

<b>U.S. FOREST OFFSET PROJECT DATA REPORT</b> <b>INITIAL REPORTING PERIOD - AVOIDED CONVERSION</b>				
<b>OPR Staff Use Only</b>	<b>Date Report Received:</b>	<b>OPR Tracking Number:</b>	<b>Date Report Reviewed:</b>	<b>OPR Staff Use Only</b>
<i>Entities submitting the project's first Offset Project Data Report must submit the information requested in both <b>Initial Reporting Period</b> and the <b>Annual Reporting</b> forms to the appropriate Offset Project Registry. For every reporting year thereafter, submit only the information requested in the Annual Reporting form.</i>				
<b>PART I. ENTITY SUBMITTING REPORT</b>				
<b>Is this form being submitted by the Offset Project Operator (OPO) or by the Authorized Project Designee (APD)?</b> <i>Note: The person completing this form should be an OPO/APD employee.</i>				<input type="checkbox"/> OPO <input checked="" type="checkbox"/> APD
<b>Name of Person Completing Form:</b> Douglas Hunter Parks		<b>Organization, if applicable:</b> Green Assets, Inc.		
<b>Date Form Completed:</b> 12-10-2015 5-24-2016 8-5-2016 10-5-2016	<b>Phone Number:</b> 910-821-8165	<b>Email Address:</b> hunter@green-assets.com		
<b>PART II. OFFSET PROJECT INFORMATION</b>				
<b>Offset Project Name:</b> Green Assets - Lukens Avoided Conversion Project		<b>OPR Project ID#:</b> ACR265	<b>ARB Project ID# (if known):</b> CAFR5205	
<b>Offset Project Commencement Date:</b> 4/29/2015	<b>First Reporting Period Start Date:</b> 4/29/2015	<b>First Reporting Period End Date:</b> 10/29/2015		
<b>Provide an explanation and justification for the commencement date. Specify the action(s) that identify the offset project commencement date.</b> The commencement date coincides with the recordation of a Memorandum of Easement, monumenting the execution of a Qualified Conservation Easement in accordance with ARB QCE requirements (Section 3.5 of the Compliance Offset Protocol for U.S. Forest Projects, Nov. 14, 2014).				
<b>Optional:</b> Provide the name of the nearest city/town to the Project Area: Sealevel, NC				
<b>PART III. OPO/APD INFORMATION</b>				
<b>A. OPO</b>				
<b>OPO Name:</b> Lukens Island Timber Enterprises, LLC			<b>OPO's CITSS ID#:</b> CA 1923	
<b>Mailing Address:</b> P.O. Box 190		<b>City:</b> Newport	<b>State:</b> NC	<b>Zip:</b> 28570
<b>Contact Person:</b> Patrick Joyce	<b>Phone Number:</b> 525-223-3171	<b>Email Address:</b> pat@joyceandassoc.com		
<b>B. APD (if applicable)</b>			<input type="checkbox"/> No APD/Not Applicable	
<b>APD Name:</b> Green Assets, Inc.			<b>APD's CITSS ID#:</b> CA 1420	
<b>Mailing Address:</b> 7655 Market Street, Suite B		<b>City:</b> Wilmington	<b>State:</b> NC	<b>Zip:</b> 28411
<b>Contact Person:</b> Douglas Hunter Parks	<b>Phone Number:</b> 910-821-8165	<b>Email Address:</b> hunter@green-assets.com		

#### PART IV. LAND OWNERSHIP

**A. Is the Offset Project Operator (OPO) the owner in fee for the Project Area?**

Further documentation is required for all projects. Submit as attachment labeled "Attachment A." See Part X of this listing document for more information.

If "no," explain how the entity identified as the OPO has the right to undertake and list the project.

☒ Yes  
☐ No

**B. Optional:** List all Forest Owners. This includes owners in fee as well as third parties with existing property interests within the Project Area that affect the trees and standing timber located in the Project Area (e.g., mineral rights, timber rights, easements, rights of way, leases, etc.).

Lukens Island Timber Enterprises, LLC is the owner in fee of the Project Area.

