

**THIS AGREEMENT** made in duplicate this 30th day of January, A.D., 2015

**BETWEEN:**            **HER MAJESTY THE QUEEN** in right of the Province of Nova Scotia, represented in this behalf by the Minister of Natural Resources for the Province of Nova Scotia  
  
(hereinafter called "NSDNR")

**OF THE FIRST PART**

- and -                **MEDWAY COMMUNITY FOREST COOPERATIVE** a co-operative with a registered office at Kempt, in the County of Queens, Province of Nova Scotia  
  
(hereinafter called the "MCFC")

**OF THE SECOND PART**

**WHEREAS** the MCFC and NSDNR wish to enter into an Agreement for a pilot project of alternative means for forest management planning and use as a working community forest (this "Agreement"); upon a portion of Crown Lands located in Annapolis County;

**AND WHEREAS** the Minister of Natural Resources may enter into agreements for the more effective management of Crown lands, under Section 23 of the *Crown Lands Act*;

**THEREFORE WITNESSETH** that the Parties, in consideration of the mutual covenants and agreements set out herein, do hereby agree as follows:

**1. DEFINITIONS:**

- 1.1 "Biomass Fuel" means logs, bolts or pieces of wood of any size or form, from any species of hardwood or softwood tree having no higher valued potential and if originating from a forest harvest or silviculture operation shall be made only from the wood or bark of a Tree Stem from which the branches have been removed or if originating from a land clearing operation may be made from any portion of a tree.
- 1.2 "Carbon" means the measure of carbon present or sequestered within soil and vegetation as may be affected by Forestry Activities.

- 1.3 “Forestry Activities” includes the activities of management, planning, wood supply analysis, coordination, certification, the cultivation and harvesting of both timber and non-timber products, transporting, silviculture and the construction, maintenance and decommissioning of access roads on the Pilot Project Land, but does not include clearing the land or changing the nature of the habitat for such uses as agricultural or other non-forest related activities.
- 1.4 “GMT” means green metric tonnes.
- 1.5 “Mixed Residue” means: sawdust, shavings, bark and wood particles generated as by-products at a wood processing facility from the processing of Primary Forest Products.
- 1.6 “Merchantable” means trees or logs that are suitable to be manufactured for higher valued, non-fuel products. Trees or logs will be considered to be so merchantable when the following conditions exist:
- a) the trees and logs are of such species, maturity, size and shape;
  - b) the trees and logs are sufficiently free of defects, as to be desirable for harvest and manufacture as non-fuel products;
  - c) the trees and logs are present in sufficient quantity and such location to warrant the cost of recovery; and
  - d) Nova Scotian manufacturers of non-fuel wood and paper products are in operation and are regularly offering to acquire like trees or logs from the same general location.
- 1.7 “Non-Timber Products” (NTP) means any biological resources found naturally occurring on the Pilot Project Land except timber, useful substances, materials and/or commodities obtained which do not require harvesting (logging) trees. It includes plants or plant products that may grow naturally on non-forest portions of the Pilot Project Land. It includes nuts, seeds, berries, mushrooms, oils, foliage, floral or medicinal plants, fuel wood collected without harvesting (logging), and forage. For the purpose of this Agreement it excludes all animals, water, peat, soil, stone, aggregate or any geological resource.

- 1.8 “Operating Year” means the fiscal year of NSDNR, which is from April 1, 2014 to March 31, 2015, in the first year and every year of the term of the Agreement thereafter.
- 1.9 “Primary Forest Products” shall have the meaning as defined in the *Forests Act* from time to time.
- 1.10 Where any other term or phrase is defined in the *Crown Lands Act*, the *Forests Act*, or the *Wildlife Act*, that word or phrase shall have the same meaning under this Agreement.

## **2. PILOT PROJECT:**

- 2.1 The MCFC shall meet the objectives and principles of this Agreement for the promotion of community forestry in Nova Scotia that are set out in greater detail in Schedule 1.

