



Lee and Betty Sharp Orchard and Woods Validation Report

Document Prepared by City Forest Credits

April 2nd, 2026

PROJECT OVERVIEW

<i>Project Name</i>	Lee and Betty Sharp Orchard and Woods
<i>Project Registry Number</i>	071
<i>Project Type</i>	Tree Preservation
<i>City Forest Credits Protocol Version</i>	Version 13, February 29, 2024
<i>Project Start Date</i>	January 8 th , 2026
<i>Project Location</i>	Vanceleave, Mississippi
<i>Project Operator</i>	Three Oaks Carbon LLC

SUMMARY

The Project Operator, Three Oaks Carbon, is partnering with the landowner, Stefanie Goldman, to preserve 34.01-acres in Vanceleave, MS. The forest is made up of predominantly slash and longleaf pine, as well as a mix of red bay, sweetgum, red oak, and red maple. This forest has faced increasing developmental pressures as the surrounding area has become more urbanized over recent decades. The project area is located in Jackson County, Mississippi, a few miles northeast of Biloxi. Forests such as this one are not only valuable thanks to their role in carbon sequestration, but also critical to the ecological health of Biloxi Bay and the larger Mississippi Sound because they promote coastal resilience and reduce storm impacts by slowing stormwater flow, thereby preventing erosion, flooding, and declines in water quality.

Stefanie Goldman will continue to own and manage the project area. Three Oaks Carbon will monitor the property periodically for the duration of the project’s 40-year lifespan so that the natural resources of the project area remain protected and to ensure that the terms of the carbon agreement are upheld by all involved parties.

ELIGIBILITY

Project Operator Identity (Section 1.1)

Criteria

A Project requires at least one Project Operator (“PO”), an entity organized and licensed under the laws of its jurisdiction, or a governmental body, which undertakes a Project, registers it with the registry of City Forest Credits (the “Registry”), and is ultimately responsible for all aspects of the project and its reporting.

Issue Validated

To demonstrate that they are an entity organized under the laws of their jurisdiction, the Project Operator, Three Oaks Carbon, provided documentation in the form of a Certificate of Organization of Limited Liability Company in the State of Idaho.

Project Submittal Dates (Section 2.1, 2.3, 6)

Criteria

Project must submit applications to the Registry within two years of the date of the Preservation Commitment. The Preservation Commitment must be recorded no later than 6 months after Registry Approval of the Project Application. Projects whose Preservation Commitment dates from prior to November 1, 2017 are not eligible.

If the landowner is a land trust or other entity with a conservation mission, the Project lands must have been acquired within two years of the date of the application.

Issue Validated

Project Operator submitted the application on August 8, 2025. The Preservation Commitment effective date is January 8, 2026, which meets protocol criteria Sections 2.1 and 2.3. All required project documents were submitted by February 5, 2026, in accordance with the six-month timeline under the Preservation Protocol. The Agreement to Transfer Credits was initially submitted within the required timeframe; a re-executed version was finalized and recorded on February 10, 2026 due to extenuating circumstances, following ongoing coordination with CFC.

Permanence – Project Duration and Reversals

A. Project Duration (Section 1.2 and 2.2)

Criteria

Project Operator must sign a Project Implementation Agreement with the Registry setting forth the Project Operator's obligation to comply with the protocol. Project Operator must monitor and report for 40 years.

Issue Validated

Three Oaks Carbon and City Forest Credits signed a Project Implementation Agreement on November 18th, 2025 for the Lee and Betty Sharp Orchard and Woods project (Project Registry Number 071). The project has a 40-year duration under City Forest Credits Tree Preservation Protocol Version 13.40.

B. Reversals (Section 9)

Criteria

A "Reversal" is loss of stored carbon such that the remaining stored carbon within the Project Area is less than the amount of stored carbon for which Registry credits have been issued. The Registry will retain in a Reversal Pool account 10% of all credits issued to preservation projects. This Reversal Pool account shall be used to compensate for Unavoidable Reversals.

Issue Validated

The Project Design Document and request for credits based on GHG mitigation includes a 10% deduction for the Reversal Pool of credits. 379 were contributed from this Project to the Registry Reversal Pool. The carbon quantification and Reversal Pool deduction were verified by the Validation and Verification Body, Todd Douglass.