**C. Does the offset project occur on public or private lands?**

If the project occurs on public lands, proceed to questions C1 and C2. Otherwise, skip to Question D. Further documentation is required if project occurs on public lands. Submit copies of documentation demonstrating explicit approval of the project's management activities and baseline, as well as the public vetting process used; attachment should be labeled "Attachment B." See Part X of this listing document for more information.

☒ Private  
☐ Public

**1. Describe the public process used to evaluate the forest management activities and policy decisions concerning the offset project.**

**2. Describe the explicit approval process conducted by the public entity to initiate and maintain this offset project, including the offset project's management activities and baseline.**

**D. Does the offset project occur on any of the following categories of land? (check all that apply)**

- ☐ Land that is owned by, or subject to, an ownership of possessory interest of a Tribe  
☐ Land that is "Indian lands" of a Tribe as defined by 25 U.S.C. §81(a)(1)  
☐ Land that is owned by any person, entity, or Tribe, within the external borders of such Indian lands  
☒ None of the above

If "none of the above," skip to Part V. Otherwise, proceed to Optional questions D1 and D2. Further documentation is required for projects occurring on land listed in the first three categories. Submit supporting documents as attachments labeled "Attachment C." See Part X of this listing document for more information.

**1. Optional:** Does a limited waiver of sovereign immunity between ARB and the governing body of the Tribe exist?

☐ Yes  
☐ No

**2. Optional:** Provide a description of land ownership within the Project Area.

#### PART V. OFFSET PROJECT AREA

**Maps depicting specific elements of the Project Area are required for all projects.**

Submit supporting documents as attachments labeled "Attachment D." See Part X of this listing document for more information.

**Latitude of Offset Project Location:**

34.97071945

**Longitude of Offset Project Location:**

-76.54301667

**Project Area Total Acreage:**

4,134.9

**A. Identify the assessment area (or assessment areas, if project crosses more than one) that contain Project Area lands and list the acreage of project lands within each assessment area.**

Supersection: Northern Atlantic Coastal Plain

Assessment Areas: Northern Atlantic Coastal Plain Swamp Hardwood & Cypress: 645.5 acres

Northern Atlantic Coastal Plain Southern Pine: 3,489.4 acres

**B. Identify the governing jurisdiction(s) applicable to the Project Area.**

The Project Area is located within the jurisdiction of Carteret County, NC.

**C. Describe how the Project Area was determined.**

The Project Area was determined based on the recordation of a Qualified Conservation Easement which avoids the conversion of the property from forestland to agricultural production.

**D. Describe the existing land cover, and land use of the Project Area.**

The existing land cover is forestland including a diverse range of native upland species including loblolly and longleaf pine as well as assorted bottomland species such as maples and various oaks. The land is primarily used to provide wildlife habitat and outdoor recreation.

**E. Describe the forest vegetation types within the Project Area boundary.**

The Project Area is delineated into 3 strata.

Stratum/Stand	Description	Area (acres)
Hardwood	Mixed hardwoods (e.g. sweetgum, water oak)	645.5
Mixed Forest with Pine	Mixed hardwoods and pine (e.g. red maple, loblolly pine)	1,746.1
Mature Pine	Southern pines (loblolly, longleaf, pond pine)	1,743.3

**F. Describe the site classes within the Project Area boundary.**  
 Site index for each stratum referenced Natural Resources Conservation Service data, assigned as follows:

Stratum	Site Index of Reference Species	Reference Species
Hardwood	95	Sweetgum
Mixed Forest with Pine	97	Loblolly Pine
Pine	97	Loblolly Pine

**G. Describe the land pressures and climate zone/classification applicable to the Project Area.**  
 Prior to the execution of the Qualified Conservation Easement, the Project Area's foremost land pressure was conversion to agriculture. The Project Area is located in Climate Zone 8a according to the USDA Plant Hardiness Zone Map found at:  
<http://planthardiness.ars.usda.gov/PHZMWeb/InteractiveMap.aspx>.