## **3. PILOT PROJECT LAND:**

- 3.1 NSDNR shall allow the MCFC to occupy, have access to and use, for the sole purpose of a Community Forest as outlined in Schedule 1, all that Crown land mapped on Schedule 2 and located in the County of Annapolis (hereinafter called the “Pilot Project Land”).
- 3.2 The Parties acknowledge that the Pilot Project includes lands where due to the presence of sand and or gravel deposits NSDNR shall retain sole discretionary authority over any use, occupation or (the Reserved Portions), save for the provision of an access road through the Reserved Portions as essential for the Pilot Project.

## **4. SCOPE:**

- 4.1 Subject to the provisions of this Agreement, prevailing law, and the approval of NSDNR where required herein, MCFC, its servants, agents, officers, employees shall conduct all Forestry Activities in accordance with the approved Forest Management Plans described in Section 13, and are authorized to enter upon the Pilot Project Lands for such purposes at any and all times throughout the term of this Agreement. The exercise of the rights and responsibilities set out within the Agreement shall be exclusive to the MCFC during the term of this Agreement in accordance with the terms and conditions of this Agreement.

- 4.2 MCFC acknowledges that the MCFC shall at all times conduct its Forestry Activities in conformance with all policies or guidelines relating to forestry practices listed in Schedule 5, which may be updated from time to time by NSDNR.
- 4.3 This Agreement does not limit the authority, right or responsibility of the Province to prevent or respond to any threat, public safety issue, harmful effect or damage to the forest or environment, including fire, pest or disease infestations or catastrophic event, and may include ordering MCFC or any contractor to cease any operation or practice, or require any necessary operation or practice to be adopted. The Parties shall work together to effect any necessary actions to the fullest extent reasonably possible to prepare for, prevent or remedy such harmful effect.
- 4.4 NSDNR shall have sole responsibility for the administration, planning and allocation of all other land uses that are not Forestry Activities, including but not limited to exploration and development of minerals, and other natural resource rights on or with respect to the Pilot Project.
- 4.5 If the MCFC intends to obtain exclusive use of any portion of the Pilot Project Lands or resources on the Pilot Project Lands for a purpose other than Forestry Activities, and in accordance with Forest Management Plans, it shall apply to NSDNR for any additional and separate authority, which, if approved by NSDNR, shall be subject to the normal procedures, terms and conditions for such authorities. The MCFC is responsible to obtain any other approvals necessary from any other governmental authority having jurisdiction in the circumstances, and for any costs associated with obtaining such authority or permitting.
- 4.6 The MCFC shall provide all information that NSDNR reasonably requires in order to satisfy itself that the MCFC's Forestry Activities have been and are being carried out in compliance with the terms and conditions of this Agreement.

## **5. POINTS OF MUTUAL AGREEMENT:**

- 5.1 The objectives and principles of the community forest, attached as Schedule 1, will be the objectives and principles for this Pilot Project until such time as may be amended by the Parties. The extent, content and financing for its activities is the sole responsibility of the MCFC except whereas otherwise stated in this agreement. If requested, NSDNR may participate at its discretion.

