



Forest Management Public Summary

for

Redtree Properties, L.P.

Certification Code: SW-FM/COC-057

Date of Certification: September 15, 1998

Date of Public Summary: January 2004

This document was produced according to the guidelines of the Forest Stewardship Council (FSC) and the SmartWood Program. No part of the report should be published separately.

Certifier:

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ACRONYMS

AAC Annual Allowable Cut

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ALP	Annual Logging Plan
CITES	Convention on Trade in Endangered Species
DBH	Diameter at Breast Height
DOC	Department of Conservation
FMO	Forest Management Organization
FSC	Forest Stewardship Council
HCVF	High Conservation Value Forest
ILO	International Labor Organization
OSH	Occupation Safety and Health
P&C	Principles and Criteria of the FSC
RMA	Resource Management Act
SFM	Sustainable Forest Management
SFMP	Sustainable Forest Management Plan
THP	Timber Harvest Plan

INTRODUCTION

To earn SmartWood certification, a forest management operation must undergo an on-site field assessment. This Public Summary Report summarizes information contained in the initial assessment report, which is produced based on information collected during the field assessment. Annual audits are conducted to monitor the forest management operation's activities, to review the operation's progress toward meeting their certification conditions, and to verify compliance with the SmartWood standards. Addenda providing the updated information obtained during these annual audits are included as attachments to the Public Summary Report.

This report presents the findings of an independent certification assessment conducted by a team of specialists representing the SmartWood Program of the Rainforest alliance. The purpose of this reassessment was to evaluate the ecological, economic and social sustainability of Redtree Properties' forest management after completing five years of certification.

The purpose of the SmartWood program is to recognize conscientious land stewardship through independent evaluation and certification of forestry practices. Forestry operations that attain SmartWood certification may use the SmartWood label for public marketing and advertising.

Certification Decision

Based on a thorough field review, analysis and compilation of findings by this SmartWood assessment team, Redtree Properties is recommended to receive joint FSC/SmartWood Forest Management and Chain of Custody (FM/COC) Certification with the stipulated conditions contained in this report.

In order to maintain certification, Redtree Properties will be audited annually on-site and required to remain in compliance with the FSC principles and Criteria. SmartWood will review continued forest management performance and compliance with the conditions described in this report, during scheduled annual and random audits.

1. GENERAL SUMMARY

1.1. Name and Contact Information

Source Name: Redtree Properties, L. P.

Contact Person: Dave Herman

Address: 100 Ponderosa Court, Santa Cruz, CA 95060

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E-mail: dave.herman@att.net

1.2. General Background

A. Type of operation

Redtree Properties, L. P. is a private company formed for the purpose of holding and managing forestland and other real estate investments. Forestlands comprise only about half of the company's assets.

Redtree Properties manages two blocks of land in the Santa Cruz Mountains. This certification report includes the 7,079 acres of the Pescadero Creek Tree Farm.

Redtree Properties is engaged in the production of redwood and Douglas-fir sawlogs, with a small amount of harvesting done of firewood and specialty redwood burls. Redtree takes its stewardship role very seriously, investing significant amounts in the development of its forests and the property in general through projects such as improvement of roads and bridges, restoration work, planting, and more. Recreational opportunities are an important resource but at this time limited primarily to opportunities for the landowners and their guests, as well as educational opportunities for the local community.

B. Years in operation

Redtree has been in operation for many years in various forms (involved in lumber, retail sales, and property acquisition and development), originally under the name Santa Cruz Lumber Company. In 1986, the company sold its retail outlets and reorganized as a limited partnership, as Redtree Properties, L.P.

Since 1973, the company's forestlands have been managed by Jim Greig, a Registered Professional Forester in California. Dave Herman is a forester who has worked with and for Mr. Greig since 1977.