**H. Describe the historical land uses, current zoning, and projected land use within the Project Area and surrounding areas.**  
 The Project Area was managed for agricultural production in the past, but has since regenerated to forestland. The property is currently Unzoned. The projected land use within the Project Area is wildlife habitat conservation and outdoor recreation. The surrounding areas have been converted for agricultural production by neighboring landowners.

**I. Describe generally the forest conditions within the Project Area, including species composition, age class distribution, and management history.**  
 The forest consists of a diverse mix of native species in different age classes, meeting the Natural Forest Management requirements in Table 3.2 of the Compliance Offset Protocol for U.S. Forest Projects, adopted Nov. 14, 2014.

Native Species dominate the forest and account for 100% of the sum of carbon in the standing live carbon pool. In accordance with Table 3.2 of the Protocol and Section VI.C.1 of the Offset Project Data Report, native species will continue to account for at least 95% of the Project Area's standing live carbon stocks.

Species	Percent of Basal Area per Acre	Native Species
ACRU	5%	Yes
LIST	7%	Yes
MAVI	0%	Yes
NYSY	10%	Yes
PEBO	1%	Yes
PIPA	1%	Yes
PISE	0%	Yes
PITA	73%	Yes
QUFA	0%	Yes
QULA	0%	Yes
QUNI	2%	Yes
QUPH	0%	Yes

QUST

1%

Yes

Adhering to the Natural Forest Management requirements outlined in Table 3.2 of the Protocol, and Section VI.C.3 of the Offset Project Data Report, no more than 40% of the Project Area is in age classes younger than 20 years old: 0-20 years (20%); 20+ years (80%).

The Project Area has not been actively managed. Per the Protocol and Section VI.C.3 of the Offset Project Data Report, third party certification has been obtained from the American Tree Farm System to ensure sustainable management practices.

## PART VI. OFFSET PROJECT ELIGIBILITY

### A. Is the land in the Project Area dedicated to continuous forest cover through a Qualified Conservation Easement (QCE) or transfer to public ownership?

*If employing a QCE, proceed to questions A1, A2, and A3. Otherwise, skip to question B. Supporting documentation for a QCE is required. Submit as attachment labeled "Attachment E." See Part X of this listing document for more information.*

☒ QCE  
☐ Public Ownership

#### 1. Date that the QCE was recorded.

A Memorandum of Easement was recorded on 4/29/2015, monumenting the execution of a QCE in accordance with ARB QCE requirements (Section 3.5 California ARB Compliance Offset Protocol for U.S. Forest Projects, Nov. 14, 2014).

#### 2. Optional: Is the project located in a state that requires third-party beneficiaries to sign the easement (i.e., to "accept and record that acceptance"), such as Arizona, Pennsylvania, or West Virginia?

☐ Yes  
☒ No

#### 3. Provide the terms within the easement that affect forest management.

Terms within the easement that affect forest management include:

Purposes - The exclusive conservation purpose of this Easement is to prevent any use of the Property that will significantly impair or interfere with the Conservation Values of the Property, and specifically prevent the conversion of all or a portion of the property to tillable acres or pastureland.

Section 2.6 - A Forest Management Plan shall be prepared and certified by the American Tree Farm System, Sustainable Forestry Initiative, Forest Stewardship Council, any State-Approved forest management plan, or successor to said certifying bodies.

Grantor shall have the right to harvest timber from the Property for commercial purposes pursuant to a sustainable Forest Management Plan...(and) third party certification.

### B. Indicate the type of documentation being submitted to demonstrate that the anticipated land use conversion is legally permissible. (check all that apply)

- ☒ Documentation indicating that the current land use policies, including zoning and general plan ordinances, and other local and state statutes and regulations, permit the anticipated type of conversion
- ☐ Documentation indicating that the Forest Owner(s) obtained all necessary approvals from the governing county to convert the Project Area to the proposed type of non-forest land use
- ☐ Documentation indicating that similarly situated forest lands within the project's assessment area were recently able to obtain all necessary approvals from the governing county, state, or other governing agency to convert to a non-forest land use

*Supporting documentation is required. Submit as attachment labeled "Attachment F." See Part X of this listing document for more information.*

### C. Indicate how the offset project meets (or will meet) the definition of Natural Forest Management per Table 3.2 in the U.S. Forest protocol.

