

Johnson Timber Corporation and Futurewood Corporation

Corporate Policies and Objectives

1. Commitment to the Sustainable Forestry Initiative (SFISM) Program

As a member of the American Forest & Paper Association, Futurewood Corp. is committed to meeting the Sustainable Forestry Initiative Standard (SFIS) in managing company-owned woodlands and in obtaining wood from other woodland owners.

Futurewood is committed to the following SFIS-related goals:

- Developing and implementing an information management system that can provide its customers with the assurance of SFIS conformance, including an auditable wood procurement system and documentation of its SFIS-related activities.
- Promoting continual improvement in regional forest management, logging, and industrial practices through support of research, professional development and training, and development of educational materials.
- Participating in, and supporting, public outreach programs that promote sustainable forestry concepts and the SFI program.
- Promoting conservation of biodiversity hotspots and major tropical wilderness areas.
- Contributing to the elimination of illegal logging.

2. Wood Procurement Policy

Futurewood Corp. will purchase all of its wood from preferred logging contractors that agree to meet the SFI Standard and comply with the Futurewood Wood Procurement Policy.

All preferred logging contractors supplying wood to Futurewood are required to:

- Participate in either a Wisconsin, Minnesota, or Michigan SFI-approved logger training program. Training shall include, but not be limited to, harvesting and forest products transportation safety, first aid/CPR, Best Management Practices (BMP's), SFI Principles and Implementation Guidelines, and basic forestry.
- Assure that all logging contractors, foresters and/or foremen, and all employees directly involved in felling, forwarding, delimiting, or road/landing construction have completed

the required logger training course. All log truck drivers have completed the transportation safety course. New employees in these jobs must receive training within 180 days of hire.

- Comply with all BMP's relating to harvesting and road/landing construction on all logging sites. Restrict or halt operations during periods of unfavorable weather conditions where continued activity could result in BMP violations.
- Comply with all Federal, State, County and local laws and regulations applicable to timber harvesting and road/landing construction. Maintain all logging, transport and support equipment in a condition that will insure environmental protection.
- Direct all operations to achieve the forest management/harvest plan objectives of the landowner. Place special attention on the protection of leave trees and regeneration.
- Report to Futurewood immediately if a landowner's harvesting objectives are contrary to the SFI guidelines.

3. Harvest operations that are inconsistent with the SFI Standard.

Futurewood will not knowingly purchase wood harvested contrary to the SFI Standard.

- If a contractor participates in logging operations that violate the SFI Standard, Futurewood reserves the right to withdraw their preferred contractor status.
- A timber removal harvest (where the landowner intends to make a legally-allowed land use change out of forest into some other land use following removal of the trees) shall not be considered to be inconsistent with the SFI Standard.

4. Assistance to Logging Contractors

Futurewood will assist logging contractors in meeting their obligations under the Wood Procurement Policy and the SFI Standard by:

- Requiring its wood procurement/forestry staff to meet the same SFI training requirements as are requested of contractors.
- Negotiating wood supply contracts and delivery schedules to recognize the impact of SFI conformance on contractor operations, and modifying inventory policy to provide needed flexibility for contractors facing adverse weather conditions.
- Maintaining an active two-way communication with contractors to assure mutual understanding of SFI requirements and their field implementation.
- Providing field assistance to contractors upon request.

- Conducting field inspections of all harvest activities to assure compliance with SFI Standards and Guidelines.
- Providing written information (job sheets, brochures, etc.) about the SFI program, as well as relevant BMP's, wildlife issues, and other sustainable forestry topics, as available, to contractors for their use in discussing harvesting objectives with landowners.

5. Assistance to private woodland owners

Futurewood will assist private landowners with the same commitment to the SFI Standard and sound, science-based forest stewardship that it applies to its own lands.

In assisting private woodland owners, Futurewood will offer the following services free of charge:

- Consultation over the phone or in person about the values and objectives the landowner has for their woodland.
- On-site visit by a professional forester to evaluate soil, water, and forest conditions;
- Development of a plan for the woodland based on the land's capability and the landowner's objectives. Identify sensitive areas in the forest and recommend ways to protect them.
- Secure top market prices for the wood to be harvested;
- Development of a contract that recognizes the landowner's objectives and the services that Futurewood can provide. Establish a payment schedule that meets the landowner's preference.
- Establish and confirm property boundaries.
- Set up and mark a timber sale based on what's best for the forest and meets the landowner's needs.
- Match the best logger with the most appropriate equipment for the job.
- Meet town and state statutes and ordinances for timber sales.
- Visit the logging site at least once a week to monitor compliance with the harvest plan.
- Make sure the job site is completed according to standards and that appropriate regeneration strategies are implemented.

6. Sustainable Forest Management on Futurewood Corp. Land

Futurewood will manage its fee lands for long-term sustainability in conformance with the SFI Standards and Guidelines.

Futurewood Corp. is a company 100% owned by William B. Johnson. The objectives of the company are two-fold: 1) acquire large blocks of land that can be managed for sustainable forests, a continual supply of wood to the chip mills, and maximum investment growth; and, 2) acquire smaller tracts for short-term management, harvest, or sale in recognition of market conditions. In managing the lands held for long-term forestry, Futurewood will:

- Prepare and implement a written plan for sustainable forest management.
- Seek to provide a model of forest ecosystem management that can be used to demonstrate modern forest science and techniques to other forest and woodland owners
- Utilize appropriate lands for special educational purposes, such as school learning forests
- Collaborate with conservation organizations to plan and implement model habitat and conservation programs

In managing small tracts held for short-term objectives, Futurewood will:

- Manage the lands consistent with the SFI Standard, using the general land management objectives and techniques contained in the written plan for the long-term forests;
- Conduct all harvest operations to meet the SFI Standard, along with all local, state, and federal requirements for BMP's, etc.
- Assure appropriate forest regeneration except where a land use change is planned.

7. Cooperation on Non-Controlled Lands

When purchasing wood from non-controlled lands, Futurewood will work through its Preferred Suppliers (or directly with the landowner, as appropriate) to seek the best long-term approaches toward forest sustainability. While respecting landowner rights to make all land use and management decisions, Futurewood will encourage:

- Harvest layouts and techniques that provide appropriate stand treatment and lead toward high-quality forest regeneration;
- Road design, layout and construction that protect soils from erosion, water bodies from pollution, and special areas from damage;
- Harvest and skid trail layout, operation, and restoration to reduce soil compaction, prevent erosion, and contribute to forest regeneration;

- Recognition of potential impacts on wildlife habitat, and encouraging activities that protect or enhance habitat elements important to the landowner's objectives; and,
- Identification of areas of special ecological, historical, or cultural significance, and management techniques to prevent damage to their special