C. Date first certified

September 15, 1998

D. Latitude and longitude of certified operation

37 degrees N, 122 degrees W

1.3. Forest and Management System

A. Forest type and land use history

The 7,079-acre Pescadero Creek tree farm consists primarily of conifer forest with a small hardwood component. Areas heavy to hardwoods do exist on harsher sites and poorer soils. Conifer forests are

dominated by coastal redwood (*Sequoia sempervirens*) with Douglas-fir (*Pseudotsuga menziesii*). Coniferous forests typically include as a hard component tanoak (*Lithocarpus densiflorus*), canyon live oak (*Quercus chrysolepis*), coast live oak (*Quercus agrifolia*), Pacific madrone (*Arbutus menziesii*), and red alder (*Alnus rubra*). These same hardwood species occupy hardwood dominated sites. Understory species include those typically associated with redwood forests, such as evergreen huckleberry, swordfern, and others. There are a few areas of mixed chaparral on rocky, dry slopes. These areas are dominated by chemise, manzanita, ceanothus, and other dry-site species.

The terrain is generally steep and rainfall is high. Erodability of soils is moderate to high

Land use history is complex. Portions of the property were under the ownership of the Santa Cruz Lumber Co. as early as 1923. Additional lands were purchased over the years, and in 1971 the total acreage was 12,000 acres. San Mateo bought 5,000 acres for parkland in the early 1970s. Over the years there have been some land swaps with parks that have added to Redtree's tree farm acreage.

B. Size of forest management unit certified and forest use and area in production forest, conservation, and/or restoration

Land use	Area Acres (ha)
Natural or Semi Natural Forest	6312 (2555)
Plantation	0 (0)
Protected area	61 (25)
Special Management Areas	686 (278)
Water	0 (0)
Infrastructure	21 (9)
Other uses	0 (0)
Total Certified Area	7079 (2866)

C. Annual allowable cut and/or annual harvest covered by management plan

Annual harvest is calculated by volume, and harvest does not exceed growth, which averages 2.9% per year. A 1994 inventory showed an estimated net volume of about 135,000,000 board feet, suggesting an allowable cut of 3.9 mmbf. However, Redtree uses conservative estimates in a computer program they developed to calculate the annual harvest. Actual planned harvests are 3.25 mmbf/year for 2004-2007, and 3.5 mmbf in 2008, well below the AAC that could be justified under volume control.

D. General description of details and objectives of the management plan/system

Redtree's forestland has been under the management of Jim Greig since 1973. In 1976, Mr. Greig wrote a "Forest Management Program" for the Santa Cruz Lumber Company (now Redtree) that outlines much of what he had already been practicing for years. These were extremely forward thinking ideas then. The same plan, with minor revisions, continues to guide forest management, and the level of commitment to these principles today is exceptional. The main points of the plan are:

- Use of selection silviculture based on removing 25-35% of the stand volume in cycles of 10-15 years;

- Use careful tree selection to ensure dominant trees are in the 30-36" diameter range, 65-75 years of age;
- Forest improvement by tree planting, thinning, etc.;
- Maintain a quality road system, including upgrades to permanent structures such as bridges.
- Produce maximum value of forest products by:
 - maximum stocking of the most valuable crop trees;
 - Find the best balance between maximum quality and maximum quantity;
 - maintain options for future recreational use, including preserving or enhancing unusual or exceptional scenic areas;

In 1999, an addendum was added to this plan for purposes of SmartWood certification. Elements of the addendum include:

- Long-term management goals and objectives for non-timber values:
 - commitment to develop high-quality fish and wildlife habitat, etc.;
 - maintain an all-aged forest, with trees ranging in size from seedlings to old-growth;
 - develop a forest stand with a major component of trees in the 35-50" DBH range, typically 90-100 years of age.
- Inventory of non-commercial resources:
 - conduct inventories of standing culls and snags (completed in 1994);
 - update inventories at 15-year intervals;
 - RT&E species to be surveyed and reported on as part of each successive harvest plan preparation;
 - maintain stream temperature and stream condition monitoring work.
- Reserve stands, legacy trees, and LWD:
 - large trees with Old Growth form are reserved from harvest;
 - additional large trees are allowed to develop along the banks of class I (fish-bearing) streams, with a goal of developing on such tree for every 66' of stream bank;
 - LWD is retained on site as it naturally occurs. Cull logs brought to the landing are returned to the forest and placed as they might naturally occur;
- Maintain maps locating special resources (such as old growth reserved stands, recreational sites, etc.);
- A fire and dust control plan is described;
- Streamside protection zones follow laws of the State of California and vary in width from 25' to 150'.
- Marking guidelines leave dense forest stands in place after harvest, generally more than double what the state rules require.