- 5.2 If, upon the completion of the Pilot Project, NSDNR is satisfied that MCFC has fulfilled this Agreement in accordance with the objectives and principles in Schedule 1, negotiations for a further Agreement may occur in accordance with Section 9 of this Agreement. Any lands that may be included in such further Agreement may differ from the Pilot Project Land.
- 5.3 The MCFC may undertake forestry or environmental research and provide educational facilities within the Pilot Project Land.
- 5.4 Where the MCFC undertakes forestry or environmental research or provides educational facilities on the Pilot Project Lands, the MCFC is solely responsible for obtaining necessary permits or authorizations as may be required.
- 5.5 This Agreement includes all attached Schedules, which shall form part of this Agreement.
- 5.6 The MCFC is solely responsible for the management, financing and operation of the Forestry Activities.
- 5.7 The MCFC may seek out other persons, companies, government agencies or organizations wishing to collaborate in achieving any or all aspects of its Forestry Activities. The MCFC shall be responsible for ensuring that appropriate insurance is in place for all activities associated with the Forestry Activities, particularly in the event that other entities or persons are engaged as collaborators or partners in the Forestry Activities and shall keep NSDNR informed at all times of such collaborations and partners engaged in the delivery of the Forestry Activities.
- 5.8 NSDNR may audit any and all of the MCFC's records related to the Forestry Activities and the MCFC shall cooperate fully with any such audit. NSDNR shall provide not less than fifteen (15) business days notice of its intentions and the scope of the audit. The MCFC's obligation under this section shall survive the expiration, cancellation or termination of this Agreement.

## **6. THE MCFC OBLIGATIONS:**

- 6.1 In addition to reporting requirements as specified in this Agreement or by regulation, the MCFC shall, within thirty (30) days of a request by NSDNR, provide to NSDNR access to or copies of such non-proprietary information and records it may create concerning the Forestry Activities on the Pilot Project Land, including but not limited to, paper or digital records or imagery concerning

the forest inventory, the location, boundaries and descriptions of completed harvest or silviculture treatments, other improvements made, ecological conditions or cultural features of the Pilot Project Land.

- 6.2 The Directors of the MCFC shall produce and provide an annual report to NSDNR to include, but not be limited to, the following: requirements resulting from the MCFC Bylaws; statements of revenues, costs, and income for the Pilot Project Land; a Forestry Activities Plan; and program targets for the Pilot Project Land. The Directors may also provide a description of and the target for forest research and public education programs.
- 6.3 The first priority for the MCFC for the proceeds of harvesting, silviculture, or roadside sales during the term of the Pilot Project is for purposes directly related to the management of the Pilot Project Land and for any debts, liabilities or obligations incurred.
- 6.4 For the term of this Agreement and for the purposes of providing NSDNR the information required to evaluate the prospects for community forestry in Nova Scotia, with the support of NSDNR, the MCFC will periodically provide to NSDNR information as required for the measurement of performance indicators listed in Schedule 3.
- 6.5 NSDNR will provide the MCFC with data it may possess and is able to share, subject to confidentiality or applicable law, for the purpose of assisting MCFC in providing NSDNR required information.
- 6.6 The MCFC shall implement adequate controls within its bylaws and management structures to ensure that Forestry Activities undertaken within the Pilot Project Land are consistent with the Forest Management Plan(s) and Annual Operating Plan(s) applicable to the Pilot Project Land and the obligations pursuant to this Agreement.

## **7. NSDNR OBLIGATIONS:**

- 7.1 NSDNR shall designate one or more employees who shall serve as a non-voting observer participant to the MCFC Board of Directors. The role of the observer, subject to applicable bylaws, will include providing to the Board information on NSDNR policies and guidelines and potential changes to such policies and guidelines as the observer may be able to share and acting as a conduit from the MCFC to government keeping government informed of the MCFC activities.

7.2 NSDNR shall provide MCFC with copies of or access to, such non-confidential information and records it may possess concerning the forest history or features of the Pilot Project Land and immediately adjoining Crown lands, the most recent paper or digital records or imagery concerning the forest inventory, and known hazards present within the Pilot Project Land.

**8. TERM OF THE AGREEMENT:**

8.1 The term of this Agreement is three Operating Years, ending March 31 of the third full year, commencing on the date that this Agreement is fully executed.

**9. REPLACEMENT AND EXTENSION OF THE AGREEMENT:**

9.1 The MCFC shall give notice to NSDNR of its intention to continue to operate the MCFC no later than six (6) months prior to the end of the term of the Agreement.

