Verification Report

Wilson Family Forest Preservation Project

City Forest Credits Project Number 035

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1 INTRODUCTION

City Forest Credits engaged Todd Douglass (a Validation and Verification Body (VVB) acting as a third-party verifier) to verify the Wilson Family Forest (Project), in Virginia Beach, Virginia, for the reporting period of January 5, 2023 through January 4, 2026. The goal of the verification is to ensure that the GHG assertion is materially correct, and that the assertions made by the Project are well documented.

1.1 PROJECT BACKGROUND

The Project will preserve 24.29 acres of mixed pine and lowland hardwood forest situated centrally in the City of Virginia Beach between the predominantly rural southern region and the residential northern region. The Project area makes up close to the entirety of one privately owned tax parcel within an agricultural zoning district, bordered by residential land use. The forest is separated into distinct stands differing in age. Stand 1 is a dense 30-year-old stand of loblolly pine and lowland hardwood species that naturally regenerated on previous agricultural fields. Stand 2 is a previously unmanaged 90-year-old stand of mature lowland hardwood species including white and willow oak, sweetgum, and red maple, along with a smaller proportion of loblolly pine, typical of low-lying mesic sites in the coastal plain. The forest is predominantly located in a floodplain draining into West Neck Creek, which provides a valuable buffer between residential neighborhoods and the creek.

1.2 CONTACT INFORMATION

Project Operator
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1.3 OBJECTIVE

The goal of this GHG emission reduction verification is to ensure that the GHG assertion made by the Project is materially correct, that the assertions and assumptions used in the offset calculations are appropriate, that the offset calculations conform to the City Forest Credits (CFC) Protocol, and that the Project is in compliance with all CFC requirements relating to eligibility, accounting, and documentation.

2 VERIFICATION CRITERIA

2.1 GENERAL

The Registry will accredit VVBs to act as third-party verifiers who meet the Registry's qualifications and complete training. Those accredited VVBs can then act to verify compliance with this Tree Planting Protocol per International Standards Organization 14064-3. Specifically, the Registry adopts and utilizes the following standards from ISO 14064-3:

- Upon receiving a Project Design Document with data on eligibility, quantification of carbon and co-benefits, and a request for credits, the Registry will conduct a validation. If it validates the project at that stage, the Registry will retain a VVB to act as third-party verifier to verify compliance with this Protocol.
- The Registry requires a reasonable level of assurance in the accuracy the asserted GHG removals to a reasonable level.
- The verification items identified in the Tables 1 and 2 are all material elements, and any asserted GHG removals must be free of errors, misstatements, or omissions regarding those elements.
- The Registry will record, store, and track all quantification and verification data and either display it for public review or make it available for public review upon request.

2.2 PROTOCOL

The verification was conducted to the City Forest Credits Tree Preservation Protocol, version 11.40, February 7, 2022.

2.3 LEVEL OF ASSURANCE

This verification was conducted to a reasonable level of assurance. The Verification Report accurately reflects the documentation contained in the Project Design Document and supporting documents.

3 SCOPE OF VERIFICATION

- The Project encompasses land in Virginia Beach, Virginia specifically described in the Project Design Document. The Project area makes up close to the entirety of one tax parcel (1495-43-9093-0000, excluding a small utility right-of-way corridor.

- The Project Operator, Mosaic Carbon LLC, entered into a Carbon Credit Project Development Agreement with the landowners, Paul and Delores Wilson, on January 5th, 2023. The landowners agreed to transfer the rights to develop a tree preservation and carbon crediting project to the "developer" (Project Operator) along with all rights, title and interest in carbon credits generated by the project. On January 5th, 2023 the landowners and the Project Operator also

signed a Declaration of Restrictive Covenants that restricts the removal of trees and the alteration of the forest surface. Language in the Declaration states that the owner, "shall not cut down, destroy, or remove trees located within Forested Areas except as necessary to: control or prevent hazard, disease or fire, or improve forest health, or comply with applicable laws, the Protocol or any Registry requirements."

- The Project avoids emission of CO_2 from trees and soil, by avoiding conversion of forest to non-forest land cover and avoiding conversion of forest soil to impervious surface.

- The Project duration is 40 years, beginning in January 5, 2023 . The Project Operator commits to protecting the trees within the Project Area and monitoring the project carbon stocks for the entire Project duration.

- The verification includes review of documents, data, imagery and other evidence provided by the Project Operator; independent checking of selected data; independent analysis of aerial imagery to confirm vegetation typing (and reviewing historical imagery to estimate stand ages); checking of calculations for accuracy and conformance with the Protocol.