The property is subdivided into 17 management units, each several hundred acres in size. Management strategies outlined above apply to all units.

Redtree maintains long-term relationships with foresters, the logger and the caretaker, which ensures continuity and commitment to the management plan and objectives. Redtree contracts with their foresters and with the logger. The caretaker receives an annual salary. Redtree contracts with three foresters. Jim Greig is in charge of the operation. Day-to-day operations are overseen by Dave Herman, who is assisted by Matt Bissell, a Registered Professional Forester. These experienced foresters plan all harvesting operations and documents. They also make recommendations to the

owners regarding investment in infrastructure, rehabilitation, etc. Foresters Jim Greig and Dave Herman have been working with Redtree since the 1970s.

The caretaker lives on the property and works full time on a multitude of tasks including ensuring erosion control devices are functioning properly in the winter, maintaining roadside fuelbreaks, pruning trees, transplanting seedlings, etc. The logger also lives and maintains his equipment on the property. The logger has purchased a yarder, which is available for any Redtree job. Both tractor logging and cable yarding are used, depending largely on the steepness of slope and erodability of soils.

Redtree contracts with specialists to survey plant communities, do special-status plan surveys, wildlife surveys, most watercourse classifications, and to develop recommendations for RT&E species. A CEG (Certified Engineering Geologist) is hired on an as-needed basis.

Foresters and the caretaker maintain essentially a daily presence on the property, providing an excellent level of oversight in terms of logging and excellent response time to unexpected events such as heavy storms.

Specifics of state regulations regarding harvest plan layout, watercourse protections, erosion control, harvesting standards, and public comment appear in individual harvest plans and the state Forest Practice Rules. These rules are extensive and need not be repeated here.

1.4. Environmental and Socioeconomic Context

Environmental. Redtree's property lies in the Santa Cruz Mountains. Located between San Jose (Silicon Valley) and Santa Cruz, the area has a large and wealthy population, making pressures to develop forestland very strong and economically enticing. In recognition of this threat of development, some of the area adjacent to Redtree has been set-aside as parkland, which is unmanaged in hopes that it will revert to an old-growth condition. Other areas have already been sold as small rural ranchettes.

Set in the context of an increasingly fragmented forest landscape on the one hand and public set-aside areas (parks) and unmanaged private holdings on the other hand, Redtree offers a well-maintained landscape with excellent wildlife habitat, superb aesthetics, as well as timber production. Redtree's property provides a mid-seral component to a landscape. Redtree also provides over 7,000 acres of contiguous forest in a landscape that is increasingly fragmented.

Historical context. In the past, large tracts of land within the North Coast region of California were clear-cut and burned, usually by timber and ranching interests. Most old-growth redwood and Douglas fir trees were harvested. Watercourses were often used as log transportation corridors. Cull logs and logging slash accumulated in most streams, often forming logjams, becoming barriers to upstream passage of adult salmonids. Human-caused fires associated with past ranching and logging activities converted some previously timbered areas to open grasslands, now used for ranching, urban development and agriculture. These historical activities, along with pollution from urbanization, agriculture and industries, have had significant adverse effects on fish and wildlife. One particularly significant impact is the development of rural mountain homes in the urban-rural interface. Access roads to these homes are often poorly constructed, unpaved, with no to minimal maintenance. In many cases, poor drainage and consequent erosion results in the degradation of water quality through the delivery of sediment from erosion associated with these roads.

This is the general landscape in which the predecessor to Redtree Properties, Santa Cruz Lumber Company, entered the lumber business. In 1923, George Ley and several financial backers purchased land and a mill, and they began operation as the Santa Cruz Lumber Company. As was typical in that time, it was old growth trees that were harvested and milled.

