

PACIFIC LUMBER INSPECTION BUREAU
MEMBERS' MEETING

June 26, 2020

Via Microsoft Teams and conference call
Federal Way, Washington

Chairman Ken Thorlakson called the Annual Meeting of the Members to order at 8:05 am on June 26, 2020 on a Microsoft Teams virtual meeting held in Federal Way, Washington.

The Secretary reported that 54% of the members eligible to vote were present, either in person or by proxy, which exceeded the one-quarter quorum required in the Bylaws.

Mr. Thorlakson welcomed all in attendance and thanked the group for being willing to gather virtually rather than in person due to the current pandemic and travel restrictions. The Chairman then reviewed the agenda and meeting schedule and noted that Tom Sulewski of Clark Nuber would be presenting the results of the 2019 financial review later in the meeting. He then asked if there were any new agenda items to be added. Two items were added to new business.

Mr. Thorlakson reviewed the anti-trust statement with the members. All agreed to abide by it.

Upon motion made and duly seconded, the minutes of the June 25, 2019 Members' meeting were unanimously approved as presented in the meeting book.

The President displayed the 2019 Annual Report in the meeting book. He noted some highlights from the report, including shipments, membership changes, program activities, and financial reports. The report was accepted as presented.

The following resolution to ratify the acts of the Board of Directors for the previous year was then unanimously approved upon motion duly made and seconded:

“That all of the official acts of the retiring Board of Directors, be and are hereby ratified and approved by the members in all particulars and declared to be acts and deeds of the Corporation.”

The President welcomed Mr. Tom Sulewski of the accounting firm Clark Nuber to the meeting to present the auditor's report for the year ending December 31, 2019. The President reminded the Members that Clark Nuber conducted a financial review of the 2019 financials as opposed to an audit. Mr. Sulewski reported that 2019 had a clean review with no material modifications, after some adjustments to the way the assets from WCLIB were brought on to the books. Mr. Sulewski noted the reporting requirement changes for 2019 requiring more robust detail in the financial report notes. He also touched on the changes expected on next year's financial report due to the sale of the Tigard building and general accounting standards.

The Members thanked Mr. Sulewski for his presentation. Upon motion duly made and seconded, the Members unanimously accepted the auditors' report as submitted.

Chairman Thorlakson reported that the Executive Committee recommended continuing with Clark Nuber as the auditing firm for 2020. Upon motion duly made and seconded, the firm of Clark Nuber was unanimously approved as the Bureau's auditor for the ensuing year. The membership then requested Mr. Sulewski discuss the differences between an audit, a review, and a review with agreed upon procedures for internal testing. After some discussion, and upon motion duly made and seconded, the Members called for and approved a financial review with additional testing of Internal Controls for fiscal year 2020. One

member objected in favor of a full audit. Mr. Sulewski requested a meeting with the Executive Committee to discuss the parameters of the internal control testing. It was agreed that the EC would meet with Mr. Sulewski and staff as needed later in the year. Mr. Sulewski then left the meeting.

The President reported on the pending sale of the Tigard office building. An offer was accepted from Madrona Recovery Center, Inc. in November of 2019. While the accepted offer was supposed to close on March 15, 2020, the buyers requested several extensions, and agreed to pay additional earnest money and additional fees increasing the final sale price. The sale is anticipated to close on July 16, 2020.

Chairman Thorlakson called on Mr. Greg Smith, Chairman of the Nominating Committee to present the slate of Directors. The Members discussed the Director nominees as listed in the mailing and proxy form for the upcoming year. It was noted that Ashlee Cribb of Roseburg Forest Products was stepping down and Kelly White was nominated to take her place. The Chairman and members thanked her for her service and wished her well. Mr. Smith called for any additional nominees from the floor but none were brought forward.

Upon motion made and seconded, the Members unanimously elected the following Directors for the June 2020 - June 2021 year:

Former WCLIB members

Terri Adair (Seneca Sawmill Co.)
Tom Barclay (Ganahl Lumber)
Clement Frank (Frank Lumber Co.)
Kyle Freres (Freres Lumber Co.)
Michael Kirkelie (Rosboro LLC)
Tyrone Konecny (Utah Lumber Co.)
Rod Lucas (Turner Lumber)
Tom Parks (Buse Timber & Sales Inc.)
Christof Richter (Binderholz Group) ***
 Alternate: Frank Turnbull (Mercer Timber Products)
Brent Saunders (Stora Enso Wood Products) ***
Jason Smith (Southport Lumber Co)
Ross Stock (Western Cascade Industries LLC)
Craig Van Cott (Unalam) *

PLIB Members

Dale Bartsch (Hy Mark Wood Manufacturing)
Ryan Beaver (Weyerhaeuser)
Paul Beltgens (Paulcan Enterprises) **
John Blodgett (Douglas County Forest Products)
Jeff Brigge (Rainier Forest Products)
Kelly White (Roseburg Forest Products)
Eric Fritch (Fritch Forest Products)
Karl Hallstrom (Zip-O-Log Mills, Inc.)
Scott Manke (Manke Lumber Co.)
Gerry Millman (Great Western Lumber Co.)
Sam Sanders (RSG Forest Products)
Greg Smith (Gilbert Smith Forest Products) **
Ken Thorlakson (Tolko Industries) **

* = AITC ** = Canadian *** = European

The first item of new business was the American Wood Council's (AWC) revision of the Environmental Product Declaration. President Fantozzi gave a brief presentation on the revisions expected for the document. AWC will be collecting data from lumber producers, among other product producers, via webinars. Staff will inform the membership of the upcoming webinars and provide information on how to participate.

The second item of new business was the new PLIB website. President Fantozzi presented a draft website for the membership to see and noted that it is expected to go live in July. A demonstration was given on how the new AITC website will be separate but nested within the new PLIB website.

Staff noted that this year's Members meeting originally scheduled to be held at the Fairmont Whistler, in Whistler, British Columbia was rebooked as the location for the Annual Meeting in June 2021. The meeting is scheduled for Friday, June 25, 2021. The Coeur d'Alene Resort, in Coeur d'Alene, Idaho was also postponed and will now be the location for the June 2022 meeting, now scheduled for Tuesday, June

28, 2022. Upon motion duly made and seconded, the members unanimously approved the new dates and locations for the Annual Meeting of the Members for 2021 and 2022.

There being no further business to come before the members, the meeting was adjourned at 9:24 a.m.

Respectfully Submitted,

Hannah Petersen
Secretary