#### 1. Native species:

- a) Will the project consist of at least 95% native species based on the estimated sum of carbon in the standing live carbon pool? Avoided Conversion Projects are assessed using estimates of basal area per acre.

☒ Yes  
☐ No

*If "no," proceed to question 1b. Otherwise, skip to question C2.*

- b) If no, describe how the project will meet this requirement.

<b>2. Composition of native species:</b> <b>a) Does the Project Area naturally consist of a mixed species distribution where no single species' prevalence, measured as the percent of the basal area of all live trees in the Project Area, exceeds the percentage value of standing live carbon shown under the heading 'Species Diversity Index' in the Assessment Area Data File?</b> <i>If "no," proceed to questions 2b and 2c. Otherwise, skip to question C3.</i>		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>b) Explain how the project will demonstrate a trend not to exceed the percentage identified in the Species Diversity Index of native species and meet this requirement within 25 years.</b> The species composition requirement will be achieved in the first 25 years of the project by reducing basal area of loblolly pine via thinning. Management actions should reduce relative basal area of loblolly pine from 73% (currently, 2015) to 68% by year 2035. This involves: (1) thinning loblolly pine in the Mixed Forest with Pine stratum to maintain basal area at or below 38.8 ft <sup>2</sup> /acre over years 11 to 25, and (2) thinning loblolly pine in the Mature Pine stratum to maintain basal area at or below 55.8 ft <sup>2</sup> /acre over years 11 to 25. The analysis conservatively assumes that basal area of other species remains constant over the timeframe.		
<b>c) If the Project Area does not naturally consist of a mixed species distribution: Will or have you provided a written statement from the government agency in charge of forestry regulation in the state where the project is located stipulating that the Project site is not capable of meeting the requirement of mixed species distribution?</b>		<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
<b>3. Distribution of age classes/sustainable management:</b> <b>a) Indicate how the project will meet the requirement for sustainable management if regeneration or commercial harvesting is either planned or initiated within the Project Area demonstrating sustainable long-term harvesting practices. This applies to all of the forest landholdings of the Forest Owner(s) (check one of the boxes).</b> <input type="checkbox"/> Not applicable; no commercial harvesting is occurring within the Project Area <input checked="" type="checkbox"/> Third party certification under the Forest Stewardship Council, Sustainable Forestry Initiative, or Tree Farm System, whose certification standards require adherence to and verification of harvest levels which can be permanently sustained over time <input type="checkbox"/> Adherence to a renewable long-term management plan that demonstrates harvest levels which can be permanently sustained over time and that is sanctioned and monitored by a state or federal agency <input type="checkbox"/> Employ uneven-aged silvicultural practices and maintain canopy retention averaging at least 40% across the forest, as measured on any 20 acres within the entire forestland owned by the Forest Owner, including land within and outside of the Project Area (areas impacted by Significant Disturbance may be excluded from this test).		