In 1971, 5,000 acres of Lumber Company's 12,000-odd acres were sold to San Mateo County for parkland. This land contained old growth as well as second growth. In 1972, the mill was closed down and old growth operations ceased. At this time the sale of young growth to other mills began. In 1973, J. E. Greig, Inc. was hired to develop and implement the management of the second growth timber. He developed a long-term forest management plan for the property that is still in effect. In 1986, the Santa Cruz Lumber Company reorganized and became Redtree Properties, L. P., still principally owned by members of the Ley family.

Socio-Economic. The large and wealthy local population in general is strongly opposed to logging. For this reason, although historically there was much logging activity, in recent decades logging activity has dramatically been reduced in favor of recreational use and preservation of views for the local population.

A high level of mistrust towards any active timber management in the area has led to a generally hostile environment for active forest management. This has included the passage of county rules and ordinances aimed at curtailing or eliminating timber harvesting. Redtree manages not only successful operation within this maze of regulation but also to maintain good relations with its neighbors. Redtree welcomes local individuals and groups to visit their on-the-ground operations, though they have few takers for their offers.

Forestry-related employment in the area is minimal, as is forestry-related infrastructure. Only one local mill remains, which is FSC CoC certified. While Redtree does obtain bids from other mills, it is rarely worth the added haul cost to ship the logs to any place other than the local mill. In order to retain skilled employees and quality equipment, Redtree assists in providing contractors with housing and shop space.

Regulation. In addition to local rules and ordinances, Redtree manages their property within the context of many state and federal laws and regulations. These are primarily aimed at protecting RT&E species and water quality. Important laws and regulations include the Z' Berg-Nejedly Act of 1973), the California Environmental Quality Act (CEQA), the Porter-Cologne Act (water quality), and various endangered species and wildlife acts. The California Department of Forestry and Fire Protection (CDF) acts as the "lead agency" among state and federal agency to ensure that all laws and regulations are properly followed. CDF coordinates review by CDF employees and other agencies of all Timber Harvesting Plans.

1.5. Products Produced and Chain of Custody

A. Chain of custody certificate

Redtree holds an FM/COC Certificate. They have printed trip tickets which read "Forestry Certified By SmartWood." This clearly identifies each load as certified.

In California, tracking systems from forest to mill are well documented. Each load of logs that leaves the landing has a trip ticket attached that specifies the number of logs by species. A copy

of the trip ticket is given to the mill scaler, the trucker, and the forester acting as agent for the landowner.

Once the logs have been scaled at the mill the logger, forester, and landowner get a copy of the scale ticket. The scale ticket indicates the species, length, diameter, scale of each log, defect deductions, number of logs on the load, total gross and net scale, and time and date that the load was received.

B. Species and volumes covered by the certificate

Table 1: Certified Production

Species	Scientific name	Volume (m³ per yr)	Product
Coast redwood	<i>Sequoia sempervirens</i>	95% (3.1 mmbf, or 12,400m ³)	sawlogs
Douglas-fir	<i>Pseudotsuga menziesii</i>	5% (0.15 mmbf, or 650 m ³)	sawlogs
Coast live oak	<i>Quercus agrifolia</i>	10 cords	firewood
Tanoak	<i>Lithocarpus densiflorus</i>	170 cords	firewood

C. Description of current and planned processing capacity covered by the certificate

None current or planned.

2. CERTIFICATION ASSESSMENT PROCESS

2.1. Assessment Dates

October 15, 2003

2.2. Assessment Team and Peer Reviewers

Field inspections were conducted with one auditor based on SmartWood Policy for Reassessments G-29.

Claralynn R. Nunamaker, RPF #2606, a consulting forester from Mendocino County, California. Previous involvement in certification includes having been a SmartWood-certified Resource Manager and having been involved in numerous assessments, scopings, and audits as well as SmartWood Team Leader training.

Two peer reviews were carried out by an ecologist and a CA RPF with over 20 years experience in the region and over 10 yrs experience with certification.

2.3. Assessment Process

During the field phase of the assessment process, the assessor conducted the following steps as part of the normal SmartWood certification process:

- 1) **Pre-Assessment Planning and Documentation review** –This is a re-assessment for Redtree. All SmartWood documents (the original assessment and annual audits) were

reviewed. The assessor developed a list of documents to review in the office that was sent to the client several days before the assessment to facilitate a rapid assessment.

