



F.H. STOLTZE LAND & LUMBER COMPANY

Lumber Manufacturers

Box 1429 Columbia Falls, MT 59912
Phone (406) 892-7005 Fax (406) 892-1612
www.stoltzelumber.com

Dear Log Suppliers and Landowners

Thank you for choosing F.H. Stoltze Land & Lumber Co. as an outlet for selling forest products from your timber harvest activities. F.H. Stoltze believes all forest landowners have an important stewardship responsibility in their forest management activities. F.H. Stoltze Land & Lumber Company (Stoltze) recognizes the importance of maintaining viable commercial, family forests, and encourages the conservation of these forest lands and their traditional uses. We support sustainable forestry practices both on forestland we manage and on those lands we purchase forest products from. Stoltze supports efforts to protect private property rights, and to help all private landowners managing their forestland sustainably.

Stoltze supports and is committed to the ***SUSTAINABLE FORESTRY INITIATIVE® (SFI®)*** program standard and intent in managing sustainable forests. These lands make vital contributions to society by providing economic, environmental and social benefits indispensable to the quality of life in Montana. Our commitment to sustainable forest management means protecting water quality, soil, wildlife and unique resources.

Our SFI program is based on the premise that responsible environmental behavior and sound business decisions must co-exist to the benefit of communities, landowners, manufacturers, shareholders, customers and the environment, today and for future generations. To help you succeed in the sustainable management of your property and business, we would like to provide some important information and access to resources we feel are important to make informed land management decisions.

In this packet, you will find information on:

- Sustainable Forestry in Montana – Montana Forest Council and SFI programs.
- Stoltze procurement policies.
- Forest Certification options for private landowners.

Additionally, you can find detailed information on the following topics by visiting the Landowner Resources tab of the Stoltze website at www.stoltzelumber.com or the sites listed after each topic.

- The Stream Side Management Zone Law and Best Management Practices to help protect water quality.
- Reforestation.
- Mitigating visual impacts of land management activities.
- Managing logging slash. Reduction of Wildfire risk.
- Managing noxious weeds and exotic species.
- Wildlife habitat, forest biodiversity, threatened and endangered species and Forests of Exceptional Conservation Value. (www.mtnhp.org or www.natureserve.org)
- Recognizing special sites.
- Accredited Logging Professional and logger training programs.

If you do not have access to a computer or would prefer this information in printed format, please contact us and we will be glad to forward printed material. We will also add you to our mailing list for the “Trumbull Creek Times” a biannual Stoltze newsletter that provides valuable information and updates on Stoltze, stewardship forestry and the lumber industry.

The volume and variety of information may seem overwhelming. However, each of these topics is important to consider to ensure the long term sustainability of Montana’s forest lands. There are a variety of options for getting information and assistance in your management activities. Stoltze maintains a staff of professional foresters who are available to help you in implementing your land management activities. Accredited Logging Professionals and private consulting foresters provide forest management services. State service foresters are stationed at most local DNRC offices and are a wealth of information and assistance.

A Stoltze forester may visit your active logging job to see the good work you are doing and are more than willing to act as a resource and provide information. We will also add you to our mailing list for our periodic newsletter that provides updates and information about sustainable forest management in Montana.

As always, if you have questions about the information provided, the SFI program or Stoltze, please contact us through the contact information below and we will be glad to assist you as we are able. We look forward to working with you and supporting you in your sustainable forest management activities.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul R. McKenzie", with a long horizontal flourish extending to the right.

Paul R. McKenzie C.F.
Lands & Resource Manager

F.H. Stoltze Land & Lumber Co.
www.stoltzelumber.com
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Columbia Falls, MT 59912



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September 17, 2015

To: All Employees, contractors, suppliers, customers and other interested individuals

RE: F.H. Stoltze Land & Lumber Company Commitment to the SFI Standard

F.H. Stoltze Land & Lumber Company (Stoltze) has long recognized its commitment to society and responsibility for sustainable forest stewardship. Stoltze has chosen the Sustainable Forestry Initiative (SFI) program as the measure and verification of its commitment to the practice and promotion of sustainable forest management. We have committed to the SFI 2015-2019 Standard and support the SFI program's intent and commitment to sustainable forestry.

Stoltze supports and promotes sustainable forest management on all lands regardless of ownership and is committed to responsible fiber sourcing practices for our manufacturing facilities. Stoltze is dedicated to a program of using trained logging professionals on its own land and land under management contract and encourages their use by suppliers of raw materials. Our program supports and provides Best Management Practice training programs, and educational outreach to landowners and wood suppliers on critical wildlife habitat, threatened and endangered species, special sites and the importance of biodiversity across the landscape to help improve the level of forest stewardship applied to Montana's forestlands.

