LLC requires all company vehicles to be properly maintained and inspected for safety issues. The following guidelines are in place to protect the operators of Company owned vehicles.

1. Vehicles are to be properly maintained to include, but not limited to:
 - a. Oil change every 3,000 – 5,000 miles
 - b. Tire rotation every 5,000 miles
 - c. Routine cleaning
 - d. Routine preventative maintenance
2. Vehicles are to be kept reasonable clean exterior and interior.
3. Annual mileage use is to be reported by December 31 of each year. Work related mileage and personal commute mileage are to be reported separately. Commute/personal miles may be expressed as a percent of total mileage.
4. Reasonable personal use of vehicle is permitted. If vehicle is to be used for extended personal trip or use, prior notification must be given to supervisor.
5. Any accident involving company vehicle must be immediately reported to supervisor, insurance company and the police department if accident involves another vehicle or damage to property.
6. Certificate of insurance coverage must be kept in vehicle at all times, along with current registration, current inspection, current county tag, and current state tag.
7. Employee assigned to vehicle is responsible for keeping all above-mentioned documentation current and in compliance with federal, state, and county laws pertaining to owning and operating the vehicle.
8. Vehicles are expected to last three (3) years or 150,000 miles, unless damage and/or excessive maintenance cost necessitate consideration for earlier replacement.
9. Any “add on’s” to vehicles standard equipment and equipment not considered standard by TFG must be approved by supervisor and employee may be allowed to add on at his or her own expense. Standard equipment may vary by region.

10. All receipts for gas and any other expense associated with vehicle must be kept and submitted using standard TFG expense forms.
11. Safety equipment to be kept in vehicle:
 - a. First aid kit
 - b. Fire extinguisher
 - c. Tow strap
 - d. Flashlight
 - e. Flares
 - f. Small tool kit
 - g. Jumper cables
 - h. Tire chains
 - i. Handyman jack
 - j. Comealong

ORIGIN:

Approved by the Investment Committee on September 25th, 1998.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Ad Valorem Taxes

POLICY:

The Forestland Group will take necessary steps to insure that ad valorem taxes are paid on time.

PURPOSE:

To avoid late payments or any penalties associated with late payments for ad valorem taxes by assigning the responsibility for these disbursements.

STANDARD OPERATING PROCEDURE:

The Forestland Investment Committee delegates to the Chief Financial Officer the responsibility for payment of ad valorem tract taxes. County tax assessors will be requested to mail ad valorem tax notices for Fund tracts and Fund assets to the respective TFG Regional Office. After receipt of any tax notice, it is the responsibility of the Accounting and Finance Department to check the accuracy of the notice, and ensure that a timely payment of any ad valorem taxes will occur. The ad valorem tax status for all Fund tracts will be reported to the Forest Investment Committee on at least a biannual basis. Increases in tax rates will be reported to the Forest Investment Committee and contested where appropriate. In states where forest use tax rates are lower, these rates will be considered and applied, if appropriate

ORIGIN:

Approved by the Investment Committee on July 20th, 1998.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Grievance Reporting and Resolution Procedure

POLICY:

It is the policy of The Forestland Group, LLC (“TFG”) that all grievances arising from the case of loss or damage affecting the legal or customary rights, property, resources, or livelihoods of local peoples be addressed quickly and fairly. TFG, or its insurers, will provide compensation to parties damaged by TFG’s actions or neglect at a level commensurate with the severity of the damage incurred.

PURPOSE:

TFG is committed to avoiding negative social, as well as environmental impacts, from its forestry management operations. In addition, adversarial or acrimonious relationships with the community always work to the economic disadvantage of large forested ownerships. Therefore, TFG has a fiduciary duty to its investors, and a moral obligation to its neighbors, to insure that grievances and damage claims are handled quickly, fairly, and in good faith.

STANDARD OPERATING PROCEDURE:

TFG, as manager for the fund, will obtain adequate general liability insurance from qualified carriers. Copies of liability insurance policies and insurance certificates will be kept on file at TFG’s main office and at corporate counsel’s office.

Contact information for TFG and all executive officers shall be made available to the public via TFG’s website.

If the case of a grievance, dispute or claim arising from the case of loss or damage affecting the legal or customary rights, property, resources, or livelihoods of local peoples TFG will respond in the following manner:

- 1- The dispute or claim will be documented by the employee or consultant who receives the complaint. The documentation shall include the date and time of notification of the dispute or claim, the party or parties’ name, address and phone number making the claim, the nature of the claim or dispute, the location of the claim or dispute, the size or scope of the claim or dispute.
- 2- The employee or consultant will immediately notify the Regional Director of Forest Operations in the appropriate region of the dispute or claim. The Regional Director of Forest Operations will communicate the dispute or claim to the Senior Vice President - Forest Operations.
- 3- The Senior Vice President - Forest Operations will immediately inform the Chief Financial Officer and the Risk Management Officer.
- 4- Collectively, the Senior Vice President of Forest Operations, the Chief Financial Officer, and the Risk Management Officer will assess the claim with corporate counsel.
- 5- Within 30 days of receipt of the original claim, the Chief Financial Officer, or corporate counsel if deemed appropriate, will contact the claimant to formally acknowledge receipt of the grievance and notify the claimant that 1.) TFG is working on resolving the claim and that TFG will strive to reach an agreeable settlement based on all the facts and documents associated with the claim or dispute, or 2.) TFG does not see any merit in the claim.
- 6- If an agreeable settlement cannot be reached with the disputing or claiming party, TFG will turn the claim or dispute over to corporate counsel.

7- The Senior Vice President of Forest Operations, the Chief Financial Officer and the Risk Management Officer will support and assist corporate counsel in achieving settlement.

8- All settlement documents will be legally recorded and records maintained by the Risk Management Officer and corporate counsel.

9- All disputes and claims will be noted on the Regional Director of Forest Operations monthly management report.

ORIGIN:

Approved by the Investment Committee in December 2011.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

International Laws and Treaties

POLICY:

It shall be the policy of The Forestland Group, LLC to assure its Forestry staff is aware of International Laws and Treaties that may have an effect on the forest management of Fund owned properties.

PURPOSE:

As markets for forest products have become part of the global economy and as forest management practices have been certified by international organizations, The Forestland Group, LLC needs to be aware of laws, treaties, and organizations that may influence the marketing or management of Fund owned properties.

STANDARD OPERATING PROCEDURE:

The Senior Vice President – Forest Operations and the Vice President – Ecological Services shall keep up to date with International Laws and Treaties by frequently visiting websites highlighting this material. These websites will include but are not limited to The International Tropical Timber Organization (ITTO), Convention on Biological Diversity (CBD), Convention on International Trade in Endangered Species (CITES), Forestry Department of the United Nations Food and Agriculture Organization (FAO), Global Forest Watch, United Nations Forum on Forest (UNFF) and Forest Stewardship Council (FSC). The Sr. VP – Forest Operations and the VP – Ecological Services will initiate training sessions related to the information gathered from the above mentioned sources or other pertinent sources in conjunction with the Forest Operations annual meeting. In addition to this, the Regional Directors of Forest Operations will be given the website addresses of the above mentioned sites and will be urged to visit the sites from time to time. At any time during the year, prior to the annual training session, if any information is deemed to be critical to the management or operation of any Fund owned property, the Sr. VP – Forest Operations and/or the VP – Ecological Services shall immediately circulate the information to all Forest Operations personnel.

ORIGIN:

Approved by the Investment Committee on September 25th, 2005.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the nay of the above listed websites for additional information.

II. Certification Administration Policies and Procedures

Commitment to Forest Certification Systems

POLICY:

It is the policy of TFG that they shall strive to manage Fund properties in accordance with the Forest Stewardship Council Principles and Criteria (FSC P&C) or Sustainable Forestry Initiative Forest Management Objectives (SFI FMO). Exceptions will be properties encumbered by contractual agreements upon acquisition or properties TFG has designated for research or non-timber resource management.

PURPOSE:

The Forestland Group, LLC is committed to managing “Fund” forestlands in accordance with the FSC P&C or SFI FMO. The following forest management philosophy and guidelines provide the basis of our management and our commitment to the spirit and intent of the FSC P&C or SFI FMO.

The stewardship vision of The Forestland Group, LLC is to manage forestland in a comprehensive manner that balances ecological and economic goals. This vision considers biological, wildlife, and aesthetic values equally with economic values. TFG forestlands are managed for both current and future generations of people, plants, and wildlife. Our practices are designed to encourage the prudent management of the Limited Partner’s investment, enhance soil fertility, protect watershed resources, enrich wildlife habitat, and promote local community well being.

STANDARD OPERATING PROCEDURE:

The FSC P&C or SFI FMO define the frameworks by which the spirit of TFG forest management will be applied and evaluated.

FSC P&C:

Principle 1: Compliance with Laws and FSC Principles

Principle 2: Tenure and Use Rights and Responsibilities

Principle 3: Indigenous Peoples’ Rights

Principle 4: Community Relations and Worker’s Rights

Principle 5: Benefits from the Forest

Principle 6: Environmental Impact

Principle 7: Management Plan

Principle 8: Monitoring and Assessment

Principle 9: Maintenance of High Conservation Value Forests

Principle 10: Plantation Management

SFI FMO:

Objective 1. Forest Management Planning

Objective 2. Forest Health and Productivity

Objective 3. Protection and Maintenance of Water Resources

Objective 4. Conservation of Biological Diversity

Objective 5. Management of Visual Quality and Recreational Benefits

Objective 6. Protection of Special Sites

Objective 7. Efficient Use of Fiber Resources

Objective 8. Recognize and Respect Indigenous Peoples’ Rights

Objective 9. Legal and Regulatory Compliance

Objective 10. Forestry Research, Science and Technology

Objective 11. Training and Education

Objective 12. Community Involvement and Landowner Outreach

Objective 13. Public Land Management Responsibilities

Objective 14. Communications and Public Reporting

Objective 15. Management Review and Continual Improvement

ORIGIN:

Approved by the Investment Committee on July 1, 2019.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Chain-of-Custody Control System

POLICY:

The Forestland Group, LLC is committed to responsible forest management and understands the importance of maintaining FSC Chain-of-Custody (COC) control. As part of COC requirements, The Forestland Group declares that it is not directly or indirectly involved in any of the following:

1. Illegal logging or the trade in illegal wood or forest products
2. Violation of traditional and human rights in forestry operations
3. Destruction of high conservation values in forestry operations
4. Significant conversion of forests to plantations or non-forest use
5. Introduction of genetically modified organisms in forestry operations
6. Violation of any of the ILO Core Conventions, as defined in the ILO Declaration of Fundamental Principles and Rights at Work, 1998.