4 VERIFICATION PROCESS

4.1 VERIFICATION ACTIVITIES

The verification process consisted of the following activities:

- Verifier checked all requirements in the Protocol (outlined in 4.2), confirmed that documentation satisfies the requirements of the Protocol, and that values extracted from the documents and conclusions drawn from the documents are accurate and appropriate.

- Verifier independently checked mapping and calculated values in each stage of calculations.

- Verifier reviewed the credit calculations. Verifier reviewed the Project Operator's assertion that the Project results in GHG emissions mitigation of 3,139 tons CO_2e.

- Verifier submitted to the Project Operator requests for inclusion of the National Wetland Inventory overlay in the Project Area and revision of Carbon Quantification to reflect the impact of designated wetland areas as necessary. The Project Operator submitted a National Wetland Inventory overlay map of the project area and resubmitted a Project Design Document and Carbon Quantification Document to reflect changes to threat of loss due to impervious soil conversion on wetland acreage.

4.2 CITY FOREST CREDITS TREE PRESERVATION PROTOCOL REQUIREMENTS

4.2.1 Eligibility

Verifier reviewed the Project against all CFC Tree Preservation Protocol requirements and confirmed the following:

- Project Operator Identity (Section 1.1): Verifier confirmed identity of the Project Operator by reviewing Virginia Articles of Organization. Land ownership was verified upon review of Virginia Beach tax parcel records.

- Project Documentation (Section 3): Verifier reviewed and confirmed Project Documentation including Project Design Document is complete and accurate.

- Project Implementation Agreement (Section 1.2): Verifier reviewed and confirmed fully executed Project Implementation Agreement on file.

- Project Location (Section 1.3): Verifier reviewed mapping and location data. The verifier confirmed the project is located within the incorporated City of Virginia Beach, Virginia.

- Defining the Project Area (Section 1.4): Verifier confirmed the Project Area meets forest canopy cover requirements. Canopy is close to complete coverage, as verified with the i-Tree canopy tool, and aerial imagery.

- Land Ownership or Right to Receive Credits (Section 1.5): Verifier confirmed that there is a clear title to carbon credits and the Project Operator has legal authority to create and dispose of greenhouse gas offsets generated on the project lands.

- Demonstrating Preservation and Threat of Loss (Section 4):
    - Verifier confirmed that trees within the Project Area were not protected from removal prior to the Project. The Project area is in an agricultural zoning district that does not limit the removal of trees and vegetation for multiple uses. The parcel is also under easement with the Department of the Navy; however, this agreement also does not limit the removal of trees and vegetation. Approximately 62% of the Project area is situated on federally designated wetlands which permit the harvesting of timber but require special review and permitting prior to development of impervious services or agricultural activities. Hence, the Project Operator has not claimed threat of loss on the soil carbon in the designated wetlands.
    - Verifier confirmed that trees within the Project Area are now preserved from removal by a recorded Declaration of Restrictive Covenants.
    - The Project Operator has committed to meeting the permanence requirements.
    - Prior to the Preservation Commitment action by the Project Operator there was threat of conversion of the project lands to non-forest cover. Threat of conversion was verified according to protocol section 4.4A. The Project area is bordered on greater than 30% of its perimeter by non-forest use, in this case residential. Although this parcel is restricted under easement in the development of residential dwellings; the use of land for agricultural, forestry, and recreational land are common in the local landscape.

- No Double Counting and No Net Harm (Section 5): Verifier confirmed that Attestation of No Double Counting and No Net Harm is on file.

- Monitoring and Reporting (Section 8): Verifier confirmed that Project Operator has a plan for monitoring and reporting over the Project Duration, and the plan is plausible and reasonable.

4.2.2 Additionality

Verifier reviewed and confirmed that Project lands met the additionality requirements of the Protocol:

- Prior to the Project, lands were not protected from conversion by easement, zoning, or other legal mechanism. The land is restricted for certain uses under an easement signed with the Department of the Navy; however, the easement does not prohibit removal of trees and vegetation. The Navy has the right to remove trees that grow into the airspace at 130 feet above sea level (117 feet tall at property elevation). To date, this has not been practiced and is unlikely given the trees' height maximum for this site.

  There is a 30' utility ROW easement for the City of Virginia Beach on the Project parcel that has been excluded from the Project area. An additional 6.3% of the Project area is subject to a drainage impoundment, and maintenance easement for the City of Virginia Beach that was acknowledged by the Project Operator, and will be adjusted for and compensated for according to the Protocol if the easement is enforced in the future.