9.2 Within sixty (60) days of the MCFC giving notice, the MCFC and NSDNR shall commence negotiations on terms and conditions for a possible replacement of this Agreement for a term of (20) years, or such other term, which shall be at the sole discretion of NSDNR.

9.3 If the MCFC is not materially in default of any of the terms, conditions, covenants, and provisions of this Agreement, and if both Parties have begun and are in continuous negotiating for a replacement Agreement, NSDNR agrees this Agreement shall be extended and remain in effect for a further term of no more than twelve (12) months from end of the initial term.

**10. TERMINATION OF THE AGREEMENT:**

10.1 This Agreement may be terminated by NSDNR if at any time during the term of this Agreement:

- a) Payments required under this Agreement are in arrears and the MCFC has not established either a repayment plan satisfactory to NSDNR or complied with such a plan;
- b) The Pilot Project Land is used for any purpose other than the uses permitted in this Agreement;
- c) The MCFC fails to use the Pilot Project Land in accordance with an approved Forest Management Plan or Annual Operations Plan;

- d) The MCFC fails to obtain and keep current the approvals and permits required to conduct the Forestry Activities; or
  - e) If there is any other default, breach or nonobservance by the MCFC at any time in respect of any term or reservation within this Agreement and, after being given notice and opportunity to remedy the same, the MCFC fails to remedy such default, breach or nonobservance.
- 10.2 In the event of early termination of the Agreement by NSDNR and where costs for infrastructure (i.e. roads, culverts and bridges) investments have not been recovered by the MCFC, NSDNR may negotiate compensation to the MCFC for unrecovered expenses.
- 10.3 The MCFC may terminate the Pilot Project for any reason, provided it shall give NSDNR at least six (6) months advance notice in writing.
- 10.4 Upon expiration or termination of the Agreement without replacement, the MCFC shall remove any equipment, buildings, structures and personal property immediately. If such equipment, buildings, structures, and personal property have not been removed upon expiration, or if this Agreement has been cancelled or earlier terminated the MCFC shall, upon written notice by the NSDNR, remove such equipment, buildings, structures, and personal property within sixty (60) days from the date of said notice, otherwise, the NSDNR may assume ownership of and, without incurring any liability, remove or demolish the equipment, buildings, structures, and personal property in whatever manner the NSDNR deems necessary. Unless otherwise agreed, the MCFC shall pay all costs of such removal or demolition and shall be responsible for all damage or loss caused to the Pilot Project Land. The MCFC's obligation to observe or perform this covenant shall survive the expiration, cancellation or termination of this Agreement.
- 11. FOREST CERTIFICATION:**
- 11.1 The MCFC will support the existing certification(s) of forest management on Crown lands by providing any requested information and reports and complying with such requirements, practices or measures required by NSNDR in its achievement of Crown land certification.
- 11.2 If certification of the Pilot Project Land is discontinued during the term of this Agreement, the MCFC will continue to implement such policies or practices as

are in effect at the time of discontinuance until the termination of this Agreement, provided such practices are consistent with achievement of the objectives of the Agreement.

**12. ANNUAL ALLOWABLE CUT:**

- 12.1 The Allowable Annual Cut for timber products from the Pilot Project Land shall be 21,600 tonnes of all species and products in each 12 months during the term of this Agreement, until the Parties agree upon a different allowable annual cut.

**13. FOREST MANAGEMENT PLAN:**

- 13.1 The initial Forest Management Plan for managing Forestry Activities shall be the management plan prepared by Bowater Mersey Paper Company as the '*Medway District Management Plan with 2012 Amendments, v. June 2012*', which shall be provided to guide the potential operations of the community forest during the start up of the Pilot Project.
- 13.2 Until such time as the MCFC produces an alternative Forest Management Plan approved by NSDNR, the initial Forest Management plan provided by NSDNR and which may be amended by NSDNR shall be the basis for immediate Forestry Activities.
- 13.3 The MCFC shall provide NSDNR a supplement or amendment to the initial Forest Management Plan outlining the MCFC's planned activities other than Forestry Activities.