PURPOSE:

To provide a credible guarantee to customers that materials which are sold with a specified FSC certificate code are originating from well-managed forests; thereby facilitating the transparent flow of materials from the source to the end-use.

STANDARD OPERATING PROCEDURE:

The Regional Director(s) of Forest Operations, in coordination with Consulting Foresters, are responsible for COC procedures. All of TFG's sales are stumpage sales, and legal ownership is severed at the stump. The Forestland Group's system of controlling the chain-of-custody for FSC certified is detailed below.

1. FSC Certified Product Handling and Sales

- FSC certified sales are identified through the purchase contracts, which include the certificate registration code. With the exception of sales from excised acres, all of TFG's standing timber is FSC 100%. TFG's certification number is only listed on the purchase contracts for certified sales.
- FSC certified sales are identified on the contract. If the sale is lump sum, the associated volumes are included in the contract. If the sale is pay-as-cut, the volumes are reconciled when they are entered into TFG's Forest Information Portal.
- With the exception of timber being removed from areas that are excised from the scope of the certificate, all other material is covered by the scope of the certificate. If the purchaser is FSC COC certified, then the certificate number and FSC claim is located on the purchase contract.
- Regional Director(s) of Forest Operations, in cooperation with Consulting Foresters, is responsible for product handling and sales.
- TFG uses sales contracts, trip tickets, and scale tickets for certified product handling and sales.

2. Record Keeping

- TFG keeps all records pertaining to certification in its regional offices for 5+ years.
- All TFG harvest volume summaries are input into the Forest Information Portal at the TFG Central Office. This information is available to all TFG personnel via a web-based data management program (Forest Information Portal).

- Record keeping is the responsibility of the Regional Directors of Forest Operations, the Senior Director of Forest Information Systems, and the Consulting Foresters.
- Recorded documents include timber sale contracts, associated pre-harvest cruise data (if applicable), scale tickets, removal data, and applicable post-harvest cruises.
- TFG has an annual meeting for TFG Forestry staff, which includes a training emphasis on FSC Certification. In addition, TFG makes every effort to schedule a formal training with consulting foresters, following the annual FSC audits, to review any changes and/or NCRs
- Regional Directors of Forest Operations have been instructed to keep “FSC Audit Support” documentation in their files. Training, or evidence of training, is part of these documents.

3. *Trademark Use*

- On-product labeling is not applicable to TFG stumpage sales.
- The Vice President – Ecological Services is responsible for:
 - On-product labels or product promotion use
 - Keeping approval correspondence with the Certifying Body for five years
 - All FSC or RAC trademark and logo approval and use
 - Ensuring that the full FSC tick-mark logo is present when the RAC seal is used
 - Ensuring that the FSC trademarks are not reproduced at a disadvantage to the RAC seal
 - Qualifications and/or training measures for trademark use
- If any Regional Director of Forest Operations, or other TFG personnel, wants to use the FSC trademark or RAC seal, they are expected to submit it to the Vice President – Ecological Services for guidance and approval.
- The Vice President – Ecological Services relies solely on notifications from the Certifying Body to keep up with new policies, expectations, and training requirements.

ORIGIN:

Approved by the Investment Committee on July 20th, 2005.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Size Limitations for Multiple FMU FM/COC Certificate

POLICY:

It is the policy of The Forestland Group, LLC that they shall strive to manage Fund tracts in accordance with the Forest Stewardship Council Principles and Criteria or Sustainable Forestry Initiative Forest Management Objectives.

PURPOSE:

The Multiple FMU entity shall specify in their procedures the maximum number of members that can be supported by the management system and the human and technical capacities of the Multiple FMU entity.

STANDARD OPERATING PROCEDURE:

There is no restriction on the number of FMUs under TFG's Multiple FMU certificate. As TFG acquires new properties and the subsequent pool of FMUs increases, TFG adds additional resources. The additions ensure appropriate human and technical resources to manage and control the group in accordance with the responsibilities and commitments of FSC or SFI certification.

ORIGIN:

Approved by the Investment Committee on July 1, 2019.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

FSC Multiple FMU Certification Entrance and Exit

POLICY:

It is the policy of TFG that they shall strive to manage all Fund properties in accordance with the Forest Stewardship Council Principles and Criteria (FSC P&C). TFG is committed to sustainable forestry certification programs across all regions. However, no single management regime is typical for any one region. Forest Management differs, as do the primary management objectives, types of species grown, rotation age, intermediate treatments (if any), harvest methods and a host of other considerations (climate, rainfall, and site quality). Subsequently, while it is TFG's intent to exclusively include all properties under their Multiple FMU Forest Management Certificate, there will be some properties that do not meet the FSC guidelines.

PURPOSE:

Multiple FMU Forest Management Certification provides a way for TFG to complement the value of its forest management services, verify the quality of its management, provide the consuming public with certified wood products, and acknowledge its commitment to the environment and community.

STANDARD OPERATING PROCEDURE:

TFG will consider all properties for enrollment into the certification program. These include, but are not limited to, Natural Forests and/or Plantations currently under management and new acquisitions.

However, there are exceptions. Properties that are encumbered by existing incompatible contractual agreements, properties that have been designated for research or non-timber resource management, and properties that have other legal or fiduciary limitations may be excluded from the program. Upon acquisition, the Investment Committee will evaluate a property's suitability for enrollment in the certified pool. The intent to manage the property as certified will be declared in the Ten-Year Management Plan. In addition, the consulting forestry firm managing the property will sign an agreement that states adherence to TFG policies and defines responsibility between TFG and the consultant. An acknowledgement letter will be attached to the management contract, and the property performance will be monitored in relation to Multiple FMU Forest Management Certification requirements.

TFG will notify the Certifying Body of any changes to its Certificate Membership, no later than the start of each annual reporting period. Changes include choosing to both enroll a property and remove a property from the certified pool.

ORIGIN:

Approved by the Investment Committee on April 25th, 2005.
Revised February, 2010.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Excision of Areas from the Scope of FSC Certification

POLICY:

The Forest Stewardship Council Board of Directors recognizes that there are situations where a forest area as a whole may comply with the FSC standards. However, there are specific areas of the forest where all of the requirements are not met for reasons beyond the control of the managers. When severed sub-surface mineral rights are exercised, some activities in these specific areas are beyond the control of TFG. Consequently, TFG shall cease classifying as FSC-certified those forest products salvaged from surface disturbed acreage under a mining permit. Other situations that may prompt TFG to excise areas of a Fund tract include agricultural leases, common and undivided interest, etc.

PURPOSE:

The Forestland Group, LLC is committed to managing Fund forestlands in accordance with the FSC Principles and Criteria.

STANDARD OPERATING PROCEDURE:

TFG shall excise the acres from the TFG certificate as soon as they are notified of the *intent to seek a mine permit by the subsurface rights owner and TFG initiates salvage prescriptions*.

- 1) TFG will remove the Forest Management/Chain-of-Custody (FM/COC) certificate number from timber sale contracts where the associated sale area falls entirely within the mine salvage permit boundary area.
- 2) TFG will remove the sale acreage subject to surface disturbed mining activities from the scope of the certificate on property level maps.
- 3) In areas where the surface disturbed mine salvage sale area includes acreage outside of the permit boundary, the volume that is removed from outside the permit boundary can still be sold as certified. In these areas, TFG will keep the FM/COC in the contract and delineate, on sale maps, the acreage outside of the permit boundaries. Only the acres affected by the mining permit and salvage prescriptions will be excised from the certificate.

ORIGIN:

Approved by the Investment Committee on December 16th, 2008.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Response to FSC NCRs or SFI OFIs

POLICY:

It is the policy of The Forestland Group, LLC that they shall strive to manage all Fund tracts in accordance with the Forest Stewardship Council Principles and Criteria or Sustainable Forestry Initiative Forest Management Objectives. TFG will fulfill any non-conformance requests (NCRs) or notices of Opportunity For Improvement (OFIs) issued internally and by the certification body. This includes timelines for correction and defining implications if any of the correction actions are out of compliance.

PURPOSE:

The Forestland Group, LLC shall establish, implement and maintain written procedures of all applicable requirements of this standard, according to scale and complexity of the group.

STANDARD OPERATING PROCEDURE:

When an NCR or OFI is written, either as the result of an internal audit or an FSC or SFI annual audit, TFG will address the NCR or OFI and the indicators out of compliance within the prescribed time frame. Using the NCR or OFI language as a template, additional compliance and/or corrections will be initiated under the direction of the Chief Forester, with collaboration from the Regional Directors of Forest Operations, supporting staff, consultants, and other third-party supporting resources.

ORIGIN:

Approved by the Investment Committee on July 1, 2017.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

FSC Trademark Use

POLICY:

The Forestland Group, LLC shall ensure that all uses of the FSC trademarks by TFG, its agents or advisors, are approved by the Certifying Body prior to use.

PURPOSE:

The Forestland Group, LLC strives to uphold the integrity of its Forest Stewardship Council Forest Management certificate through the proper use of the three registered FSC trademarks.

STANDARD OPERATING PROCEDURE:

The Forestland Group, LLC, its agents, and advisors will not use any of the three registered FSC trademarks without prior approval from its certifying body. Should TFG desire to use an FSC trademark, TFG's Vice President – Ecological Services will submit the product for approval by the certifying body prior to use. All public presentations, documents, marketing material, etc. will be reviewed prior to use to ensure adherence to FSC-STD-50-001 (Requirements for use of the FSC trademarks by Certificate Holders).

ORIGIN:

Approved by the Investment Committee on January 7, 2015.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Commitment to Internal Audits on Multiple FMU Ownerships

POLICY:

It is the policy of TFG that they shall strive to manage Fund properties in accordance with the Forest Stewardship Council Principles and Criteria (FSC P&C) or Sustainable Forestry Initiative Forest Management Objectives (SFI FMO). Exceptions will be properties encumbered by contractual agreements upon acquisition or properties TFG has designated for research or non-timber resource management.