<p>b) On a watershed scale up to 10,000 acres (or the Project Area, whichever is smaller), projects must maintain, or make progress toward maintaining, a maximum of 40% of the project's forest lands in ages that are less than 20 years old. (Areas impacted by Significant Disturbance are exempt from this test until 20 years after reforestation of such areas.) Does the acreage within this project meet this requirement?  <i>If "no," proceed to question 3c. Otherwise, skip to question C4.</i></p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>c) If the project does not meet the age class requirements at this time, explain how the project intends to demonstrate progress to meet this requirement over time; such that forest lands in ages less than 20 years old are reduced and make up no more than 40% of the Project Area.</p>	
<p>4. Structural elements (standing and lying dead wood):  How does the project ensure that structural elements are retained in sufficient quantities throughout the project life?  As of the project start date, average stocks of standing dead wood are 0.27 t C/ac, equivalent to 1.6% of live stocks. As this is less than 1 t C/ac, the requirement then defaults to the higher 1 t C/ac in standing dead wood. Lying dead wood stocks were assessed qualitatively during the inventory, and were considered low and sparsely distributed (and potentially &lt; 1 t C/ac). In large part this is a legacy of the catastrophic burn in the Mixed Forest with Pine stratum (currently with the lowest standing dead stocks in the project area) which occurred circa 20 years ago, which consumed historic accumulations of coarse woody debris. The project area is in the process of re-accumulating dead wood stocks. Both lying and standing dead wood stocks can be expected to steadily increase over time with the lack of salvage harvesting in the project area, in accordance with the third-party certified sustainable management plan.</p>	
<p>D. Is the anticipated alternative land use commercial, residential, or agricultural?  If "yes," indicate the maximum slope of the Project Area.  The maximum slope of the project area is less than 5%.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>E. Is the anticipated alternative land use commercial, residential, or recreational?  <i>If "yes," proceed to questions E1, E2, and E3. Otherwise, skip to question F.</i></p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>1. Indicate the proximity of the Project Area to metropolitan areas.</p>	
<p>2. Indicate the proximity of the Project Area to grocery and fuel services and accessibility of those services.</p>	
<p>3. Indicate the population growth (people per year) within 180 miles of the Project Area.</p>	
<p>F. Is mining the anticipated alternative land use?  If "yes," describe the extent of mineral resources existing in the Project Area.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>G. Describe the management activities that will lead to increased carbon stocks in the Project Area compared to the baseline.  Carbon stocks are increased in the Project Area compared to the baseline by avoiding the conversion of the property and maintaining it in a forested state. Additionally, a third-party certified sustainable management has been implemented to ensure forest health and increased carbon stocks over the life of the project.</p>	
<p>H. Is this project being implemented and conducted as the result of any law, statute, regulation, court order, or other legally binding mandate?  If "yes," explain:</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>I. Does the entity submitting this report declare that the offset project does not employ broadcast fertilization?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>J. Does the offset project take place on land that was part of a previously listed and registered Forest Offset Project?  <i>This question is applicable to both the voluntary and compliance markets. If "yes," proceed to Optional questions J1 and J2. Otherwise, skip to Part VII.</i></p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>1. Optional: Was the previous Forest Offset Project terminated due to an Unintentional Reversal?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No

2. **Optional:** Has this project transitioned to the Compliance Offset Protocol U.S. Forest Projects after previously being listed as an early action offset project?

☐ Yes  
☐ No

## PART VII. CARBON STOCK INVENTORY

A. Provide a description of the inventory methodology to be used to quantify carbon stocks for each required carbon pool in the forest project's offset boundary. The inventory methodology must describe the information required in Appendix A.3 of either the Compliance Offset Protocol U.S. Forest Projects, October 20, 2011 or the Compliance Offset Protocol U.S. Forest Projects, November 14, 2014.

**AC-1 Standing Live:**

Refer to "Lukens OPDR Attachment X\_10052016.pdf".

**AC-3 Standing Dead:**

Refer to "Lukens OPDR Attachment X\_10052016.pdf".

**AC-6 Soil (if applicable):**

According to the Compliance Offset Protocol for U.S. Forests, adopted Nov. 14, 2014, the soil carbon pool is only required when the following conditions in Table 5.3 are met: Site preparation activities involve deep ripping, furrowing, or plowing where soil disturbance exceeds (or is expected to exceed from the baseline characterization and modeling) 25 percent of the Project Area over the Project Life, or mechanical site preparation activities are not conducted on contours. Since above mentioned site preparation activities are not actively being implemented, the pool is excluded.

**AC-7 Carbon in in-use forest products:**

Refer to "Lukens OPDR Attachment X\_10052016.pdf".

**AC-8 Forest product carbon in landfills (if applicable):**

Refer to "Lukens OPDR Attachment X\_10052016.pdf".

**AC-9 Biological emissions from site preparation:**

Site preparation biological emissions are only quantified based on measured carbon stock changes in included reservoirs (SSR #AC-6, where applicable), per Table 5.3 of the Compliance Offset Protocol for U.S. Forests, adopted Nov. 14, 2014. Since above-mentioned site preparation activities are not actively being implemented, the inclusion of this pool has no net effect.