**14. ANNUAL OPERATIONS PLAN:**

- 14.1 The initial Annual Operations Plan shall be the plan provided by NSDNR taken from the 2012-2016 Operating Plans that can be found in the '*Medway District Management Plan with 2012 Amendments*', which will guide the potential operations of the community forest during the Pilot Project.
- 14.2 Until such time as the MCFC produce an Annual Operations Plan, the plan provided by NSDNR and which may be amended by NSDNR shall be the basis for immediate Forestry Activities.
- 14.3 Forestry Activities planned and conducted by MCFC shall comply with the Forest Management policies, practices and guidelines named in the attached Schedule 5.

14.4 MCFC shall annually provide to NSDNR a supplement to the Annual Operations Plan that will outline the MCFC's planned activities other than for Forestry Activities.

**15. REPORTS AND PAYMENT:**

15.1 NSDNR shall specify in writing the required content, timing and format of all Forms and reports.

15.2 The MCFC shall submit annually by June 30 of each year of this Agreement a report to NSDNR on all roads, silviculture and harvest operations completed on the Pilot Project Land in the preceding Operating Year.

15.3 Measurement of all Primary Forest Products shall be in accordance with scaling procedures as approved by NSDNR's Regional Crown Forester.

15.4 The MCFC shall submit quarterly stumps reports (Form of Return) prior to August 1, October 1st, February 1st, and May 1st of each year to the following address:

Province  
c/o Director of Resource Management  
Department of Natural Resources  
1701 Hollis Street  
P.O. Box 698, Halifax, NS B3J 2T9

15.5 A Form of Return shall report:

- a) All Primary Forest Products harvested under this Agreement by each product type; and
- b) Primary Forest Products harvested under this Agreement and sold to other Licensee(s) or any other person or company.

15.6 A Form of Return shall be completed in metric units, either tonnes or cubic metres (m<sup>3</sup>) solid unless otherwise agreed (stick scale). The Registry of Buyers conversion factors will be used in for all Primary Forest Products except where a conversion factor, applicable to a specific circumstance, has been agreed to on the bases of statistically sound check scaling.

- 15.7 The MCFC will provide for issuing and shall submit to NSDNR truck slips for Crown Primary Forest Products removed from the Pilot Project Land.
- 15.8 The MCFC will submit the information pertaining to the removal of Primary Forest Products from harvest sites, in spreadsheet format, as specified by NSDNR per Sec 15.1.
- 15.9 The MCFC shall not incur any expenses that are or are intended to be a charge against NSDNR without the written authority of the NSDNR and shall not enter into any contracts with any person, firm or corporation that purports to bind the NSDNR in any manner whatsoever and any such contracts entered into by such Licensee shall not be binding on NSDNR.
- 15.10 The MCFC shall maintain proper and accurate records and accounts relating to the license and shall make such records and accounts available at all reasonable times for inspection and audit by NSDNR and its agents.
- 15.11 Upon request, the MCFC shall provide NSDNR estimates of the harvest amounts of Primary Forest Products for any quarterly periods for which Forms of Return have not been submitted, including information on the planned recipients of any by-products.
- 15.12 Monies owed to NSDNR by the MCFC sixty (60) days beyond the end of each calendar quarter shall be subject to debt collection policies adopted by the Province under the *Nova Scotia Finance Act*.
- 15.13 NSDNR may suspend any Forestry Activities under this Agreement until satisfactory payment arrangements are made.
- 15.14 NSDNR may, after thirty (30) days' written notice, offset the amount owed to the NSDNR by the MCFC, by withholding silviculture or other payments.