Project Location (Section 1.3 and 1.4)

Criteria

Project Area must be located in parcels within or along the boundary of at least one of the urban area criteria 1.3 A to D, or within criterion E. The Project Operator must specify the Project Area and provide an electronic map of the Project area with geospatial location.

Issue Validated

The property lies within Jackson County, Mississippi, in the unincorporated community of Vancleave, and is under the jurisdiction of the Gulf Regional Planning Commission MPO. Additionally, the property is almost entirely surrounded by the US Census Urban Area: Gulfport-Biloxi, MS. (meeting protocol 1.3D).

The Project Operator has provided maps as supporting evidence, including geospatial location, regional-scale, and project area maps.

The 34.01 acre Project Area includes portions of contiguous parcel numbers: 07160096.000, 07160082.000, 03535220.000, 07160084.000.

The Project Area is in a location that receives more than 20 inches of precipitation per year and has more than 80% tree canopy, meeting protocol criteria Section 1.4 C. The Project Operator has provided an iTree canopy report to demonstrate the percentage of canopy cover for the Project Area is 100%.

Ownership or Eligibility to Receive Potential Credits (Section 1.5)

Criteria

Project Operator must demonstrate ownership of potential credits or eligibility to receive potential credits.

Issue Validated

Stefanie Goldman is the landowner for the Lee and Betty Sharp Orchard and Woods project meeting protocol criteria Section 1.5.C. The Project Operator provided a signed Agreement to Transfer Potential Credits, signed and recorded at the County on February 10th, 2026, between them and Stefanie Goldman as supporting documentation.

Tree Preservation Commitment (Section 4.1)

Criteria

Project Operator must demonstrate that trees in the Project Area are preserved for at least 40 years.

Issue Validated

Project Operator recorded a covenant on the Property that protects standing trees and limits surface disturbance within designated Forested Areas, while still allowing responsible forest management activities necessary to maintain or improve forest health. Because forest cover on the Property is not fully contiguous, the Project Area (i.e., the mapped Forested Areas subject to the covenant's forest-specific restrictions) is slightly smaller than the total Property acreage. The project meets protocol criteria Section 4.1. The original preservation commitment, recorded on January 8th 2026 had an incorrect project acreage, so a correction was added and recorded on February 4th, 2026.

Protective Language within the Preservation Commitment is as follows:

1. Covenants and Restrictions.

Removal of Trees. Owner shall not cut down, destroy, or remove trees located within the Forested Areas, except as necessary to:

- (c) control or prevent hazard, disease, or fire, or
- (c) improve forest health, or
- (c) comply with applicable laws, the Protocol, or any Registry requirements.

Surface Alteration. Owner shall not alter the surface of the Forested Areas or place trash or debris within the Forested Areas, including, without limitation, the excavation or removal of trees, soil, sand, gravel, rock, peat, or sod except as necessary to:

- (b) promote or maintain forest or river health, fish habitat, or forest restoration projects, including without limitation the removal of noxious or invasive species, or
- (b) promote or maintain the health and safety of the community such as to prevent landslides or hill collapse.

Demonstration of Threat of Loss (Section 4.2, 4.3, 4.4)

Criteria

Project Operator must demonstrate that prior to the Preservation Commitment, the project trees were not preserved from removal. The Project Area must be in a land use designation that allows for at least one non-forest use and excludes relevant critical areas. The Project Area must also meet one of three conditions that demonstrate threat of loss as described in Section 4.4 A, B, or C such as surrounding developed or improved uses, per acre value, or fair market value.

Issue Validated

Project Operator has signed an Attestation of Additionality on October 21st, 2025, stating that prior to the start of the Project, the trees in the Project Area were not protected by easement, recorded encumbrance, or protected zoning status. The northernmost parcel of the project area (Parcel #: 03535220.000) holds the zoning designation A-1: General Agricultural District, While the remaining three parcels (Parcel #: 07160096.000, 07160082.000, 07160084.000) hold the designation A-2: Agricultural-Residential District (Large Lot Development). To demonstrate Threat of Loss, the Project Operator provided a map demonstrating that the Project Area property perimeter is bordered on over 30% by improved uses, meeting Protocol Section 4.4A

No Double Counting of Credits and No Net Harm (Section 5)

Criteria

The City Forest Credits Standard describes safeguards and the “No Net Harm” Principle in Section 5. Project activities shall not cause net harm to the environment or urban communities. Project Operator must sign an Attestation of No Net Harm.