**AC-13 Biological emissions from clearing of forestland outside the Project Area:**

Biological emissions from clearing of forestland outside project area are estimated using default forestland conversion factors.

**AC-17 Biological emissions from decomposition of forest products:**

Biological emissions from decomposition of forest products are quantified as a component of calculating carbon stored for 100 years in wood products (SSR #AC-7) and landfills (SSR #AC-8).

B. Describe the calculation methodologies used to determine metric tons per acre for each of the carbon pools included in the Offset Project Data Report.

**AC-1 Standing Live:**

Refer to "Lukens OPDR Attachment X\_10052016.pdf".

**AC-3 Standing Dead:**

Refer to "Lukens OPDR Attachment X\_10052016.pdf".

**AC-6 Soil (if applicable):**

N/A (see Section A)

**AC-7 Carbon in in-use forest products:**

Refer to "Lukens OPDR Attachment X\_10052016.pdf".

**AC-8 Forest product carbon in landfills (if applicable):**

Refer to "Lukens OPDR Attachment X\_10052016.pdf".

**AC-9 Biological emissions from site preparation:**

N/A (see Section A)

**AC-13 Biological emissions from clearing of forestland outside the Project Area:**

Refer to "Lukens OPDR Attachment X\_10052016.pdf".

**AC-17 Biological emissions from decomposition of forest products:**

Refer to "Lukens OPDR Attachment X\_10052016.pdf".

C. Provide a summary of the inventory of carbon stocks for each carbon pool (or approach used, if inventory is not applicable).

AC-1 Standing Live:

62.8 tonnes CO<sub>2</sub>/acre (stocks at the time of inventory)

AC-3 Standing Dead:

1.0 tonnes CO<sub>2</sub>/acre (stocks at the time of inventory)

AC-6 Soil (if applicable):

N/A

AC-7 Carbon in in-use forest products:

0 tonnes CO<sub>2</sub>/acre

AC-8 Forest product carbon in landfills (if applicable):

0 tonnes CO<sub>2</sub>/acre

AC- 9 Biological emissions from site preparation:

N/A

AC-13 Biological emissions from clearing of forestland outside the Project Area:

0 tonnes CO<sub>2</sub>/acre

AC-17 Biological emissions from decomposition of forest products:

0 tonnes CO<sub>2</sub>/acre

D. Provide a summary of inventory confidence statistics.

The sampling error was calculated as described in section A.4 of the ARB Compliance Offset Protocol, U.S. Forest Projects, adopted Nov. 14, 2014.

The standard error as determined from the current project inventory was multiplied by the t-value of 1.645, and the result was divided by the weighted project mean to give the sampling error at the 90% confidence interval, which is 12.6%. The confidence deduction is 7.6%, according to table A.4 in the Compliance Offset Protocol.

E. Provide the calculation of the offset project's reversal risk rating and contribution to the Forest Buffer Account.

In accordance with section D.5 of Appendix D of the Compliance Offset Protocol, U.S. Forest Projects, adopted Nov. 14, 2014:

Financial Risk 1%

Risk of Illegal Harvesting 0%

Risk of Conversion to Non-Forest Land Use 2%

Risk of Over-Harvesting 0%

Social Risk 2%

Wildfire Risk 2.652%

Disease or Insect Outbreak Risk 3%

Other Catastrophic Event Risk 3%

$$100\% - [(1-1\%)(1-0\%)(1-2\%)(1-0\%)(1-2\%)(1-2.652\%)(1-3\%)(1-3\%)] = 12.9\%$$

## PART VIII. OFFSET PROJECT BASELINE

A. Describe the highest value alternative land use identified in the appraisal.

*Supporting documentation is required. Submit a full copy of the appraisal as attachment labeled "Attachment G." See Part X of this listing document for more information.*

The highest value alternative land use is agriculture.

B. Provide an estimate of the rate of conversion and removal of onsite carbon stocks.

As specified in Section 6.3 of the Compliance Offset Protocol, the rate of conversion was estimated based on planning documentation that specifies the timeframe of the conversion at 18 months, of which the initial Reporting Period is 6 months (one-third).