Stoltze recognizes the importance and value of good forest stewardship conducted responsibly in maintaining and conserving viable public, industrial and private family forestland. The SFI program has 13 objectives designed to achieve, document and verify sustainable forestry practices. Stoltze is committed, through its policies and programs, to implement the SFI 2015-2019 Standard to help guide management of sustainable forestlands for future generations.

Sincerely,

Charles W. Roady
Vice President / General Manager



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F.H. Stoltze Land & Lumber Co. SFI® Adverse Weather Condition Program

Stoltze utilizes contractors and purchases wood from producers that have completed BMP training and other minimum training for logging contractors as identified by the Montana Logging Association (MLA) and the Montana SFI Implementation Committee (SIC). Stoltze encourages all wood producers to obtain at a minimum the “basic” level of logger training established by the MLA and SIC. Stoltze also encourages contractors and producers to complete the additional training offered by the MLA and SIC required to attain Accredited Logging Professional status.

The Stoltze program for addressing adverse weather conditions is intended to protect water quality and soil productivity and strives to reduce the movement of sediment into waterways. Contractors are expected to stop or curtail operations when wet weather conditions are damaging roads and/or causing rutting, soil compaction, or the movement of sediment into streams. Stoltze monitors contractors’ compliance with the adverse weather conditions program through Stoltze Private Log Purchase and Stumpage Inspection forms.

Failure to comply with the provisions of the adverse weather conditions program may result in progressive action up to and including suspension or termination of log purchase agreements or general service contracts.

Revised 8-10-15



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F.H. Stoltze Land & Lumber Co. SFI® Program for Addressing Biodiversity in Fiber Sourcing

Stoltze includes documentation in their outreach packet for landowners and wood suppliers that addresses biodiversity, including forests with exceptional conservation value (FECV). Stoltze outreach packet includes information describing the conservation of critical wildlife habitat, threatened and endangered species, and the importance of biodiversity across the landscape.

Stoltze participates in local and regional assessments and research on biodiversity and shares information with partners to help bolster regional biodiversity.

As new information becomes available on FECV, Stoltze will include this information in their packets and include websites, professional journals and documents for the landowners and contractors to utilize.

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F.H. Stoltze Land & Lumber Co. SFI® Procurement and BMP Monitoring Procedures

Stoltze will annually conduct a minimum of 10 on site SFI-BMP inspections of Log Purchase Agreements from non-certified landowner and when such agreement involves the purchase of more than 50mbf of sawlog material. For purchases of over 300mbf from a single sale with multiple units, multiple visits may be appropriate.

Stoltze will utilize the Log Purchase Agreement Inspection form on the selected sites. Stoltze will track and monitor the inspections and will encourage any suppliers not meeting the SFI-BMP requirements to address and remedy the inconsistent practice(s). If necessary, progressive action may be employed to resolve inconsistent practices, up to and including suspension or termination of the Log Purchase Agreement.

On Stoltze stumpage sales, Stoltze will utilize the Stumpage Inspection form and will conduct at least three inspections, one at the start of the sale, one during the operations and one at completion. If necessary, progressive action may be employed to resolve inconsistent practices, up to and including suspension or termination of the General Contract.

Stoltze will summarize the results of the company's inspections internally on a quarterly basis to identify rates of BMP-SFI compliance, set goals for continual improvement, and provide the data for the annual management review process.

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F.H. Stoltze Land & Lumber Co. SFI® Program to address Fuel, Oil Spills and Hazardous Waste

Stoltze oil spill and hazardous waste program requires that the contractors on stumpage sales adhere to all state and federal laws governing the reporting and cleanup of fuel, oil, and hazardous waste spill. Additionally, the contractor is required to report all spills to the administration forester and is required to have spill kits on site and available for clean-up. The contractor shall be trained in fuel spill clean-up and reporting requirements of each state.

On Log Purchase Agreement sales that are selected for inspection, each sale will be evaluated for fuel and oil spills. Where fuel or oil spills are detected, the contractor will be notified and encouraged to clean up the situation and attend the appropriate training for cleanup and reporting procedures. On Log Purchase Agreement sales, information and resources will be made available to the contractor regarding the benefits of having spill kits on site and training in cleanup procedures.