PURPOSE:

The Forestland Group, LLC is committed to managing “Fund” forestlands in accordance with the FSC P&C or SFI FMO. The following forest management philosophy and guidelines provide the basis of our management and our commitment to the spirit and intent of the FSC P&C or SFI FMO.

The stewardship vision of The Forestland Group, LLC is to manage forestland in a comprehensive manner that balances ecological and economic goals. This vision considers biological, wildlife, and aesthetic values equally with economic values. TFG forestlands are managed for both current and future generations of people, plants, and wildlife. Our practices are designed to encourage the prudent management of the Limited Partner’s investment, enhance soil fertility, protect watershed resources, enrich wildlife habitat, and promote local community well being.

STANDARD OPERATING PROCEDURE:

Where TFG manages multiple properties under a single certificate, it shall maintain an annual internal auditing program for those properties not selected for audit by the governing body in a given year to ensure overall conformance with the FSC P&C or SFI FMO. The results of internal audits shall be made available to the certifying body upon request.

ORIGIN:

Approved by the Investment Committee on July 1, 2017.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

SFI Program – Annual Management Review Process

POLICY:

TFG will conduct an SFI - Annual Management Review (AMR) of its management policies and protocols for all SFI-certified properties.

PURPOSE:

The AMR will assure that all properties under SFI certification are fulfilling both the letter and spirit of the SFI Standards and Indicators in both policy and practice.

STANDARD OPERATING PROCEDURE:

The AMR of TFG's corporate and regional commitment to SFI Forest Management and Chain-of-Custody Standards for all SFI-certified properties is required to fulfill certification requirements. The review must be conducted, documented and reported to SFI, Inc. by the close of each year.

Review Team Responsibilities:

- **Annual Management Review (AMR)** – TFG will review its policies and commitment to the SFI standard for its certified properties. The AMR shall include:
 - TFG Policies and Procedures
 - Regional management policies and guidance.
 - Payment verification of all annual SFI and SFI Implementation Committee dues.
 - Compilation and submission of all annual SFI reporting:
 - **Annual SFI Progress Report Survey (PRS)** - <https://sfisurvey.sfiprogram.org>
 - **Third-Party Audit (TPA)** – a full FMU audit by reputable SFI certified body.
 - **Internal Site Audits (ISA)** – an internal audit will be carried out by TFG for each FMU not scheduled for an onsite TPA.
 - **Initial Compliance Review (ICR)** – TFG will review and confirm that any newly acquired FMU is being managed consistent with SFI standards prior to addition of the property to the SFI Certificate.
 - **DELIVERY DATE:** AMR submitted Annually by January 31st for the prior year.

Review Protocols:

Refer to SFI Annual Compliance Review Protocol

ORIGIN: Approved by the Investment Committee on July 1, 2019.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

SFI 2015-2019 Standards and Rules

Refer to the Forestland Investment Committee for additional information.

III. Forest Operations Policies and Procedures

Consulting Forester (Tract Manager) Authorization

POLICY:

In addition to the authorization and responsibilities granted under the Forest Investment Committee policies titled Tract Managers, Reporting Relationship with Tract Managers and Tract Manager Selection and Evaluation, the Forest Investment Committee explicitly details the following authorities.

PURPOSE:

The Forest Investment Committee agrees that certain areas of authority need to be explicitly communicated to the Consulting Forester or Consulting Forestry Shop responsible for assisting in the on the ground management of Fund owned properties.

STANDARD OPERATING PROCEDURE:

The Consulting Forester or Consulting Forestry Shop shall operate under the authorities and responsibilities granted in the above mentioned policies and procedures and the Forest Management Consulting Agreement (contract). The following authorization shall be explicit and granted by this policy and procedure.

Relationship with contract loggers and activities that may be detrimental to property:

The Consultant is expected to always communicate with the representative for the purchaser of stumpage; however, if the consultant determines any activity is detrimental to the property, he/she is granted the authority to communicate directly to the person or persons causing the damage. Examples of activities considered to be detrimental to the property would include but are not limited to; skidding in a flowing waterway, operating equipment inside an SMZ no equipment zone, operating during rainfall events leading to excessive soil movement, excessive rutting, etc. This authority will include the ability to stop or shut down the logging operation without first notifying or consulting with the Regional Director. The consultant is also authorized, after having stopped the activity, to discuss short-term remediation to insure that no additional site damage occurs. The consultant is expected to communicate his or her actions directly to the Regional Director at the earliest possible time following the shut down or partial work stoppage.

ORIGIN:

Approved by the Investment Committee on April 25th, 2005.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee and the Forest Management Consulting Agreement for additional information.

Tract Managers

POLICY:

It is the policy of TFG to outsource the day-to-day management of Fund tracts to qualified forestry consulting organizations.

PURPOSE:

Outsourcing of day-to-day management of TFG tracts is more efficient and cost-effective.

STANDARD OPERATING PROCEDURE:

Each tract will be assigned to a consultant forestry firm, which will provide management services for all authorized activities on that tract. Management services include, but are not limited to, the following:

1. Management Services
 - a. Management Planning
 - b. Mapping and GIS
 - c. Timber Sale Administration
 - i. Sale Design
 - ii. Timber Marking
 - iii. Sale Marketing
 - iv. Contract Enforcement
2. Management Planning

Supervision of the activities of these contractors in carrying out the various management plans is the responsibility of the consulting firms under direction of the Senior Vice President – Forest Operations and the Regional Director of Forest Operations.

ORIGIN:

Approved by the Investment Committee on July 20th, 1998.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Best Management Practices and Forest Practices Acts

POLICY:

It is the policy of TFG that all of the forestland management activities on Fund tracts meet or surpass all currently applicable Best Management Practices (BMPs) and/or Forest Practices Acts (FPAs).

PURPOSE:

The intent of this policy is to maintain on Fund tracts the quality of all environmental characteristics that are protected by BMPs and/or FPAs.

ORIGIN:

Approved by the Investment Committee on July 20th, 1998.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Community Relations

POLICY:

It is the policy of The Forestland Group, LLC that its ownership of land is an asset to the communities wherein its properties are located, that it be recognized as a good neighbor.

PURPOSE:

Adversarial or acrimonious relationships with the community always work to the economic disadvantage of large forested ownerships. The efforts devoted to avoid this in the long run are in the best interests of TFG's Investors.

STANDARD OPERATING PROCEDURE:

Tract managers (and to the extent possible, the Regional Director(s) of Forest Operations) will in the normal course of their activities become acquainted with adjacent landowners, their views and desires relative to the property. They will specifically, establish positive relationships with appropriate volunteer fire departments, community, and civic organizations.

At a minimum, Regional Directors and/or Tract Managers will TFG will commit to, and subsequently document a minimum level of annual public outreach in forestry. Public outreach may include: field tours, seminars, workshops, development of self-guided trails, published articles, support for local conservation organizations, etc..

ORIGIN:

Approved by the Investment Committee on July 20th, 1998.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Control of Tract

POLICY:

The Senior Vice President – Forest Operations and the Regional Director(s) of Forest Operations will strive to ensure that Fund tracts are protected, within reasonable limits, against trespass and any unauthorized use.

PURPOSE:

TFG needs to protect Fund tracts against trespass and any unauthorized use in order to maintain control of the tracts. Tract security enhances the value of the property at the time of disposition.

STANDARD OPERATING PROCEDURE:

Primary responsibility for protection against trespass and unauthorized use will lie with the tract manager. Minor problems will be corrected immediately on site. Significant problems will be reported through the Regional Director of Forest Operations and the Senior Vice President – Forest Operations who will recommend remedial action and will notify the Forestland Investment Committee.

ORIGIN:

Approved by the Investment Committee on July 20th, 1998.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Forest Management Plans

POLICY:

It is the policy of TFG that all Fund tracts shall have Annual and Ten-Year Forest Management Plans specific to their current physical, economic, and biological characteristics. The plans, jointly developed with appropriate professional forest management contractors, shall be designed to shape and direct the productivity of each tract toward the attainment of TFG's goals for its Investment Funds.

PURPOSE:

The Forest Management Plan provides an integrated guide to the administration of tracts in a Fund for the achievement of the investors' objectives.

STANDARD OPERATING PROCEDURE:

Prior to active management, the Regional Director(s) of Forest Operations will complete an interim Ten-Year Management Plan. One year after closing on a Fund tract, the Regional Director(s) of Forest Operations will have an Annual and Ten-Year Management Plan drafted for approval by the Forestland Investment Committee. The management strategy for the tract will be determined by the Senior Vice President – Forest Operations and the Chief Forester. Final Annual and Ten-Year Management Plans will be drafted with the assistance of the selected tract manager for the specific Fund tract and submitted to the Forestland Investment Committee for review and approval.

ORIGIN:

Approved by the Investment Committee on July 20th, 1998.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Forest Management Plan Outline

POLICY:

The Forest Management Plan is designed to shape and direct the productivity of each tract in a Fund. It is intended to be a living, growing document that reflects changing needs and opportunities for each tract.