The City Forest Credits Standard describes prevention of double-counting in Section 5. Project Operator must sign an Attestation of No Double Counting of Credits. Per Section 5.2 of the Tree Preservation Protocol, the Project Operator must submit documentation showing no overlap of Project Area with any other registered urban forest carbon project. As part of Validation, the Registry shall use the appropriate

tool on GIS software (such as the Intersect tool on ArcGIS) to independently investigate whether there is any overlap between the Project Area and other registered urban forest carbon projects.

Issue Validated

Project Operator has submitted a signed Attestation of No Double Counting and No Net Harm on October 21st, 2025, and the Registry sees no evidence of net harm from this project. The Registry has analyzed geospatial data of the Project Area against that of all other registered urban forest carbon preservation projects to confirm that the Project Area for this project has not already received credits under the CFC standard.

Additionality (Section 6)

Criteria

The City Forest Credits Standard and Tree Preservation Protocol (Section 6) ensure additionality for every carbon project. A project activity is additional if it can be demonstrated that the activity results in emission reductions or removals that are in excess of what would be achieved under a “business as usual” scenario and the activity would not have occurred in the absence of the incentive period provided by the carbon markets.

Projects must demonstrate the following:

- Prior to the Preservation Commitment, the trees in the project area cannot be protected via easement or recorded encumbrance or in a protected zoning status that preserves the trees.
- Prior to the Preservation Commitment, the zoning in the project area allowed for a non-forest use.
- Prior to the Preservation Commitment, the trees in the project area passed one of three tests to show risk of removal or conversion out of forest.
- Project activities are not common practice, demonstrated through the current version of the Registry’s Activity Penetration Analysis – Demonstration of Additionality of Urban Forest Conservation Project Activities.

The Tree Preservation Protocol sets out three tests to determine whether the trees or forest in a project area face a threat or risk of tree removal or conversion out of a forested use, as described in Section 4.4. Taken together, these elements allow crediting only for unprotected trees, at risk of removal, which are then protected by a project action of preservation, providing additional avoided GHG emissions.

Additionality is embedded also in the quantification methodology. Projects cannot receive credits for trees that would have remained had development occurred, nor can they receive soil carbon credits for soil that would have been undisturbed had development occurred.

Project Operator must sign an Attestation of Additionality that attests to the above, as well as provides information on the impact of carbon revenues to project success.

Issue Validated

Project Operator has demonstrated that prior to the Preservation Commitment, the trees were not protected, the zoning allowed for a non-forest use, and the trees were at risk of removal or conversion out of forest. Project Operator has followed the carbon quantification methodology to demonstrate

how the number of credits to be issued. Project Operator signed the Attestation of Additionality on October 21st, 2025.

Additionality is also reflected in the project financing. The revenue from the sale of carbon credits will play a material role in the successful and durable preservation of the Project Area's carbon stock by providing funding for stewardship and maintenance that ensure the forest's long-term health and resilience. The sale of carbon credits produced by this property will pay the cost of running the carbon project, as well as fund the stewardship and maintenance of said property for the duration of the project's timespan.

The Project Operator is a for-profit organization whose sole purpose is to connect small acreage landowners to the carbon market to preserve endangered forests within our urban/sub-urban communities. The landowner became first aware of carbon crediting and alternative preservation measures in early 2025. A notice of intent has been signed by Stephanie Goldman on February 20, 2025.

Carbon Quantification (Section 11)

Criteria

Project Operator must follow the carbon stock and soil carbon quantification methods outlined in Section 11 of the Protocol.

Issue Validated

Project Operator used the US Forest Service General Technical Report tables to determine accounting stock, per protocol criteria Section 11.1.A. Table B41- Logleaf-slash pine from the US Forest Service General Technical Report NE-343 for carbon quantification, was used, divided by stand age and composition. The tree canopy percentage was measured using i-Tree Canopy.

