Verification Report

Lee and Betty Sharp Orchard and Woods

City Forest Credits Project Number 071

March 31, 2026

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Cayce, SC

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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 Lee and Betty Sharp Orchard and Woods (Project), in Vancleave, Mississippi, for the reporting period of January 8th, 2026 until January 7th, 2029. 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 Lee and Betty Sharp Orchard and Woods Project will protect 34.01 acres of a larger privately owned 43.41-acre property made up of four separate tax parcels in the unincorporated community of Vancleave in Jackson County, Mississippi. The Project Operator, Three Oaks Carbon LLC seeks to protect the forest and associated carbon on behalf of the landowner, Stefanie Goldman. The Project Area is located north of Biloxi, MS within an expanding area of suburban neighborhoods spreading into the nearby agricultural districts to the north of the city. This project will protect these forest resources from forest conversion which is common in adjacent parcels. The forested area is made up of a natural slash and longleaf pine forest, a common forest type found locally in southern Mississippi. The forest is made up of two stand types with ages ranging from 40 to 60 years old after they converted naturally back to trees from abandoned agricultural fields.

1.2 CONTACT INFORMATION

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Joseph Mezner, CEO

Verification Body
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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 Preservation 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 13.40, February 29, 2024.

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 the unincorporated community of Vancleave in Jackson County, Mississippi. The Project Area is located across four separate tax parcels including: 07160096.000, 07160082.000, 03535220.000, and 07160084.000, specifically described in the Project Design Document.

- The Project Operator and the owner, Stefanie Goldman signed a Declaration of Restrictive Covenants and Grant of Access for the Project Area that was recorded on January 8th, 2026. An error in Project Area acreage was adjusted and an amended Corrective Deed was recorded on February 4th, 2026. The Declaration protects the land from removal of trees with language

stipulating that the "owner shall not cut down, destroy, or remove trees located within the Forested Areas in a manner that would violate the Protocol, except as necessary to control or prevent hazard, disease, of 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 January 8th, 2026. 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); and 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 3,413 tons CO_2e

- The Verifier made no submissions to the Project Operator for clarifications or corrections.

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 the Project Operator (Three Oaks Carbon LLC) is a legitimate entity and is responsible for the project and its reporting. Verifier confirmed property owner information matches public 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. Project is located within the jurisdiction of the Gulf Regional Planning Commission Metropolitan Planning Organization as part of the greater Biloxi metropolitan area.

- Defining the Project Area (Section 1.4): Verifier confirmed the Project Area meets forest canopy cover requirements. Forested area has complete canopy coverage, as verified with the i-Tree canopy tool.

- 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. On February 10th, 2026, the Owner signed an Agreement to Transfer Potential Credits that granted the Project Operator the title and rights to any and all carbon credits developed from this project.

- 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. All four parcels in the Project Area are subject to zoning that allows for non-forest use.
    - Verifier confirmed that trees within the Project Area are now preserved from removal by a recorded Declaration of Restrictive Covenants and Grant of Access.
    - The Project Operator has committed to meeting the permanence requirements and protecting the Project Area for a duration of 40-years.
    - 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 4.4 A. The project area is bordered on greater than 30% of its perimeter by non-forest uses including residential and road right-of-way.

- No Double Counting and No Net Harm (Section 5):
    - Verifier confirmed that Attestation of No Double Counting and No Net Harm is on file.
    - Verifier compared the Project geospatial data to the registered urban forest carbon preservation projects geospatial database using ArcGIS Pro and determined no overlap with previous carbon preservation projects.

- 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. The Project Operator will submit a triennial report for the project's duration including annual imagery analysis of changes in vegetative cover and any ground observations or local data that can improve accuracy of monitoring reports.

4.2.2 Additionality

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

- Prior to the Preservation Commitment, lands were not protected from conversion by easement, zoning, or other legal mechanism. Relevant critical areas were excluded from the Project Area.

- Prior to the Preservation Commitment, zoning allowed development including removal of existing trees.

- 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, demonstrated by greater than 30% of its perimeter as non-forest uses including residential and public road right-of-way.

- Project Operator signed an Attestation of Additionality that includes information on the impact of carbon revenues to project success.

- The Project is not common practice, demonstrated by the current version of the Registry's Activity Penetration Analysis – Demonstration of Additionality of Urban Forest Preservation.

4.2.3 Permanence

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

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. US Forest Service (USFS) forest types were observed and documented by the Project Operator based on a 20-plot variable radius sample forest inventory conducted by Foxworth Forestry Consultants, LLC on August 15th, 2025. The Project Area consists of two distinct natural slash and longleaf pine stands that differ in age of establishment. Both stands were classified as USFS forest type B41 longleaf / slash pine referenced in GTR NE-343, Appendix B. Stand ages were estimated using historical aerial photographs dating back to 1942 to determine Stand 1 age of 60 years old and Stand 2 age of 40 years old. The verifier confirmed forest canopy coverage in historic aerial imagery and determined the effective forest ages to be reasonable for each stand. The verifier also reviewed the forest inventory plot photos provided by the Project Operator and confirmed the forest typing to be appropriate and the ages reasonable given the tree size, density, and stage of succession. Stand 1 has a density of 159 sqft per acre of basal area and 231 trees per acre, representative of a fully/over stocked pine stand. Stand 2 has density of 111 sqft per acre of basal area and 162 trees per acre, representative of a fully stocked pine stand.

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

To estimate the threat of loss due to conversion, the Project Operator considered the two zoning designations covering the property; A-1 general agricultural district for the one parcel on the north, and A-2 agricultural-residential district for the remaining three parcels to the south. Both zoning distinctions do not prohibit forest clearing so risk of removal was quantified as 90% according to the Protocol. Both of the zoning designations also cap ground coverage by structures to 30%, so the Project Operator used this limit to claim avoided soil carbon loss from soil disturbance.

The Project Operator provided calculations of biomass at risk of removal and avoided impervious area on the Project Area for both forest stands on both associated zoning type. 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 Verifier found no issues in need of clarification or correction by the Project Operator.

The Project documents and data were reviewed, and the Verifier found that the emission reductions claimed are reasonable and in accordance with the Preservation Protocol. The Verifier makes no further recommendations.

6 VERIFICATION RESULTS AND CONCLUSION

This verification of the Lee and Betty Sharp Orchard and Woods Project for the reporting period of January 8th, 2026 to January 7th, 2029 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 ($mtCO_2e$)
Lee and Betty Sharp Orchard and Woods	2026	3,792	379	3,413
Cumulative		**3,792**	**379**	**3,413**

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)	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**

Because the Project Area is less than 50 acres, all credits are issued during the first year. See Table 1. above.

Verifier Signature