The Forestland Group, LLC

TEN-YEAR MANAGEMENT PLAN & PROPERTY OVERVIEW OUTLINE

I. General Forest Management Plan

A. Administrative

- i. Statement of Forest Management Objectives
- ii. Statement to Prevent Illegal and Unauthorized Activities
- iii. Statement of Commitment to the Forest Stewardship Council
- iv. Copy of the FSC-US Principles
- v. Grievance Reporting & Resolution Procedure
- vi. Generalized Stakeholder Consultation Process
- vii. Chain-of-Custody Control System Outline

B. Operational

- i. Social Impacts Assessment (FSC indicator 4.4.a)
- ii. Maintain and/or Enhance Forest Resources and Services (FSC indicator 5.5.a)
- iii. Plan to Conserve and/or Protect Resources (FSC indicator 7.1.d)
- iv. Adherence to State Best Management Practices
- v. Chemical Use Procedure
- vi. Overview of Representative Sample Area Identification Process
- vii. Regional Description of Common Fish and Wildlife
- viii. Monitoring Plan for Environmental & Social Impacts of Harvest Activity (FSC indicator 8.2)
 1. Yield of Forest Products Harvested
 2. Growth Rates, Regeneration and Condition of the Forest
 3. Composition and Observed Changes in Flora and Fauna
 4. Environmental and Social impacts of Forest Operations
 5. Costs, Productivity and Efficiency of Forest Management

II. Property Specific Information and Management Plan

A. Manager

B. Property Description

- i. Property Description Summary
- ii. Past Ownership and Land Use History
- iii. Physical
 1. Location, Size, Distribution
 2. Terrain and Climate
 3. Site Quality and Soils
 4. Survey
- iv. Social Context
 1. Indigenous People Communities
 2. Abutting & Significant Regional Landscape

- 3. Areas of Cultural Significance
 - v. Areas Identified as High Conservation Value Forests
 - vi. Representative Sample Areas
 - vii. Higher and Better Use

C. Description of Vegetation

- i. Description of Forest Types
- ii. Description of Overstory Forest Vegetation
 - 1. Acquisition Inventory Data
 - 2. Re-Inventory Data
 - 3. Overall Forest Type Proportions
- iii. Description of Forest Understory
- iv. Non-Productive Areas
- v. Growth Data and Calculation of Allowable Harvest
 - 1. Growth Rates
 - 2. Growth Rate Source and Mode of Verification
 - 3. Annual Allowable Cut Calculation
 - 4. Explanation of Removals from Annual Allowable Cut
 - 5. Tentative 10-Year Harvest Volume Schedule
- vi. Description of Disturbance Regimes
 - 1. Historical Disturbance Regimes
 - 2. Fire and Other Weather Related Risks and Damage
 - 3. Insects, Disease and Other Risks and Damage
- vii. Old Growth Restoration (Indicator 6.3.a.1)
- viii. Specialist Species (Indicator 6.3.b)

D. Stock and Stand Tables

E. Non-Timber Resources

- i. Oil and Gas
- ii. Mineral Resources
- iii. Ecological Services
- iv. Non-Timber Forest Products

F. Environmental

- i. Phase I Environmental Assessment
- ii. Threatened and Endangered Species
- iii. Identification of Biologically Sensitive Areas

G. Contractual Agreements

- i. Timber Supply Agreements
- ii. Hunting Leases
- iii. Other Leases or Agreements

III. Compartmentalization

A. Compartment name 1

- i. Location
- ii. Boundary Line Description
- iii. Site Quality
- iv. Timber Types
- v. Sensitive Areas and/or HCVF

- vi. Significant Lakes, Rivers and Streams
- vii. Roads and Access
- viii. Proposed Management Activities

IV. Forest Operations

A. Forest Operations

- i. Pre-Harvest Meeting
- ii. Silvicultural Systems
- iii. Statement & Justification of Harvest Strategy
- iv. Desired Stand Conditions
- v. Regeneration Plan
- vi. Harvest Guidelines
 - 1. Coarse Woody Debris
 - 2. Wildlife and Legacy Trees
 - 3. Log Transport Network
 - a. Skid Trails
 - b. Landing/Log Decks
 - c. Haul Roads
 - 4. Management of Steep Lands
 - 5. SMZs
 - 6. Marking Guidelines

B. Specific Harvest Plans

APPENDICES

- Appendix 1 Stand and Stock Tables
- Appendix 2 Forms and Reports
- Appendix 3 Copy of BMPs
- Appendix 4 Copy of FSC-US Standards
- Appendix 5 List of Rare Threatened or Endangered Species
- Appendix 6 Property Maps
 - a. HCVF Areas
 - b. Ecologically Sensitive Areas
 - c. RSA Maps
 - d. Old Growth Maps
 - e. Property Level Map with Compartments
 - f. Compartment Maps
 - g. Soil Types

ORIGIN:

Approved by the Investment Committee in December 2004.
Revised January 2013.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Independent Timber Sale Audit

POLICY:

The Forestland Group, LLC reserves the right to engage third-party firms to conduct a comprehensive audit of any timber sale being administered by a tract manager. Such an audit is intended to supplement the financial audit of a Fund, which is undertaken on an annual basis.

PURPOSE:

The Forestland Group, LLC has a fiduciary duty to ensure that the full value of a timber sale is received by the Fund's investors.

STANDARD OPERATING PROCEDURE:

The Forestland Investment Committee will select which timber sales will be audited. Each Regional Director of Forest Operations will be informed of this possible action when engaged. Selected timber sales will be audited for each tract in a Fund. All timber sales reports, audits, and related records will be retained at TFG Regional Office and at the TFG Central Office.

ORIGIN:

Approved by the Investment Committee on July 20th, 1998.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Survey of Tract Delineation

POLICY:

It is the policy of The Forestland Group, LLC to survey those Fund tracts, where a boundary discrepancy or other similar issue occurs. Property boundaries will be clearly marked and maintained on all Fund tracts.

PURPOSE:

Surveying, maintaining and controlling Fund tract boundary lines are necessary steps in protecting Fund investors against damage from trespass or boundary line disputes.

STANDARD OPERATING PROCEDURE:

The Senior Vice President – Forest Operations and the Regional Director(s) of Forest Operations will delegate to tract managers the responsibility to ensure adequate delineations or surveys of tract boundary lines. In instances where there is a boundary dispute/uncertainty, The Forestland Group, LLC, in consultation with the tract manager, will schedule necessary survey activities to clearly establish boundary lines and procedures to control tract boundaries against trespass. Tract managers will routinely examine boundary lines to ensure that they are properly marked for identification and to note any indication of trespass. Records of boundary line control and survey activities will be maintained by the tract manager, the Regional Director(s) of Forest Operations, and at the TFG Central Office.

ORIGIN:

Approved by the Investment Committee on July 20th, 1998.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Adjacent Landscape Evaluation

POLICY:

It shall be the policy of The Forestland Group, LLC for all consulting foresters to evaluate and document the characteristics of the surrounding landscape and adjacent lands when developing management prescriptions for a stand.

PURPOSE:

Forest management shall conserve biological diversity and its associated values, water resources, soils, and unique and fragile ecosystems and landscape; and, by doing so, maintain the ecological functions and the integrity of the forest. Assessment of the environmental impacts shall be completed - appropriate to the scale, intensity of forest management, and the uniqueness of the affected resources – and adequately integrated into management systems. Assessments shall include landscape level considerations and shall be assessed prior to commencement of site-disturbing operations.

STANDARD OPERATING PROCEDURE:

When the forester is developing the management prescription for a stand, they should evaluate and document the characteristics of the surrounding landscape and adjacent lands. According to FSC landscape means, “A geographical mosaic composed of interacting ecosystems resulting from the influence of geological, topographic, soil, climatic, biotic, and human interactions in a given area. For TFG purposes, landscape is defined as the general condition of the surrounding forest stands, their forest type, age and density, which are all the result of the above-mentioned influences operating over time. Lands will be taken to mean the general topography, forest type(s) and seral stages of the watershed containing the stand including adjacent ownerships, if required. Existing stand maps should provide the requisite information.

The act of recording in one or two sentences for each prescription would be evidence of considering and evaluating conditions beyond the prescription site. Documentation of their evaluation should be included with their Site Description Silvicultural Prescription or Harvest Prescription Fact Sheet. All timber sales in an approved Annual Forest Management Plan for a Fund tract must be initiated by the Regional Director(s) of Forest Operations. The attributes that should be included in the Pre-Harvest Plan are included in the Ten-Year Management Plan. In addition, a description of the surrounding landscape shall be included in the Pre-Harvest Plan and Pre-Harvest Checklist document.

ORIGIN:

Approved by the Investment Committee on September 25th, 2005.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

See Ten-Year Plan template, Pre-Harvest Plan and Pre-Harvest Checklist.

Refer to the Forestland Investment Committee for additional information.

Significant Cultural Resources

POLICY:

The Forestland Group, LLC shall proactively seek to determine if any significant cultural resources exist within property boundaries and/or timber sale boundaries.

PURPOSE:

The Forestland Group, LLC will respect and strive to protect any significant cultural resource existing within fund owned properties it manages. TFG appreciates and understands the historically significant nature of cultural resources.

STANDARD OPERATING PROCEDURE:

The Forestland Group, LLC will keep updated maps on file of all federally recognized Indigenous Peoples Lands and legal rights claims within the United States and Canada. If these maps indicate the presence of Indigenous Peoples Land or rights within the boundaries of a fund-owned property, The Forestland Group, LLC will contact local officials (including but not limited to: government agencies, Tribal/First Nations councils, and historians) to discuss the knowledge of local cultural resources. For those fund-owned properties located in areas where the Bureau of Indian Affairs (BIA) has no jurisdiction over indigenous peoples' communities or private property, TFG will contact the state/provincial Archaeologist, or other qualified source, for information and reference. TFG or other sources, will work together to identify sites deemed to have significant cultural resources. If sites are identified, TFG or other sources, will work together to design and implement a plan to protect the cultural resources. TFG will also contact the state/provincial Archeologist to seek input of cultural resources that may exist on properties unrelated to indigenous peoples. In addition, TFG will contact the State/Provincial Natural Heritage, Tribal/First Nations Council, or similar organization, to seek input on cultural resources. If any of the above mentioned agencies or any other agency/stakeholder identifies a *significant* cultural resource, TFG will work with the appropriate agency/stakeholder to develop and implement a plan of protection for the cultural resource. Any and all information gathered due to the actions listed above will be forwarded on to all consultants and contractors working near any identified cultural resource. All consultants and contractors shall adhere to any plan developed by TFG for the protection of a cultural resource. If there is any question or doubt regarding the cultural significance of a site, TFG will designate the site with flagging or other appropriate measures, and remove harvesting equipment until the site is thoroughly evaluated.

ORIGIN:

Approved by the Investment Committee on July 1, 2019.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Habitat Conservation

POLICY:

It is the policy of The Forestland Group, LLC to ensure that the habitat for any known Threatened and Endangered Species (TES) or plant community of Special Concern (SC) present on Fund tracts is not significantly altered by any of TFG's forestland management activities. Forest Management Plans will define steps to conserve wildlife habitat and any significant or endangered species.

PURPOSE:

The Forestland Group, LLC is committed to managing Fund tracts in such a way that Threatened and Endangered Species or plant communities of Special Concern are not impacted in a negative manner.

The Forestland Group, LLC is committed to responsible land stewardship, which in turn requires habitat conservation efforts.

STANDARD OPERATING PROCEDURE:

The Forestland Group, LLC will check with each state's Natural Heritage Program, and any other appropriate organization, for the presence of any TES or SC on Fund tracts. In the event that there exist any TES or SC on Fund tracts, TFG will develop a habitat conservation plan.