C. Compare the fair market value of the anticipated alternative land use for the Project Area with the value of the current forested land use.

The fair market value of the anticipated alternative use for the Projects Area was appraised to be TWENTY SIX MILLION EIGHT HUNDRED SEVENTY FIVE THOUSAND (\$26,875,000). The fair market value of the existing forested land use for the Project Area was appraised to be FOUR

MILLION NINE HUNDRED SIXTY THOUSAND DOLLARS (\$4,960,000). Therefore, the appraised value under the alternative land use for the Project Area is 442% higher than the appraised value of the current forest land use of the Project Area.

**D. Provide the calculation for the Discount for Uncertainty of Conversion Probability (e.g. Uncertainty Discount).**  
Utilizing Equation 6.11 from the California ARB Compliance Offset Protocol, U.S. Forest Projects (adopted Nov. 14, 2014):  
If  $((VA/VP - 1) > 0.8)$ , then  $ACD = 0$   
 $((26,875,000/4,960,000) - 1) = 4.42$ , which is  $> 0.8$  and therefore NO Avoided Conversion Discount is applied.

**E. Describe the project's modeling plan, following the requirements and methods in Appendix B, Section B.3 of the U.S. Forest protocol.**  
The modeling plan will use the Forest Vegetation Simulator (FVS) Southern Variant growth and yield model and will be calibrated using the regional options available. A detailed modeling plan can be found in Attachment Y.

**F. Describe and estimate the project's baseline onsite carbon stocks. Explain any annual changes in baseline carbon stocks over time.**  
*A graph of the baseline onsite carbon stocks, labeled "Attachment I" must be portrayed depicting time on the x-axis and metric tons CO<sub>2e</sub> on the y-axis, labeled "Attachment H," and a diagram of the baseline incorporating all required carbon stocks, labeled "Attachment I," are required. See Part X of this listing document for more information.*  
See Attachments H and I. The baseline stocking level indicates a dramatic decline over the initial 18 month conversion period, as these forests were anticipated to be converted to agricultural land. The baseline harvest volume for the first Reporting Period is one-third of the on-site carbon stocks. The remaining carbon stocks would be harvested the following year, in accordance with the 18-month conversion timeframe. There are no further harvests in the baseline scenario, as the property would have been entirely converted for agriculture. Actual harvest volumes can be found in "Lukens\_OPDR\_Attachment X\_10052016.pdf".

**G. Optional:** Identify the approved growth model that will be used for the project.  
Forest Vegetation Simulator (FVS) Southern Variant

**H. Optional:** If harvesting is planned in the Project Area will the project use a harvest schedule model?  
If "yes," how do you plan to address age class and stratification as part of your harvest scheduling?

☐ Yes  
☒ No  
☐ N/A

**I. Provide an estimate of carbon that will be stored long-term in harvested wood products in the baseline.**  
AC-7 Carbon in In-Use Forest Products: 6,685 tonnes CO<sub>2</sub> (current Reporting Period)  
20,055.7 tonnes CO<sub>2</sub> (entire baseline period)  
AC-8: Forest Product Carbon in Landfills: 5,930 tonnes CO<sub>2</sub> (current Reporting Period)  
17,789.3 tonnes CO<sub>2</sub> (entire baseline period)

## PART IX. OTHER OFFSET PROGRAMS

**A. Have any GHG reductions or GHG removal enhancements associated with the Project Lands ever been listed or registered with, or otherwise claimed by, another registry or program, or sold to a third party prior to listing?**  
*If "yes," identify the registry or program and provide details on the issued credits below.*

☐ Yes  
☒ No

**B. Have any lands within the Project Area ever been listed or registered with an offset project registry or program in the past?**  
*If "yes," identify the registry or program and provide details on the issued credits below.*