- 2) **Document review during the assessment--** The assessor reviewed THPs, maps, management plans, contracts, records of harvest yields, yield taxes paid, and other records during the field visit.
- 3) **Selection of Sites and Field Inspections:** – During the day of the assessment, the assessor interview David Herman. During the field visit, several other individuals who work regularly on Redtree’s property were interviewed, including the contract logger Anthony Chinello and the caretaker Fred Keesaw. The assessor and Mr. Herman visited various places on the property where management had occurred. These included areas harvested 10 years prior, areas harvested last year, and an area in which logs from this year’s harvest were being loaded onto trucks. A rehabilitation site was visited, as well as areas of road reconstruction, watercourse crossing construction, WLPZ harvesting, and road closure. Field inspections were conducted with one auditor based on SmartWood Policy for Reassessments G-29.
- 4) **Interviews/Stakeholder consultation–** A public briefing paper and stakeholder survey were issued via e-mail by the SmartWood regional office on October 27, 2003. The survey asked for direct input on Redtree’s forest management. The closure of the comment period was December 1, 2003. One questionnaire was returned, and the single comment received has been included in this report.
- 5) **Assessment Report Development** –The assessment report was written during November and December 2003. Copies of key documents provided by the client were used in the development of the report.
- 6) **Report Review by Candidate Operation** – The draft report was submitted to the client on December 3, 2003. The client returned the draft reports with comments on December 4, 2003.
- 7) **Peer Review** – The report was sent for peer review in December 2003.
- 8) **Report Finalization-December 2003.**

Table 2. Summary of Forest Areas & Areas Visited by SmartWood Assessors

Forest/Block Name	Total Area in Acres/Hectares	Assessment Site
Unit 1	376/152	x
Unit 2	399/162	
Unit 3	561/227	
Unit 4	531/215	
Unit 5	503/204	
Unit 6	351/142	
Unit 7	107/43	
Unit 8	491/199	x
Unit 9	236/96	x
Unit 10	431/174	x
Unit 11	552/223	
Unit 12	168/68	
Unit 13	854/346	
Unit 14	470/190	x (Butano THP)
Unit 15	432/175	x (Butano THP)

Unit 16	334/135	
Unit 17	283/115	
TOTALS	7007 acres/ 2866 ha (buffer acres not included)	

2.4. Standards

Pacific Coast Regional Standards version 7.9. These standards are available from SmartWood upon request or from <http://www.fscstandards.org/>. Field inspections were conducted with one auditor based on SmartWood Policy for Reassessments G-29.

2.5. Stakeholder consultation process and results

Issues Identified Through Stakeholder Comments and Public Meetings

The stakeholder consultation activities were organized to give participants the opportunity to provide comments according to general categories of interest based upon the assessment criteria. The table below summarizes the issues identified by the assessment team with a brief discussion of each based upon specific interview and/or public meeting comments. Efforts to reach stakeholders were limited to the notification since the previous five years have that Redtree has an excellent reputation in the community. Both Peer Reviewers suggested greater consultation was necessary. Therefore future auditors will be instructed to reach out to stakeholders to verify continued performance in this area.

Table 3: Stakeholder Comments

FSC Principle	Stakeholder Comments	SmartWood Response
P1: FSC Commitment/ Legal Compliance	No comments	No comments
P2: Tenure & Use Rights & Responsibilities	No comments	No comments
P3 – Indigenous Peoples’ Rights	No comments	No comments
P4: Community Relations & Workers’ Rights	No comments	No comments
P5: Benefits from the Forest	No comments	No comments
P6: Environmental Impact	No comments	No comments
P7: Management Plan	No comments	No comments
P8: Monitoring & Assessment	No comments	No comments
P9: Maintenance of High Conservation Value Forest	Redtree’s management is protecting HCVF attributes with permanent retention of type 1-2 old growth.	Redtree does not have type 1 or 2 old growth on its property apart from 7 acres of type 2 old-growth. See Findings for 6.3d. They do manage HCVF (see Findings under criteria under Principle 9.)