The Chief Forester will ensure that Forest Management Plans provide for adequate habitat conservation for wildlife. Harvesting rates will be sufficiently conservative in order to maintain existing habitats within a tract. Habitat characteristics of the forest will be retained by leaving some live, some fallen, and some standing dead trees, except where patch clearcuts occur.

Any records or reports will be maintained by the Tract Managers and Regional Director(s) of Forest Operations.

ORIGIN:

Approved by the Investment Committee on July 20th, 1998.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

High Conservation Value Forests

POLICY:

It is the policy of The Forestland Group, LLC to evaluate properties and define High Conservation Value Forests. TFG is committed to managing Fund tracts in such a way that High Conservation Value Forests are not impacted in a negative manner.

PURPOSE:

High Conservation Value Forests are those that possess one or more of the following attributes:

1. Forest areas containing globally, regionally or nationally significant concentrations of biodiversity values (e.g., endemism, endangered species, refugia).
2. Forest 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 natural occurring species exist in natural patterns of distribution and abundance.
3. Forest areas that are in or contain rare, threatened or endangered ecosystems. (e.g., old growth, roadless greater than 500 acres or that have unique attributes, and primary forests.)
4. Forest areas that provide basic services of nature in critical situations (e.g., watershed protection, erosion control).
5. Forest areas fundamental to meeting basic needs of local communities (e.g., subsistence, health). Includes forest areas that local people use to obtain resources on which they are critically dependent.
6. Forest areas critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).

STANDARD OPERATING PROCEDURE:

Upon acquisition and during the first year of management, the Regional Director(s) of Forest Operations will work closely with the Consulting Forester to determine the presence of attributes consistent with High Conservation Value Forests. They will be defined and identified appropriate to scale and intensity of forest management. These areas will be marked on the ground and designated on maps. The management plan shall include and implement specific measures that ensure the maintenance and/or enhancement of the applicable conservation attributes consistent with the precautionary approach. They will be protected from adverse negative impacts. A monitoring plan will be developed for each HCVF site to assess the effectiveness of the measures employed to maintain or enhance the applicable conservation attributes. During TFG's management of Fund tracts, routine surveillance will identify any areas that potentially have high conservation value attributes. TFG will investigate these areas and proceed accordingly.

ORIGIN:

Approved by the Investment Committee on May 10th, 2004.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Assessment and Maintenance of Successional Stages

POLICY:

The Forestland Group, LLC recognizes the importance of establishing and maintaining a balance of successional stages not only to produce a healthy forest but also to protect and maintain the habitat of common regional species. Regional Director(s) of Forest Operations and their Consulting Foresters will assess and document successional stages for all properties.

PURPOSE:

The Forestland Group, LLC is committed to responsible forest management in accordance with the FSC Principles and Criteria.

STANDARD OPERATING PROCEDURE:

Regional Director(s) of Forest Operations delegate the tract manager to obtain successional stage data for each property. If it is determined that certain successional stages are more represented than others, management practices will be modified, within economical and ecological restraints, to attain a balance of successional stages.

ORIGIN:

Approved by the Investment Committee in 2011.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Procedure for Harvest Practices

POLICY:

The Forestland Group, LLC will maintain the ecological integrity of all forestlands in a fund.

PURPOSE:

To ensure that the benefits flowing from a healthy forest are sustained. To ensure that the value of a tract at the end of a Fund exceeds the initial value for a variety of potential purchasers.

STANDARD OPERATING PROCEDURE:

Harvest cuts utilized by TFG in the management of Fund tracts will, special circumstances aside, be limited to: single stem selection, group selection, small (less than 20 acres) patch clear cuts, thinnings, and timber stand improvement cuts. Regeneration will be from seed, seedlings in place, and coppice. When planting is required TFG will ensure that species selected are suitable and appropriate to the site and that the species and procedures are consistent with Forest Stewardship Council Principles and Criteria. Special circumstances will be limited to salvage following natural disasters, (i.e. fire, insects, or other weather events), to avoid extreme risk from natural disasters, or to regenerate very poorly stocked stands. Regional Director(s) of Forest Operations will ensure that these guidelines are followed.

ORIGIN:

Approved by the Investment Committee on July 20th, 1998.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Determination of Allowable Harvest Schedules

POLICY:

The Regional Director(s) of Forest Operations, in conjunction with the Chief Forester, is responsible for recommending allowable harvest schedules for each Fund tract.

PURPOSE:

Allowable harvest schedules on each tract are critical components of financial returns to investors in timberland. Harvests serve as a means of providing cash flow and maximizing volume and value growth to be captured in subsequent harvests or sale of the tract.

STANDARD OPERATING PROCEDURE:

Harvest schedules will be submitted to the Forestland Investment Committee for approval as required. The Regional Director(s) of Forest Operations, in conjunction with the Senior Vice President – Forest Operations and the Chief Forester, is responsible for establishing the allowable harvests for Fund tracts via the Ten-Year and Annual Management Plans and careful evaluation of each tract as management activities proceed throughout the lifetime of the Fund.

The Senior Vice President – Forest Operations and/or the Regional Director(s) of Forest Operations will contact the tract managers regarding the approved harvest schedule and timeline. The administration of the approved harvest schedules is the responsibility of the tract manager.

ORIGIN:

Approved by the Investment Committee on July 20th, 1998.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Timber Sales Administration

POLICY:

Timber sales will be administered to achieve investor objectives and to maintain productivity of Fund tracts.

PURPOSE:

Financial returns to investors are highly dependent upon receiving full value of timber harvested from Fund tracts. TFG will strive to ensure that timber sold from Fund tracts receives fair market value stumpage prices or greater, and that only trees scheduled for removal are harvested.

STANDARD OPERATING PROCEDURE:

All timber sales in an approved annual forest management plan for a Fund tract must be initiated by the Regional Director(s) of Forest Operations. Unplanned timber sales or harvest volumes that depart significantly from levels in an approved forest management plan need the approval of the Senior Vice President – Forest Operations. Timber sale contracts will be administered by the tract manager and will be structured to comply with federal tax code, section 631(b). Any timber sales, which do not comply with section 631(b), will need approval of the Investment Committee. Timber sales will be in the form of either a sealed-bid sale or a negotiated sale, whichever is in the best interests of the Fund, or in accordance with any existing timber supply agreement. Tract Managers administering a Timber Sale will market the timber for harvest, supervise logging operations, and ensure that volumes removed correspond closely with timber sale specifications. The Regional Director(s) of Forest Operations, the Tract Manager, or a timber security agent will monitor on site all timber sales.

ORIGIN:

Approved by the Investment Committee on July 20th, 1998.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Procedure for Pre-Harvest Conference

POLICY:

It shall be the policy of The Forestland Group, LLC to conduct a Pre-Harvest Conference between the consultant, the purchasing agent, and the logging contractor before every timber sale.

PURPOSE:

To ensure the purchasing agent and the logging contractor understand the pre-harvest plan and what is expected of them during the harvesting operations.

STANDARD OPERATING PROCEDURE:

TFG shall require all consulting foresters to conduct on-site, pre-harvest meetings, with the logging contractor in attendance.

ORIGIN:

Approved by the Investment Committee on September 25th, 2005.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Mapping Layout Attributes

POLICY:

It shall be the policy of The Forestland Group, LLC to provide written guidelines for mapping layout attributes (e.g., designation of skid trails and log landings, etc.) for consulting foresters to use when preparing maps associated with Pre-Harvest Plans.

PURPOSE:

To provide direction to the consulting foresters and affiliate logging contractors when preparing maps associated with Pre-Harvest Plans.

STANDARD OPERATING PROCEDURE:

The consultants will use local BMPs for oversight and implementation of skid trail and landing construction when relaying instruction to the logger contractors.

Generally, two types of yarding systems will be implemented on Fund tracts: tractor skidder and skyline. Occasionally, helicopter logging will be used in areas with rugged terrain or where there are exceptionally sensitive environmental features.

The consultant will use local BMPs for oversight and implementation of skid trail design and construction. The following are written guidelines for consulting foresters to use when preparing maps associated with the Pre-Harvest Plans.

1. **Tractor/Skidder Systems** haul logs to a landing by tractor or skidder along skid trails. This is the least expensive and most common type of system, but it can have the most impact on nearby waters if done carelessly. Impacts can be reduced through practices such as the following:
 - A. Skid trails should be carefully laid out to minimize the number of trails.
 - B. Skid trails should be clearly marked. Skid trails should not be located in streambeds, in SMZs, or on steep slopes.
 - C. Skidding should be upslope or on the topographic contour to disperse runoff.
 - D. Appropriate drainage control measures, such as water bars, should be installed on skid trails to protect water quality.
2. **Skyline Systems** move logs to the landing by aerial cables. This is used where there are long, steep slopes or where it is necessary to protect soils from excessive disturbance and to maintain integrity of sensitive areas.
3. **Helicopters** move logs to the landing by helicopter. This method is used primarily in rugged terrain where good landing sites and roads are not very close to the harvest areas, or where there are exceptionally sensitive environmental features that may be affected by other yarding methods or new road construction.

- 4. Landings** for any of the above transport systems should be located in dry areas with slight slopes, well outside streamside management zones or wetlands. The number and size of landings should be planned along with the harvest road system considering the yarding system selected. There must be adequate drainage on approach trails to the landing and a mechanism to divert water away from the landing.

ORIGIN:

Approved by the Investment Committee on April 25th, 2005.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

SMZ Marking

POLICY:

It shall be the policy of The Forestland Group, LLC to mark all boundaries of streamside management zones (SMZs), wetland buffers and vernal pool buffers with clearly visible flagging or paint prior to the commencement of any harvesting activity.

PURPOSE:

The Forestland Group, LLC recognizes the importance of water resources and will strive to protect these resources.

STANDARD OPERATING PROCEDURE:

The Regional Director of Forest Operations will instruct the Consulting Forester assisting with timber sale layout to flag or paint the boundaries of any SMZ, wetland buffer and vernal pool buffer. The boundaries must be clearly visible when approached from any direction within the harvest unit. The boundaries must be marked in accordance with FSC requirements, State BMP requirements and any Forest Practices Act. The SMZ marking must be discussed during the pre-harvest conference with the purchaser of the stumpage. The purchaser must be made aware of any and all operational restrictions within the marked zone. All zones must be included and delineated on the harvest map provided to the purchaser of the stumpage. The Consulting Forester shall frequently inspect the marked zones to assure the marks are clearly visible and the purchaser is following the operational instructions pertaining to the zones.