☐ Yes  
☒ No

**C. Have greenhouse gas emission reductions or removal enhancements associated with lands within the Project Area been credited or claimed for the purpose of greenhouse gas mitigation or reduction goals, whether in a voluntary or regulatory context?**  
*If "yes," identify the goal(s) and provide details on the reductions and removal enhancements (under "Number of Credits Issued") below.*

☐ Yes  
☒ No

Registry/Program/Goals:

Reporting Period(s):

Vintage(s):

Number of Credits Issued:

## PART X. ATTACHMENTS

- A. If the answer to Part IV.A is "yes," provide documentation (e.g., deed of trust, title report, etc.) showing the OPO's ownership interest in the property and its interest in the trees and standing timber on the property. If the answer to Part IV.A is "no," provide documentation supporting the explanation of the OPO's right to undertake and list the project.
- B. If the answer to Part IV.C is "public," provide documentation demonstrating explicit approval of the offset project's management activities and baseline including any public vetting processes necessary to evaluate management and policy decisions concerning the offset project. If the project is a private lands project, mark "N/A" in the box below. The OPO may provide an "Attachment B" page with a "This Page Left Intentionally Blank - Private Lands Project" notation on the page. ☒ N/A
- C. If the project is located on one of the categories of Tribal land listed in Part IV(D), provide documentation demonstrating that the land within the Project Area is owned by a tribe or private entity. Also provide documentation that demonstrates the existence of a limited waiver of sovereign immunity between ARB and the governing body of the Tribe entered into pursuant to section 95975(l) of the Cap-and-Trade Regulation.
- D. Attach a map(s) of the Project Area including:
1. Public and private roads
  2. Towns
  3. Major watercourses (4<sup>th</sup> order or greater), water bodies, and watersheds
  4. Topography
  5. Townships, ranges, and sections or latitude and longitude
  6. Existing land cover and land use (optional)
  7. Forest vegetation types (optional)
  8. Site classes (optional)
  9. Land pressures and climate zone/classification (optional)
  10. Historical land uses, current zoning, and projected land use within the Project Area (optional)
  11. A georeferenced shape file (or other electronic file that can be read in a geographic information system) that clearly identifies the Project Area and boundaries. *Note that the georeferenced shape file may constitute the required map if it includes the required map information listed above.*
- E. If a Qualified Conservation Easement (QCE) has been recorded, provide a copy. The listing information contained in this form and the documents attached to it will be submitted to ARB so submitting a copy of the QCE as an attachment to this listing document fulfills the requirement in Section 9.1.1.1(18)(a) of the U.S. Forest protocol to provide ARB with a copy. If no QCE has been recorded, provide supporting documentation demonstrating the planned or completed dedication of the land in the Project Area to continuous forest cover through a Qualified Conservation Easement or transfer to public ownership.
- F. Provide documentation demonstrating that the type of anticipated land use conversion is legally permissible per the requirements of Section 3.1.1.3 and Section 6.3 of either the Compliance Offset Protocol U.S. Forest Projects, October 20, 2011 or the Compliance Offset Protocol U.S. Forest Projects, November 14, 2014.
- G. Provide a full copy of the appraisal that was prepared for the Project Area per the requirements in Section 3.1.2.3 of either the Compliance Offset Protocol U.S. Forest Projects, October 20, 2011 or the Compliance Offset Protocol U.S. Forest Projects, November 14, 2014.
- H. Attach a graph portraying the baseline onsite carbon stocks with time depicted on the x-axis and metric tons CO<sub>2</sub>e depicted on the y-axis.
- I. Attach a diagram of the baseline incorporating all required carbon stocks.

## PART XI. OPO/APD SIGNATURE

*Note: The person signing this Initial Reporting Period report should be the same person signing the accompanying U.S. Forest Offset Project Data Report Annual Reporting Period - All Project Types report.*

**In signing this form, I certify under penalty of perjury of the laws of California that the information contained in this form is true, accurate, and complete. I further certify that I am an Account Representative of the Offset Project Operator (OPO).**

**SIGNATURE:**

*Douglas Hunter Parks*

**PRINTED NAME:**

Douglas Hunter Parks

**TITLE:**

Chairman, Green Assets, Inc.

**DATE:**

10-5-2016