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F.H. Stoltze Land & Lumber Co. SFI® Prevention of Illegal Logging Program

Stoltze uses an integrated approach towards addressing the issue of avoiding Illegal Logging in its fiber sourcing program. We employ a three pronged approach in our program to avoid Illegal Logging:

- Use of written agreements for all fiber sourcing and contractual operations that contain requirements for compliance with all State, Local and Federal laws.
- Due diligence on all fiber procurement and stumpage agreements that includes the following:
 - Obtain copy of the deed for the property the fiber is sourced from and maintain copies of deeds.
 - Require copies of written agreements authorizing payments to someone other than the owner of the property.
 - Obtain and file copies of portions of the contracts on agency timber sales that indicate who has the right to sell logs.
 - Obtain and file HRA or contracts for all fiber procured.
 - Strict adherence to load accountability procedures, including load tickets and weight slip accountability.
 - Contract administration on stumpage agreements to ensure compliance with laws and regulations
 - Random site visits to open market sources to verify compliance with terms of the log purchase agreement.
- Stoltze cooperates with the Montana Forest Council (MFC) in the implementation, administration and follow up of the “SFI Timber Harvesting Complaint System”. Through the MFC, Stoltze is committed to following the Stoltze “SFI Inconsistent Practices Policy” to address illegal logging inquiries. Additionally, through the MFC Stoltze is aware of ongoing forest practice violations and takes appropriate actions if such violations are on projects that are sourcing fiber to Stoltze.

This approach towards accountability, communication, verification and documentation provides a robust approach towards ensuring fiber sourced by Stoltze does not come from Illegal Logging sources.

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August 10, 2015

Stoltze Policy / Procedure for Handling Reports of SFI© Inconsistent Practices

Stoltze cooperates with the Montana Forest Council (MFC) in the implementation, administration and follow up of the “*SFI Timber Harvesting Complaint System*”. Through the MFC, Stoltze is committed to following the “*SFI Inconsistent Practices Policy*”.

If a complaint regarding SFI related activities of Stoltze is received, the following actions will take place:

- The Stoltze Lands and Resource Manager will be the primary point of contact and responsible for documentation, investigation, resolution and follow up of any complaints.
- Documentation of the details of the complaint.
- Verification of the facts surrounding the complaint.
- Evaluation of the need for corrective action or remediation.
- Establishment and implementation of corrective action plan.
- Identification of needed changes in policy, procedure or actions to prevent recurrence of problem.
- Submission of written report to MFC and affected parties on the nature of the complaint, resolution of the issue and opportunities for improvement.
- Incorporation of results of Inconsistent Practices reports into annual Management Review and Continual Improvement plan.



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F.H. Stoltze Land & Lumber Co. SFI® Process for Communication with Affected Indigenous Peoples

Stoltze occasionally engages with Native American tribes within our wood sourcing area. We strive to develop better understanding and respect for Indigenous Peoples issues through interaction and training opportunities. We maintain an “Indigenous Peoples” file documenting our interactions and communications with tribal representatives regarding Stoltze forest management activities.

Stoltze interacts with local Native American tribal forestry departments on events, studies, and other related information within our wood supply area and communicates the location of culturally, historically, and ecologically significant or other special sites to our forest management staff. Stoltze makes every effort to address and preserve if necessary these areas when found near our forest management activities.

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F.H. Stoltze Land & Lumber Co. SFI® Program to Promote the Use of Trained Logging and Resource Professionals

Montana Logging Association (MLA) and the Montana SFI implementation Committee (SIC) have adopted a three tiered program of logger and resource professional training: Basic, Advanced and Accredited Logging Professional (ALP). Core curriculum and continuing education requirements must be met to attain and maintain the various training levels. Records of achievement of core curriculums and continuing education achievements for all training levels are maintained by MLA and SIC. Lists of training achievements are updated and posted annually by SIC and MLA.

Stoltze utilizes logging contractors and qualified resource professionals that have met the minimum training requirements of ALP on all Stoltze owned property or on contracts held by Stoltze for management activities on other properties. A minimum of one crew member who is trained to the ALP level must be on site generally on a daily basis to meet this requirement. Stoltze encourages all crew members to complete Basic training requirements as a minimum.

Stoltze encourages all contractors, suppliers and producers to apply the principles of sustainable forest management in their operations. Stoltze encourages all suppliers and producers to obtain training and education appropriate to the size and scale of their operation. Stoltze works towards the goal of 100% of suppliers and producers selling more than 50mbf of wood products annually to Stoltze to obtain at a minimum the Basic level of training offered by MLA and SIC. Stoltze will encourage and support all contractors and producers to continually improve their training and to strive to become accredited logging professionals by notifying contractors, suppliers and producers of training opportunities and supporting the MLA in training activities. Stoltze is committed to continual improvement and will track the volume of wood products received from trained logging contractors annually. Stoltze has set a goal of attaining 100% of purchased wood contracts greater than 50mbf to be received from trained loggers over the next 10 years and to provide 100% of small and one time sellers of fiber with information and opportunity for appropriate training.