ORIGIN:

Approved by the Investment Committee on September 25th, 2005.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to individual State BMPs for information related to SMZ marking. Also refer to the FSC regional guidelines for information related to SMZ marking.

Refer to the Forestland Investment Committee for additional information.

Harvesting Equipment Recommendations

POLICY:

It shall be the policy of The Forestland Group, LLC to make recommendations regarding the preference of harvesting equipment to be used on timber sales and/or any timber removals on all Fund tracts.

PURPOSE:

Forest management and specifically timber harvesting shall strive to conserve biological diversity and its associated values, water resources, and soils. By recommending appropriate harvesting equipment, TFG can assist in the conservation of the site and its biological attributes.

STANDARD OPERATING PROCEDURE:

TFG and/or TFG's consultant, on behalf of TFG, shall make recommendations regarding acceptable harvesting equipment to be used for harvesting timber for any and all managed properties. This recommendation shall consider the site sensitivity, soils, potential regeneration damage, potential residual stand damage and water quality issues related to equipment size. TFG shall recommend, on its pre-harvest documents, appropriate harvesting equipment for the prescribed silvicultural treatment.

ORIGIN:

Approved by the Investment Committee on July 20th, 1998.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Reforestation Activities

POLICY:

It is the policy of The Forestland Group, LLC that the Regional Director(s) of Forest Operations, in conjunction with the Senior Vice President – Forest Operations and the Chief Forester, will ensure that a plan is instituted for the regeneration of forests prior to timber harvest operations on Fund tracts.

PURPOSE:

The Forestland Group, LLC's emphasis on natural forests and selective harvests calls for regeneration of most species without artificial planting, especially for shade tolerant species.

The Forestland Group, LLC's financial commitment to its investors requires regeneration of forest species to enhance the value of Fund tracts at the time of disposition.

STANDARD OPERATING PROCEDURE:

For shade intolerant species, small patch cuts will be utilized to allow sufficient sunlight for natural regeneration of these species. When a Fund includes ownership of pine plantation acres, harvest operations will normally involve large patch cuts followed by natural regeneration of the predominant pine species; only in rare instances will TFG resort to artificial regeneration after harvests of financially mature pine plantation sections of a Fund tracts.

If planting is required, TFG shall only use species that are suitable and appropriate to the site and methods shall be in accordance with FSC Principles and Criteria.

ORIGIN:

Approved by the Investment Committee on July 20th, 1998.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Road Construction and Maintenance

POLICY:

The Forestland Group, LLC will maintain or construct permanent roads for Fund management operations.

PURPOSE:

Permanent roads must be maintained to facilitate harvesting operations as well as enable entrance or exit to deal with natural hazards such as fire or storm damage. Good roads and culverts that reflect state BMP's, FPA's, and SMZ's not only reflect responsible stewardship, but they also improve investor returns by reducing logging costs and by often providing a premium when Fund tracts are sold.

STANDARD OPERATING PROCEDURE:

The Senior Vice President – Forest Operations and the Regional Director(s) of Forest Operations will ensure that all roads on a Fund tract are designated as permanent or temporary. Permanent roads are used in ongoing management activities, as specified in long-range and annual plans. Temporary roads are constructed for a specific activity and then closed and re-vegetated.

The Senior Vice President – Forest Operations and the Regional Director(s) of Forest Operations will also ensure that maintenance of permanent roads in compliance with each state's Best Management Practices (BMP's) and/or Forest Practices Acts (FPA's) for logging roads. New TFG roads and culverts will also comply with these BMPs and/or FPAs, and will be designed and constructed to minimize adverse impacts on soil productivity and water quality. Buffer zones near stream courses will be maintained in accordance with each state's Streamside Management Zone requirements (SMZs).

When roads are constructed at the expense of timber purchasers, the TFG tract manager will approve of the location prior to construction and will direct the oversight of the construction process to ensure that the above objectives are met.

All unplanned significant road and culvert construction will require approval from the Forestland Investment Committee.

ORIGIN:

Approved by the Investment Committee on July 20th, 1998.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Chemical Use

POLICY:

It is the policy of The Forestland Group, LLC to utilize non-chemical options for all noxious species management. However, if after exhaustive research, chemical means are necessary, TFG agrees to the limited use of chemicals that are found on the FSC list of approved chemicals. Use of chemicals on the FSC prohibited list will only be used after completion of the derogation process. TFG requires consulting foresters to develop a written prescription prior to the use of chemicals on Fund tracts. Prescriptions shall include application objectives, rate and method of application, risks and benefits of chemicals used and alternatives considered.

PURPOSE:

The Forestland Group, LLC is committed to responsible land stewardship, which implies the responsible and conscientious use of chemicals for the control of pests, diseases, invasive and/or exotic species, and for all other appropriate and suitable uses.

STANDARD OPERATING PROCEDURE:

Prior to chemical treatment, the Regional Director(s) of Forest Operations, in conjunction with his consulting forester(s), will complete a chemical use summary. The chemical use summary shall include:

- a) Chemical used and method of application
- b) Three (3) alternatives to spraying, including “no action”
- c) Objective and justification of treatment
- d) Location of treatment
- e) Volume used
- f) An available copy of the MSDS
- g) Description of monitoring method and frequency

All chemical use prescriptions and reports will be kept on file at the TFG regional offices.

ORIGIN:

Approved by the Investment Committee on September 25th, 2005.
Revised in 2011.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Chemical Application Procedure

POLICY:

The Forestland Group, LLC will work closely with the Consulting Forester to take all applicable steps necessary to maintain the health and vigor of all forested tracts in a Fund, including the application of chemicals for pest, disease and other noxious species control.

PURPOSE:

To ensure that The Forestland Group, LLC's use and application of forest chemicals are prudent, safe, and in compliance with all applicable laws regulating the use and application of forest chemicals.

STANDARD OPERATING PROCEDURE:

The Regional Director(s) of Forest Operations shall evaluate prospective spray blocks and, together with the consultant, make a chemical application prescription based on the silvicultural needs of the site. The Forester and the contractor must be familiar with and follow state and federal laws regulating the use of forest chemicals, including requirements with respect to chemical storage and transport, use of personal protective equipment, containment of chemical spills or leakage, and maintenance of proper records. The Forester shall clearly mark spray block boundaries on the ground and prepare a field map for the contractor prior to application. The Forester shall obtain a current copy of the contractor's application certificate or license. The Forester will ensure a daily log of all chemicals applied on each spray block is maintained. Following completion of all spray blocks, or prior to or accompanying submission of any invoices for such work, the contractor shall prepare a report summarizing total volume and type of chemical used on each block, the application date for each block, and a map of each block.

ORIGIN:

Approved by the Investment Committee on July 20th, 1998.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Erosion Control Guidelines

POLICY:

It is the policy of The Forestland Group, LLC to minimize soil runoff into streams, wetlands and other water bodies.

PURPOSE:

To protect soil and water resources and to avoid erosion, landslides, and soil disturbance.

STANDARD OPERATING PROCEDURE:

The following are general guidelines for erosion control, particularly in regards to minimizing soil runoff into streams, wetlands and other water bodies. TFG authorizes consultants to act within these guidelines.

Road Maintenance and Construction

Some general principles to consider in the layout of the road system are:

- Plan harvesting activities to minimize the total number of miles of road length.
- Use existing roads wherever possible.
- Minimize the changes in the natural stability of the land – place roads on high ground; keep out of streamside management zones and wet areas; keep off the toe of banks and slopes.
- Where possible, the road should follow the natural contour of the lands. This will avoid the need for extensive cut and fill.
- Minimize the number of wet meadow and stream crossings.
- Keep road gradient as low as possible. The steeper the grades, the greater the velocity of the runoff. If steep grades are needed for short distances, follow by stretches of lesser grades to reduce runoff velocity.
- Determine the appropriate standard of road needed for the type of equipment; volume of traffic; and length of use. Selection of the appropriate road surfacing material will minimize erosion and reduce maintenance costs.

Some general principles to consider in the construction of the road system are:

- Time the construction of the roads to minimize earth moving activities when soils are excessively wet and easily compacted, when fish are migrating and spawning, and other critical times.
- Keep slope stabilization and erosion and sediment control work as current as possible with the road construction. This includes installing drainage features as part of the construction process and installing silt fences or windrows where needed to prevent sediment from entering streams.
- Place debris, overburden and other waste materials associated with construction in a location away from streams. Avoid placing these materials in unstable areas that may erode.
- Minimize soil erosion from road cuts and fills through use of seeding, riprapping, mulching, or other methods to stabilize the soils and prevent weed invasion.

Some general principles to consider in ensuring proper drainage from road surfaces are:

- Where possible, use out-sloped roads to drain water directly onto forest floor. Note that out-sloping may present safety concerns on areas such as sharp curves.
- If roadside drainage ditches are required, drain water from these ditches frequently to avoid flow concentrations.

- Drain water collected along the slope of the backfill for in-sloped and crowned roads by transporting across the road through culverts or surface cross drains, such as water bars (small earthen dams formed in the road to force water off the road surface, out of the side ditches and onto the forest floor) or dips (short road gradient changes or “steps” which check and divert runoff). Waterbars and relief culverts should cross the roadbed at an angle of between 30 and 45 degrees in order to provide gradient to the culvert and reduce the maintenance burden (debris will accumulate as the angle approaches a perpendicular alignment to the road).
- The spacing of the road cross drains (culverts, waterbars, dips) depends on the soil type, road gradient and amount of rainfall.
- Avoid placing drainage outlets on fill material since these materials are more readily eroded.
- Direct ditch waters onto undisturbed forest floor to allow water to infiltrate and sediment to settle out. Never drain roadside ditches directly into streams.

Some general principles to consider constructing stream crossings are:

- Design crossing to allow for fish passage and to protect water quality.
- Time construction to protect fish habitat and water quality.
- Design crossing to handle peak runoff and flood waters.
- Stream crossings should be at right angles to the stream channel and should include erosion protection measures.
- Crossings should be designed to protect the approach to the stream at the stream banks and stream bottom.

Note that federal, state, or local agencies may require permits for construction of stream crossings.

