

**Letter of Understanding (“LOU”)
between Western Forest Products Inc. (“Western”)
and Village of Tahsis (“Tahsis”)**

Purpose and Scope

The purpose of this LOU is to set out the understanding of each party as it relates to the management of forest lands in the Tahsis Landscape Unit of Tree Farm Licence (TFL) 19 and to outline the parties’ expectations in relation to the process for the Timber Supply Review (TSR) as it relates to landscape level old growth management areas (OGMAs) and wildlife habitat areas (WHAs).

In particular, this LOU is intended to describe both parties’ mutual endorsement of a draft spatial reserve plan (the “Draft Proposal”) for the Tahsis Landscape Unit while recognizing that Western will carry out information sharing with Indigenous groups on any proposal, and the Provincial government will consult with those groups as part of its review process.

The Draft Proposal is attached to this LOU as Appendix “A”.

Background

- A. Western and Tahsis communicate regularly on harvest plans in the Tahsis, McKelvie and Leiner watersheds. Tahsis has expressed its interests and concerns during communications with Western, as well as formally through a council resolution in June 2018 opposing all harvest within the McKelvie Community Watershed (the “McKelvie”). As referenced in the council resolution, key motivations for opposing harvest in the McKelvie include keeping the watershed in an intact old growth condition to sustain species diversity, to support opportunities for local eco-tourism, and to protect the quality of drinking water for the Tahsis community.
- B. In July 2018, Western committed to working with Tahsis to explore options for addressing the interests and concerns identified. Western continues to actively manage harvest (through engagement with local Indigenous groups and in consideration of Tahsis community interests) within TFL 19 outside of the McKelvie and provides Tahsis with operational updates on roadbuilding and harvesting activities.
- C. In June 2019, Western initiated a public comment period for the TSR Information Package for TFL 19. In July 2019, Tahsis hosted a meeting with Western to discuss the TSR process. Following this meeting, Tahsis provided formal comments about the TSR Information Package. Currently, the second comment period for the TFL 19 TSR is open, which provides further opportunity to inform the final submission to government.
- D. On February 28th, 2020, Western met with Tahsis Mayor, Martin Davis, and Tahsis Chief Administrative Officer, Mark Tatchell to discuss upcoming marbled murrelet (MAMU) planning and to further identify Tahsis’ interests. On March 20, 2020, Mayor Davis and Mark Tatchell met with Western to review and validate a draft spatial reserve proposal for consideration in the 2020 TSR for TFL 19 in alignment with Tahsis values. On November 23, 2020, Western and Tahsis met to review the draft spatial reserve proposal. The result of this work is the Draft Proposal.

- E. Western and Tahsis agree that the Draft Proposal, as attached, is the mutually endorsed, preferred option. It is recognized that additional refinement may occur through engagement with Indigenous groups engagement and provincial government review.

Western's Responsibilities

1. Western recommends the Draft Proposal. As part of redesigning landscape level reserves within the Tahsis Landscape unit, the Draft Proposal establishes new wildlife and old growth reserves in the McKelvie, meeting Tahsis' community objective of no harvesting within the McKelvie. The Draft Proposal also meets the larger Landscape Units targets for spatial MAMU habitat reserves as managed through Western's Wildlife and Biodiversity program.
2. Western will engage with Indigenous groups and the provincial government on the Draft Proposal in support of establishing OGMAs and WHAs through the *Land Act* and *Forest and Range Practices Act*.
3. Western will work to include values identified by Tahsis, as reflected in the Draft Proposal, in its ongoing engagement with Indigenous groups.
4. Western will review with Tahsis any substantive changes to the Draft Proposal prior to the final submission to government for legal establishment of the reserve design.
5. Western will continue to share information with Tahsis regarding operational plans within the Tahsis area, particularly within the Tahsis viewscape. These will be scheduled, at least semi- annually and more frequently as needed to share changes to operational plans.

Tahsis' Responsibilities

1. Tahsis acknowledges that the Draft Proposal addresses the importance of drinking water protection, recognizes resource, environmental, recreational and economic values important to the Tahsis community and was developed using a collaborative interest-based approach to resource features consideration.
2. Tahsis recognizes Western's harvest rights in the Tahsis Landscape Unit, outside the OGMAs and WHAs indicated in the Draft Proposal, and that forestry activities will continue consistent with the allowable annual cut for TFL 19.
3. Tahsis recognizes that the Draft Proposal requires Indigenous engagement, information sharing and provincial government review, and that changes may be required as a result of these processes.

Shared Responsibility

1. Tahsis and Western will promote this mutually beneficial outcome through joint stakeholder presentations, public communication and other related activities. This includes discussions and meetings with the provincial government and Indigenous groups.
2. Tahsis and Western will collaborate in developing and presenting public messaging.
3. This LOU is a general expression of understanding, is not an agreement or contract, is not legally binding on Western or Tahsis, and does not create any legal obligation for Western or Tahsis.

WESTERN FOREST PRODUCTS INC.

Per:



Name: John Deal

Title: Manager, Forest Stewardship & Wildlife

Acknowledged and agreed to this 1st day of December, 2020

VILLAGE OF TAHSIS

Per:



Name: Martin Davis

Title: Mayor

Attachments:

Draft spatial reserve proposal for the Tahsis Landscape Unit

APPENDIX "A"

(see attached)