P10 - Plantations	No comments	No comments
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3. RESULTS, CONCLUSIONS AND RECOMMENDATIONS

3.1. General Discussion of Findings

Table 4: Findings by FSC Principle

Principle/Subject Area	Strengths	Weaknesses
P1: FSC Commitment and Legal Compliance	Strict adherence to complex maze of local, state, and federal regulations. Obvious and deep commitment to FSC principles.	None noted
P2: Tenure & Use Rights & Responsibilities	Clear land tenure. Boundaries clearly defined and delineated.	None noted
P3 – Indigenous Peoples’ Rights	No conflicts with Native Americans. Extensive efforts made to determine whether or not there are any cultural sites of significance and to protect those sites. Local tribes notified of operations.	None noted
P4: Community Relations & Workers’ Rights	Excellent relations with and treatment of workers and contractors. Contractors and workers are local. Communicates well with neighbors. Buys local goods and services. Available to local community for site visits and education programs. Neighbors and downstream landowners are notified of operations.	None noted
P5: Benefits from the Forest	Growth exceeds harvest. Timing and level of harvest designed to take advantage of market fluctuations in log prices. Financially able to maintain management infrastructure, activities and implement restoration. Makes significant reinvestment in forest operations. Makes optimal use of forest products available.	None noted
P6: Environmental Impact	RT&E species surveyed and protection measures developed. Ecologically appropriate silviculture. Low impact logging, low post harvest damage. Road rehabilitation and maintenance. Limited use of herbicides. Used only on exotics. Experimented with non-herbicide control. Class I (anadromous fish) and Class II (aquatic life) streams protected at or above regulatory minimums. Snags, legacy trees, old-growth, down woody debris retained. Legacy trees and trees over 60” dbh retained. Transplants seedlings from on-site, maximizing genetic diversity and maintaining local genetic adaptations.	FSC certification calls for the management of Non-Timber Forest Products to be included in the management plan. Redtree does collect redwood burl but has not incorporated this into the management plan. FSC certification calls for a written prescription describing risks and benefits of the use of chemicals and precautions for workers. There is no such prescription

		written by Redtree or their contractors. Redtree does not have a written pest control strategy.
P7: Management Plan	Three-tiered management system (entire property, Unit, THP). Comprehensive timber inventory. Watershed level cumulative effect analysis. Identification and protection measures of RT&E species. Wildlife and botanical surveys completed with each THP. Detailed maps prepared to assist with management.	None noted
P8: Monitoring & Assessment	Timber growth and yield (inventory). Permanent growth plots (includes information on regeneration). Forest health, impacts of harvesting, condition of roads, etc. monitored informally on a daily basis. Stream temperature monitoring done monthly. RT&E species monitoring.	None noted
P9: Maintenance of High Conservation Value Forest	Have created HCVF and maintain it as such.	None noted
P10 - Plantations	N/A	N/A

3.2. Certification Decision

Based on a thorough field review, analysis and compilation of findings by this SmartWood assessment team, Redtree Properties is recommended to receive joint FSC/SmartWood Forest Management and Chain of Custody (FM/COC) Certification with the stipulated conditions contained below in this report.

In order to maintain certification, Redtree Properties will be audited annually on-site and required to remain in compliance with the FSC principles and Criteria. SmartWood will review continued forest management performance and compliance with the conditions described in this report, during scheduled annual and random audits

3.3. Conditions and Recommendations

Conditions are verifiable actions that will form part of the certification agreement that Redtree Properties will be expected to fulfill at the time of the first audit or as required in the condition. Each condition has an explicit time period for completion. Non-compliance with conditions will lead to de-certification.

Condition 1: Add the harvesting protocol for the burl contractor as part of the management plan addendum. A copy of the contract with the contractor will suffice (Criteria 5.2).

Condition 2: Redtree has a de facto pest control strategy but, apart from the write-up on Sudden Oak Death included in the THPs, has not written this strategy down. Within one year of re-certification, Redtree will have written pest control strategy (Criteria 6.6).

Condition 3: Redtree's chemical application contractor shall prepare, within one year of re-certification, a written prescription that describes the risks and benefits of the use of chemicals used and the precautions that workers who apply or are exposed to chemicals will employ (Criteria 6.6).