The choice of stream crossing method depends on the stream type and size; size of the watershed drainage area; construction cost and maintenance; amount of use; length of use; soil condition. Culverts, bridges, or fords may be used to allow logging equipment to cross ephemeral, intermittent or perennial streams.

- Culverts are generally used when it is necessary to cross small streams. When installing culverts, the following practices should be considered:
 - Culverts should be oriented with the natural stream flow.
 - Culverts must be designed and maintained to handle sediment and woody debris flow as well as stream flow.
 - Culverts should be designed to allow fish passage.
 - Erosion control measures, such as large boulders or riprap, should be installed to minimize sedimentation at culvert inflow and outfall
- Bridges are generally used when large streams are crossed. When constructing bridges, the following practices should be considered:
 - Bridges should be constructed with minimum disturbance to the stream bank, channel and SMZ.
 - Use portable, temporary bridges when possible. These are economical; can be installed with less impact on the environment than other alternatives; and can be easily removed upon completion of operations.
 - Cross where the stream is relatively narrow with low banks and firm, rocky soil. The channel should be straight and uniform above, at, and below the crossing. Locate bridges so the stream and road alignment are perpendicular to one another and straight in all four directions.
 - Choose stream crossing structures with the structural capacity to safely handle expected vehicle loads with the least disturbance to the watercourse. Consider stream size, storm frequency and flow rates, and intensity of use (permanent or temporary).

- Fords may be used if no practical alternative exists.
 - The use of fords should be limited to areas where the stream bed has a firm rock or gravel bottom. There are several options to harden the bottom of fords including gravel and concrete or wooden planks.
 - The approaches to fords should be both low and stable enough to support traffic.
 - No fish should be present during low flow.
 - The water depth should be low enough to allow safe passage.

In general, timber harvesters should avoid impacts to wetlands and other aquatic resources to the maximum extent practicable. If a proposed road project would impact a wetland, it may require authorization under Section 404 of the Clean Water Act. In such cases, contact the Army Corps of Engineers local office to determine whether Section 404 applies to your project. Section 404 exempts discharges of dredged or fill material associated with forest road construction and maintenance, where such activities are conducted in accordance with specific Best Management Practices.

Some general principles to consider in constructing wetland crossings are:

- Use multiple culverts to preserve the existing hydrology.
- For temporary roads, consider the use of support systems such as geotextiles and various wood and metal platform devices.
- Schedule the harvest during the drier seasons of the year or during time when the ground is frozen. Consider ceasing operations in areas where rutting exceeds six (6) inches in depth.
- Do not skid through vernal ponds, spring seeps, or stream channels.
- Use brush or corduroy roads (rows of logs or limbs) to minimize soil compaction and rutting when skidding in wet areas.
- Consider chiseling to break up compacted road surface to reestablish soil porosity when hauling is completed.

Some general principles of road maintenance to consider are:

- Inspections to ensure water control measures are functioning properly are essential.
- To keep water flowing freely and quickly away from the road, culverts must be free of debris.
- Water bars and dips must be maintained as traffic wears them down.
- Fill and side cast areas must be checked to make sure they are not becoming saturated and unstable.

Forest Wetland Management

***Note:** BMPs outlined below are examples. Check with the appropriate state agency to determine applicable BMPs in your area.

Forest wetlands provide many beneficial functions such as sediment trapping, nutrient retention and removal, groundwater recharge, and exceptional wildlife habitat. Normal, ongoing forestry activities (including harvesting, road design and construction, site preparation and regeneration, and chemical management) must be planned and operated to adequately protect the beneficial functions of forest wetlands.

The Clean Water Act and state-level wetlands laws provide some regulatory protections that may affect actions such as depositing fill. Nevertheless, use of BMPs may make several forestry-related activities exempt from fill permit requirements. Foresters should identify the provisions that apply to their plans before taking action and consult their local authorities for advice.

The BMPs described for routine forestry activities are relevant to forested wetlands and, for certain activities, additional precautions are needed. For example:

- The SMZ should be extended to incorporate the wetlands nearby.
- Ultrawide, high-flotation tires on logging trucks and skidders should be used to reduce soil compaction and erosion.
- Operations should be suspended or limited when soils become saturated.
- The natural contour of the site should be maintained and action should be taken to ensure that forestry activities do not immediately or gradually convert the wetland to dry land.
- Where roads are constructed, cross drainage should be provided to maintain natural surface and subsurface flow.
- Construct road fills only when absolutely necessary. Gravel or crushed rock should be used as fill to provide for water movement.

Forestland Streamside Management Zones

***Note:** BMPs outlined below are examples. Check with the appropriate state agency to determine applicable BMPs in your area.

Streamside Management Zones (SMZs) are buffer strips of a width specified in state BMP Manuals, consisting of the existing native vegetation communities along the stream corridor. SMZs serve many important functions, and are of special importance in controlling and filtering sediment from silvicultural operations, sustaining wildlife and fish populations, and maintaining water quality. The SMZ not only acts as a buffer between land activities and sensitive aquatic ecosystems, but it also usually supports high biodiversity, valuable habitat, and multiple recreational uses. The vegetation in the SMZ serves as filter material to reduce pollutants entering the stream. Streamside forests are a source of large woody debris for fish habitat. The shade provided by streamside trees is important in maintaining the natural temperature of the water, which impacts aquatic habitat. These areas also function as travel corridors, provide food and protection, and nesting sites for wildlife. These zones are also called protective strips, filter and shade strips, and buffers.

Limiting disturbances in and near SMZs can protect one of the most environmentally sensitive areas in the forest. The width of the SMZ should be based on factors such as:

- Erosiveness of the soil;
- Steepness of the bank slopes;
- Proximity to municipal watersheds;
- Protection of adjacent wetlands; and
- Sensitivity of the fish and wildlife habitat and other critical areas.

To limit the disturbances in SMZs, consider the following practices:

- Roads should not be constructed in SMZs except at designated stream or wetland crossings.
- Operate vehicles only on roads.
- Do not side cast road construction material into SMZs.
- Do not handle, store, apply, or dispose of hazardous chemicals, fertilizers, or pesticides in SMZs.
- Do not deposit waste timber or slash in SMZs.

Timber harvesting in the SMZ should be done only selectively if at all, and with special care. Selective logging in the SMZ should consider the following practices:

- Retain the appropriate diversity and size of tree and shrub species.
- Protect and retain trees and shrubs and snags that are below harvest quality. These provide wildlife habitat and stabilize soil.
- Retain bank edge trees for stream channel stability and to shade stream.

- Maintain sufficient ground cover to trap sediment.
- Immediately remove any logging debris that enters the stream channel.

ORIGIN:

Approved by the Investment Committee in April 2005.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to individual state BMPs.

Refer to the Forestland Investment Committee for additional information.

Insect and Disease Control

POLICY:

The Forestland Group, LLC will take steps necessary to maintain the health and vigor of all forested tracts in a Fund.

PURPOSE:

It is incumbent upon The Forestland Group, LLC to protect the health and vigor of all forested tracts owned by its Investment Funds; lack of detection and response to insect or disease problems could possibly reduce the rates of return to Fund investors.

STANDARD OPERATING PROCEDURE:

The Regional Director(s) of Forest Operations will ensure that the tract manager routinely surveys for indication of insects and disease and utilizes state and federal surveys as additional means to detect problems. Where insect or disease damage is detected, the Regional Director, in conjunction with the Senior Vice President – Forest Operations and the Chief Forester, will take appropriate action to protect Fund tracts, and shall report protective actions undertaken to the Forestland Investment Committee. Depending on the circumstances, actions for insect and disease control might range from removal of infected trees to deter spread to healthy trees, to widespread spraying of tracts if the problem is/becomes more serious. All such activities will be recorded by the tract manager, with master files being kept at the TFG Regional Offices. All use of pesticides will comply with existing rules and regulations and FSC Principles and Criteria.

ORIGIN:

Approved by the Investment Committee on July 20th, 1998.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Integrated Pest Management.

Refer to the Forestland Investment Committee for additional information.

Integrated Pest Management Policy

POLICY:

TFG's Integrated Pest Management (IPM) is an effective and environmentally sensitive approach to pest management that relies on a combination of common-sense practices. IPM programs use current, comprehensive information on the life cycles of pests and their interaction with the environment. This information, in combination with available pest control methods, is used to manage pest damage by the most economical means, and with the least possible hazard to people, property, and the environment.

PURPOSE:

TFG is committed to preventing and/or controlling negative impacts of pests, diseases and invasive species on native ecosystems by employing Integrated Pest Management (IPM) in such a manner to minimize environmental impact.

STANDARD OPERATING PROCEDURE:

Integrated Pest Management is a step-wise strategy used to evaluate the threat of establishment, growth and/or spread of pests, diseases or invasive species, as well as to develop and implement a response method. IPM is not a single pest control method but, rather, a series of management evaluations, decisions and controls. For the purposes of this policy, 'pest' includes diseases, insects, and invasive species. Steps of TFG's IPM are as follows.

1. Identify the pest and determine the potential risk to native species and ecosystems. Identification of the pest includes, but is not limited to, researching the pest life cycle, pathology and past published control/eradication strategies. For example, sometimes once pest is located, it may be beyond the point of alternative treatments, except spray it with a pesticide. However, most often, there is a life cycle stage that is susceptible to preventative actions.
2. TFG will use the best available resources to identify ecological relationships and prevent pest outbreaks. As a first line of pest management and control, TFG will modify current management practices and/or implement new practices to minimize the risk of pest growth and spread. TFG will set an action threshold, a point at which pest populations or environmental conditions require treatment, before taking any pest control action. Sighting a single pest will not always trigger a control strategy. Ecological and economical factors are critical in guiding pest control decisions.
3. TFG will implement preventative measures by monitoring a sample environment for pest population. Not all insects, weeds, and other living organisms require control. Many organisms are innocuous, and some are even beneficial. TFG's IPM program works to monitor for pests and identify them accurately, so that appropriate control decisions can be made in conjunction with action thresholds. This monitoring and identification minimizes unnecessary or inappropriate chemical use. TFG will analyze the information gathered from monitoring to determine whether the affected area is increasing or decreasing in size. This method may enable us to evaluate our action before the pest becomes a widespread problem.
4. If monitoring, identification and action thresholds indicate that pest control is required, and preventative methods are no longer effective or available, TFG's IPM programs will evaluate the proper control method both for effectiveness and risk. Effective, less *risky* pest controls are chosen first, including highly targeted chemicals, such as pheromones to disrupt pest mating, or mechanical control, such as trapping or weeding. If further monitoring, identifications and action thresholds indicate that less risky controls are not working, then additional pest control methods would be employed, such as targeted

spraying of pesticides. Broadcast spraying of non-specific pesticides is a last resort. For any pest situation, there will be several options to consider.