- Zoning allows development including removal of existing trees.

- The trees in the Project Area face some risk of removal or conversion out of forest, demonstrated by more than 35% of the perimeter of the preserve being adjacent to non-forest land use.

- Project Operator signed an Attestation of Additionality.

4.2.3 Permanence

The Project Operator has committed to CFC that the Project Operator will protect the trees on the Project Area for at least 40 years. The Declaration of Restrictive Covenants protecting the Project Trees and lands are has a duration of 40 years.

4.2.4 Accounting

The Project documents forest type, age and cover, and uses required factors in carbon stock and offset calculations according to Protocol method 11.1.A.

The Project Operator accounted for stored carbon stock according to CFC Protocol Section 11.1A. This method involved the use of the afforestation table in Appendix B of the US Forest Service GTR NE-343 to determine estimated carbon stock as a factor of forest type and forest age. The USFS forest type was observed, documented, and photographed by the project operator during two site visits in July 2022, and in October 2022. The forest is made up of two distinct stands, varying in stand age and species composition. Stand 1 is a 10-acre predominately sweetgum and loblolly pine forest, and Stand 2 is a 14.29-acre predominately oak and sweetgum forest. Both stands were classified as the oak-gum-cypress forest type (GTR NE-343 Table B43), which the verifier confirms is consistent with the provided photographs and composition descriptions, and is appropriate for the region. The Project Operator estimated Stand 1 forest age to be at least 30 years old due to agricultural activity evident in aerial

imagery dating as recently to 1982, but a forested canopy is evident in imagery from 1994. The Project Operator estimated Stand 2 to be at least 90 years old due to the presence of a forested canopy in imagery dating as far back as 1937. The verifier confirms these estimated to be appropriate and conservative given the established forested condition present in both 1937, and 1994 aerial photographs, and consistent with the current appearance of the forest.

The Project Operator estimated the canopy cover over the Project area using the i-Tree Canopy tool, which produced an estimate of 100% canopy coverage. The verifier confirmed this assessment to be accurate.

The Project Operator calculated avoided biomass emissions, and avoided soil carbon emissions, and accounted for deductions according to Protocol Section 11. Verifier confirmed that 90% of accounting stock could be counted as "Avoided Biomass Emissions." Verifier confirmed that zoning regulations or easements do not limit impervious surfaces in the Project area, however, disturbing soil on federal wetlands would require Clean Water Act Section 404 Permitting. To be conservative, the Project Operator removed all 15.1 acres of federally regulated wetlands from the soil carbon quantification. The verifier repeated and confirmed carbon quantification calculations to be accurate and in compliance with the Protocol.

4.2.5 Leakage

Offset accounting makes deductions for expected displacement of emissions following the requirements of the Protocol.

5 VERIFICATION FINDINGS

The project documents and data were reviewed and the verifier found that the emission reductions claimed are reasonable and in accordance to the preservation protocol. The verifier makes no further recommendations.

All issues raised by Verifier were clarified or corrected by the Project Operator and all issues were closed by appropriate responses from CFC and the Project Operator.

6 VERIFICATION RESULTS AND CONCLUSION

This verification of the Wilson Family Forest Project for the reporting period of January 5, 2023 through January 4, 2025 was completed in a manner consistent with ISO 14064-3 and in conformance with relevant CFC standards and guidelines. The table below is a summary of the emission reduction or removals.

Table 1. Project GHG Removals

Project Name	Issuance Year	GHG Reductions and Removals Attributed to the Project ($mtCO_2e$)	Reversal Pool Account (10%) ($mtCO_2e$)	Emission Reductions to be Issued to Project ($mtCO_2e$)
Wilson Family Forest	2023	3,487	349	3,139
Cumulative		3,487	349	3,139

The Project Operator calculated ecosystem co-benefits using the CFC tool to determine dollar values of other ecosystem services provided by the forested project area. The verifier corroborated the CFC tool inputs and outputs to produce the values below. The verifier does not make an assessment to the plausibility of these values.

Table 2. Ecosystem Co-Benefits Per Year

Ecosystem Services	*Resource Units*	*Value*
Rainfall Interception (m3/yr)	5,944.9	$15,549.49
Air Quality (t/yr)	0.6865	$1,538.67
Cooling – Electricity (kWh/yr)	38,654	$2,933.82
Heating – Natural Gas (kBtu/yr)	16,528	$171.73
Grand Total ($/yr)		**$20,193.72**

Because the Project area is less than 50 acres, all credits are issued in the first year. See Table 1.

Verifier Signature