Historical imagery was provided as supporting documentation to establish forest age and composition.

Per Protocol Section 11.2.A, 90% of Accounting Stock is at risk of conversion. The northernmost parcel of the project area (Parcel #: 03535220.000) holds the zoning designation A-1: General Agricultural District, While the remaining three parcels (Parcel #: 07160096.000, 07160082.000, 07160084.000) hold the designation A-2: Agricultural-Residential District (Large Lot Development). These designations are designed to provide areas primarily for agricultural purposes and low-density residential development in the case of A-1, and encourage large lots, open space and low density of population through Single-Family residential development in an agricultural environment in the case of A-2. There are no limitations on forest clearing for these zoning designations, so the default value of 90% was applied.

Project Operator quantified the avoidance of emissions from soil carbon caused by conversion of soils to impervious surfaces under Protocol Section 11.3. For both zoning designations across the Project Area, the municipal zoning resolution states that coverage by structures may not exceed 30% of the lot area. This number was used as the maximum impervious surfaces percentage for soil carbon calculation.

A deduction of 18.3% for displaced development was included in carbon quantification, per Protocol Section 11.4.

The Carbon Quantification Summary is as follows:

Project Area (acres)	34.01
Does carbon quantification use stratification (yes or no)	no
Percent tree canopy cover within Project Area	100%
Project stock (tCO ₂ e)	4,996
Accounting Stock (tCO ₂ e)	3,997
On-site avoided biomass emissions (tCO ₂ e)	3,597
On-site avoided soil carbon emissions (tCO ₂ e)	1,224
Deduction for displaced biomass emissions (tCO ₂ e)	658
Deduction for displaced soil emissions (tCO ₂ e)	371
Credits from avoided biomass emissions (tCO ₂ e)	2,939
Credits from avoided soil emissions (tCO ₂ e)	853
Total credits from avoided biomass and soil emissions (tCO ₂ e)	3,792
Credits attributed to the project (tCO ₂ e), excluding future growth	3,792
Contribution to Registry Reversal Pool Account	379
Total credits to be issued to the Project Operator (tCO₂e) <i>(excluding future growth)</i>	3,413

Co-Benefits Quantification (Section 11.5)

Criteria

Project Operator follows co-benefit quantification for rainfall interception, air quality, and energy savings, per protocol criteria Section 11.5.

Issue Validated

Project Operator has followed the co-benefits quantification method using the templates provided by City Forest Credits. Project Operator included 6.99 acres of deciduous (21%), and 27.02 acres of coniferous (79%) for the 34.01 acre Project Area. The following table documents the quantified ecosystem services in resource units and avoided costs.

<i>Ecosystem Services</i>	<i>Resource Units</i>	<i>Value</i>
Rainfall Interception (m ³ /yr)	15,832.7	\$41,411.85
Air Quality (t/yr)	1.0977	\$2,195.99
Cooling – Electricity (kWh/yr)	76,937	\$5,839.55
Heating – Natural Gas (kBtu/yr)	26,074	\$270.92
Grand Total (\$/yr)		\$49,718.31

Monitoring and Reporting (Section 8)

Criteria

Project Operator must report on tree conditions across the Project Area for the Project Duration. Reports must be submitted no less frequently than on the triennial anniversary of the date of the first Verification Report.

Issue Validated

Project Operator has agreed to submit written reports every three years using the template provided by City Forest Credits.

Social Impacts (Section 12)

Criteria

Project Operator shall use the Carbon Project Social Impact template to evaluate the SDGs to determine how a Project provides social impacts that contribute towards achievement of the global goals, as described in Section 12.

Issue Validated

Project Operator has submitted a completed Carbon Project Social Impact document. The project meets protocol criteria Section 12.

VERIFICATION REPORT

CFC reviewed the Verification Report to ensure it accurately reflects the documentation contained in the Project Design Document and supporting documents.

VALIDATION CONCLUSION

All the information provided in this validation report is free of material misstatement, to the best of our knowledge. The project complies with the validation criteria outlined in the City Forest Credits Standard and Tree Preservation Protocol Version 13.40.

Approved by City Forest Credits on April 2nd in 2026.