The goal of using multiple tactics or "many small hammers" is to effectively suppress pests below injurious levels and avoid outbreaks. Many tactics keep pest populations off-balance and avoid development of resistance to pesticides. Least-toxic methods are used before more toxic ones whenever possible.

- **Cultural methods**

Suppress pest problems by minimizing the conditions they need to live (water, shelter, food).

- **Physical methods**

Prevent pest access to the host or area, or, if the pests are already present, physically removing them by some means. For example, this could mean using barriers, traps, vacuuming, mowing or tillage, depending upon the pest and situation.

- **Biological methods**

Use predators, parasites and diseases of pests in a targeted way to suppress pest populations. Use of microbial diseases of pests have become part of the chemical pesticide registration process and is treated below under Chemical methods. Use of predators and parasites as biocontrol for pests are handled in one or more of 3 ways;

- conservation and encouragement of naturally occurring biocontrol organisms by cultural techniques or at least avoidance of harming them
- augmentation of naturally occurring species by purchasing and releasing more of the same
- "classical" biological control in which new biocontrol species specific to pests are sought and introduced

- **Chemical methods**

There are many chemicals that are used in pest management situations, but not all chemicals are alike from the standpoint of their range of action, toxicity, or persistence in the environment. TFG will use the FSC pesticide list as guidance for pesticide application.

- **Regulatory**

Regulatory control refers to the role played by government agencies in trying to stop the entry or spread of pests into an area or into the country via inspection, quarantine, destruction of infested material, and other methods.

5. Following treatment, TFG will evaluate their results. For example, did our actions have the desired effect? Was the pest managed to our satisfaction? Was the method satisfactory? Were there any unintended side effects? What will we do differently for the future treatment of this pest situation?

ORIGIN:

Approved by the Investment Committee October 2011.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

1. **APHIS** safeguards agriculture and natural resources from the risks associated with the entry, establishment, or spread of animal and plant pests and noxious weeds to ensure an abundant, high-quality, and varied food supply

http://www.aphis.usda.gov/plant_health/plant_pest_info/index.shtml

2. The National Park Service (NPS) has installed IPM in the management of all resources on NPS lands including concessions and leased properties. Based on scientific research, technology, monitoring and networking, IPM is structured on facts and actual "hands on experience in the field". IPM strategies are constantly improving and changing as more and more details are learned about the pest organisms involved. The NPS has an Integrated Pest Management Manual posted on their website, now available in a second edition. It provides descriptions of the biology and management of 21 species or categories of pests.

<http://www.nature.nps.gov/biology/ipm/manual/ipmmanual.cfm>

3. Radcliffe's University of Minnesota electronic textbook of Integrated Pest Management featuring contributed chapters by internationally recognized experts. It is available at: <http://ipmworld.umn.edu/>

Seed Mix and Invasive Species Control

POLICY:

It is the policy of The Forestland Group, LLC to only use seed mixes that contain non-invasive species. Seed mixes are used to control erosion on some Fund tracts.

PURPOSE:

The Forestland Group, LLC is committed to responsible land stewardship, which implies the responsible and conscientious use of seed mix on all Fund tracts. TFG will consult appropriate databases to ensure their seed mixes do not contain invasive species. Hunt clubs will be informed of and will agree to adhere to TFG's policy against the use of invasive species in seed mix.

STANDARD OPERATING PROCEDURE:

Prior to seeding, Regional Director(s) of Forest Operations, or their Consulting Foresters, will consult appropriate databases for the most current list of invasive species. Regional Directors require their consulting foresters to obtain and save the ticket from the seed mix used. In case of accidental use of invasive species, Regional Directors or Consulting Foresters will log the location with GPS technology and will monitor the site as necessary. TFG Regional Directors will refer to the Integrated Pest Management plan for further action, if required.

ORIGIN:

Approved by the Investment Committee in 2011.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to Integrated Pest Management Policy.

Refer to the Forestland Investment Committee for additional information.

Prescribed Fire Management and Firebreaks

POLICY:

The Forestland Group, LLC will use prescribed burning only where and when it contributes to the management of Fund tracts.

PURPOSE:

To ensure the appropriate and effective application of prescribed burning as a management tool to enhance tract values in a Fund and to utilize firebreaks to minimize tract damage in the event of a wildfire.

STANDARD OPERATING PROCEDURE:

Scheduled prescribed burning will be reflected in the annual forest management plan for the Fund tract. The tract manager must obtain approval from the Regional Director of Forest Operations, as well as from the state forestry agency, to prescribe burn on a Fund tract; prescribed burns will comply with all applicable state laws and only qualified professionals will be contracted for services. Deviations from prescribed burning reflected in annual forest management plans must be approved by the Senior Vice President – Forest Operations and the Chief Forester. Prescribed burns will be recorded at the TFG Regional Office.

The tract manager will recommend the need, location, and a maintenance program for fire breaks on a given Fund tract to the Regional Director of Forest Operations for approval. Records will be kept for the establishment, inspection, and maintenance of all firebreaks, and they will be reflected in the annual Forest Management Plan. Master records will be on file at the TFG Regional Office.

ORIGIN:

Approved by the Investment Committee on July 20th, 1998.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Procedure for Clearcuts in the Appalachian Region

POLICY:

The Forestland Group, LLC will maintain the ecological integrity of all forestlands in a Fund and comply with FSC Principle 6: Environmental Impact.

PURPOSE:

To ensure compliance with Forest Stewardship Council Principles and Criteria.

STANDARD OPERATING PROCEDURE:

In Appendix C of FSC's Forest Management Standard v1.0, Indicator 6.3.g.1.a state "When even-aged or two-aged (seed tree, regular, or irregular shelterwood), or deferment cutting is employed, live trees and native vegetation are retained and opening sizes are created within the harvest unit in a proportion and configuration that is consistent with the characteristic natural disturbance regime in each community type, unless retention at a lower level is necessary for restoration or rehabilitation purposes. Harvest openings with no retention are limited to 10 acres." FSC's definition for retention is "living vegetation, including trees, shrubs, and herbaceous species, that is retained during even-aged and two-aged regeneration harvests." In FSC's Glossary definition of even-aged regeneration, a green retention of 20 square feet of basal area per acre is required. In ecology, basal area of shrubs and forbs is thought of as square feet (or percent) of crown or leave cover on a per acre basis.

In the Appalachian Region, a clear-cut is by definition a regeneration cut. Therefore, the 10-acre limit only applies if, throughout the harvest area, there is less than 20 square feet of basal area of saplings, poles, large trees, wildlife trees, vegetation in SMZs and crown cover of shrubs and weeds. If this degree of austerity should ever be attained then the 10-acre limit is a very good restraint. In addition, there is an opportunity to apply deferment cutting where we chose to leave 10 to 30 square feet of trees to be harvested at the first entry into the younger cohort, which is to develop beneath. There is no restriction on the acreage treated with this silvicultural tool. Harvest Prescription Fact Sheets and recommended treatment prescriptions will reflect these objectives.

ORIGIN:

Approved by the Investment Committee on September 27th, 2004.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Whole Tree Logging

POLICY:

Whole tree logging is defined by The Dictionary of Forestry, a publication of The Society of American Foresters, as “cutting and removing an entire upper portion of a tree consisting of trunk, branches, and leaves or needles.”

It is the policy of The Forestland Group, LLC to limit the practice of whole tree logging as it is defined above.

PURPOSE:

The Forestland Group, LLC will recommend logging that does not adversely affect the site productivity of any Fund tract.

STANDARD OPERATING PROCEDURE:

In the Appalachian Region, The Forestland Group, LLC will recommend that whole tree logging not be used. The stumpage purchaser will be advised to direct the logging contractor to limb and top the tree in the woods. Efforts should also be made to cut off any cull or butt scaring in the woods. If this type material is brought to the landing/loading area, then it must be re-distributed into the woods and not allowed to accumulate on the landing/loading site.

In other regions, whole tree logging may be used where it is necessary and is justifiable, such as in thinning or final harvest of a pine plantation. It may also be used in areas where the greater local economy depends on biomass production for fuel to generate electricity and/or the local economy provides a market for in woods chipping. In these areas, efforts will be made to redistribute a portion of the woody debris back into the area. For example, this may occur by the placement of woody debris on the skid trails to help prevent soil disturbance.

ORIGIN:

Approved by the Investment Committee on September 25th, 2006.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.

Work Orders Not Included in the Annual Management Plan

POLICY:

The Forestland Investment Committee will evaluate the property effects and financial impacts of work orders proposed to The Forestland Group, LLC that are not included in an Annual Forest Management Plan (FMP).

PURPOSE:

Financial returns for investors are estimated on several bases, including property improvements/maintenance and the costs of these work orders included in annual property management plans. The purpose of evaluating work orders that are unanticipated in the Annual FMP is to insure that positive property impacts resulting from these new work orders outweigh or at least equal their costs, so that returns to Fund investors are not diminished by the unscheduled activities.

STANDARD OPERATING PROCEDURE:

The Senior Vice President – Forest Operations and Regional Director(s) of Forest Operations will evaluate work orders not included in the Annual FMPs as they arise. Work orders resulting from new state regulations/legislation or modified best management plans (BMPs) will be implemented as soon as feasible. Other unanticipated work orders will be assessed in terms of their positive impacts on the property. The Senior Vice President – Forest Operations and Regional Director(s) of Forest Operations will estimate the positive impacts of the suggested work activity as well as compile anticipated costs.

The Senior Vice President – Forest Operations will conduct a benefit-cost assessment of additional work orders to be presented to the Forestland Investment Committee. Work orders wherein expenditure levels exceed the authority of the Forestland Investment Committee will be presented to the Investment Committee for approval and implementation.

ORIGIN:

Approved by the Investment Committee on July 20th, 1998.

REFERENCES, RESOURCES, and EXPLANATORY NOTES:

Refer to the Forestland Investment Committee for additional information.