Revised 8-10-15



Deep Roots – Growing Stronger: *The American Tree Farm System®*



Take a drive through the Montana countryside, and chances are you will come across a forested property displaying the familiar diamond-shaped green and white Tree Farm sign. If you own forestland, you may wonder why and how one goes about becoming a Certified Tree Farmer. Or perhaps you have been a Tree Farmer for years.

The roots of the American Tree Farm System® (ATFS) run deep – it is the oldest and largest conservation, certification, education, and advocacy program for private forest landowners in the United States. It 1941, the first Tree Farm was designated in the state of Washington. Montana's Tree Farm program took root in 1944, and has grown to encompass over 400 Tree Farms on nearly 144,000 acres across the state. Nationally ATFS includes 91,000 certified Tree Farms on 24.3 million private forested acres. ATFS is a program of the American Forest Foundation, a nonprofit organization that strives to ensure the sustainability of America's family forests for present and future generations.

What does it mean when a private forest landowner proudly displays the Tree Farm sign? It means their property has been certified as being sustainably managed for the future. Landowners who enroll their forestland in the American Tree Farm System are following The American Forest Foundation's Standards of Sustainability for Forest Certification on Private Forestlands (Standards) These Standards include a management plan that meets certain guidelines which demonstrate a commitment to stewardship of the land.

For example, private forest landowners, who are members of the American Tree Farm System follow best management practices when they harvest timber, take measures to provide wildlife habitat, and protect biodiversity. But mostly, Tree Farmers manage the forest for the benefits that they desire from the land, and they reap not only the rewards of good management but also the benefits of belonging to ATFS.

ATFS supports Tree Farmers with the direct involvement of State Tree Farm Committees and more than 4,600 volunteer inspecting foresters across the country who make themselves available to landowners. Annually, state committees and volunteers administer the ATFS inspection process through a random sampling of properties. Approximately four percent of properties are inspected annually to determine the adherence to AFF's *Standards of Sustainability for Forest Certification on Private Forestlands*. In Montana, Tree Farmers receive a visit from a trained professional forester at least once every five years to provide guidance and support to Tree Farmers and to ensure management activities are consistent with the Standards.

Certified Tree Farmers gain access to a special set of learning opportunities. Newly enrolled Tree Farmers receive a complimentary issue of the award-winning, *Tree Farmer the Guide to Sustaining America's Family Forests* Magazine and the opportunity to attend the Annual National Tree Farmer Convention that features a wide variety of indoor technical sessions,

exhibits, an outdoor field day, and best of all – a chance to get to know and learn from other landowners with shared interests.

While firmly rooted in its traditional education oriented role, some exciting changes have taken place in the American Tree Farm System over the past several years. In 2008, the American Tree Farm System was endorsed by the world’s largest forest certification program, the Programme for the Endorsement of Forest Certification schemes (PEFC). The PEFC provides an assurance mechanism to purchasers of wood and paper products that they are promoting the sustainable management of forests. In Montana, many forest products companies recognize the benefits of Tree Farm Certified management and encourage landowner participation in the program.

ATFS has strengthened its advocacy role in the policy arena. The 2008 Farm Bill was passed with significant opportunities for private forest landowners for forest conservation funding and the definition of biomass to include wood, wood waste, and residues. The ATFS National Public Affairs Committee, comprised of Tree Farmers and forestry professionals, follows issues of interest to forest landowners and helps organize and guide Tree Farmers’ response to and promotion of programs and policies benefiting the practice of forest management.

And that’s what Tree Farm is all about. With a common goal of getting more acres of good, sustainable forestry on the ground, and keeping it there, the Tree Farm program is about supporting its members. We are growing stronger to serve and represent the members of our system. So the next time you drive past one of those green and white diamonds, think about what’s behind “the sign of good forestry.”

If you own 10 acres of forestland or more and have a desire to keep your forests healthy and productive, the Tree Farm program may be a good fit for you. If you are interested in learning more about Tree Farm in Montana, please visit our website at www.mttreefarm.org or contact us at PO Box 17276, Missoula, MT 59808. We would be glad to talk with you more about the program and see if it is right for you!

Sincerely,
Montana Tree Farm Steering Committee

Yes! I want to learn more about the Tree Farm System

Name: _____

Mailing Address: _____

City: _____ State: _____ Zip _____

e-mail _____ Telephone: _____

Location of Property (County as a minimum) _____

Acres Owned: _____ Do You Have a Management Plan?: _____

Best Way to Contact You: Phone ___ Mail ___ E-mail ___

Clip And Mail to:
Montana Tree Farm System
PO Box 17276
Missoula, MT 59808