**16. TIMBER PRODUCTS:**

- 16.1 On the Pilot Project Land, the MCFC shall harvest, merchandise, and market Primary Forest Products to be removed so as to optimize the value received for timber products consistent with the management objectives and principles provided in Schedule 1.
- 16.2 On the Pilot Project Lands, the MCFC shall operate under best management practices in its planning and undertaking of the management of non-timber forest

botanicals and other non-timber forest products consistent with the management objectives and principles provided in Schedule 1.

- 16.3 NSDNR shall regularly or upon a change to the list, provide the MCFC with a list of firms with which NSDNR has fibre agreements. The MCFC shall have a marketing policy that recognizes the obligation of NSDNR to supply other companies with an annual volume of wood fibre, and agrees to give said specified firms preferred customer status, provided operational, marketing and other factors are equal. The MCFC shall always have the right to market all forest products in a manner which the MCFC has determined is in the best long term interests of the Pilot Project.
- 16.4 During the term of this Agreement, regarding the use of certain timber products harvested, MCFC agrees that it shall provide a right of first refusal to Brooklyn Power Corporation on all Biomass fuel logs or other forms of primary forest Biomass fuels other than domestic firewood produced as part of the MCFC's Forestry Activities.
- 16.5 If, during the term of this Agreement MCFC owns or operates any primary forest product processing facility as a Registered Buyer under the *Forests Act*, the MCFC agrees that:
- a) At the request of Brooklyn Power, the MCFC shall offer to sell to Brooklyn Power Corporation an amount of mixed residue generated from the processing of any Crown harvested Primary Forest Products that are processed;
  - b) Until the Parties agree otherwise the amount of mixed residue expected to be offered to Brooklyn Power Corporation will be 12% per GMT of Primary Forest Products harvested;
  - c) The mixed residue price to Brooklyn Power Corporation is to be \$8.23 per GMT in 2014 and \$8.27 per GMT in 2015 at the wood processing facility (exclusive of transportation costs from the wood processing facility), and thereafter adjusted annually by an inflation factor; and
  - d) For the purpose of c) above, the inflation factor shall be one half (1/2) the inflation rate prescribed for electricity produced by the Brooklyn Power Corporation facility and sold to Nova Scotia Power Inc. pursuant to a

Power Purchase Agreement as may be in effect between Brooklyn Power Corporation and Nova Scotia Power Inc.

16.6 The MCFC shall maintain detailed records of Timber Product sale proceeds, costs incurred and payments made regarding management, harvest and silviculture activities. The accounting of revenues and costs shall be subject to periodic reconciliation with all revenues or costs being incurred or owed. Annual accounting of each year will be submitted to NSDNR in the following year.

**17. TIMBER STUMPAGE:**

17.1 The MCFC shall pay stumpage due on all timber products harvested.

17.2 The stumpage rates shall be the rates in effect at the time of harvest and as announced annually by the Minister. The MCFC shall provide information and make payments for harvested products in the manner specified by NSDNR. The MCFC shall pay stumpage provided for herein when due.

17.3 During the term of this Agreement where a Forestry Activity has been conducted in accordance with an Operating Plan that has been prepared and provided by NSDNR, the stumpage rates payable shall include an Administrative cost allowance on the same terms as that provided to any other volume based Forest Utilization License Agreement.

17.4 During the term of this Pilot Project where a Forestry Activity has been conducted in accordance with an Operating Plan that has been prepared by MCFC, the net stumpage rates payable shall include an Administrative cost allowance on the same terms as that provided to any other area based Forest Utilization License Agreement.

17.5 During commencement year of the Agreement stumpage shall be paid and reported as prescribed in Schedule 4 of this Agreement.

**18. NON-TIMBER PRODUCTS:**

18.1 Where consistent with the management plan and the objectives and principles provided in Schedule 1, the MCFC may enter into agreements with any third parties to manage and harvest Non-Timber products within the Pilot Project Land and agreements to otherwise make any non-consumptive temporary use of Pilot

Project Land. The term of each such agreement shall not be for a term greater than the remaining term of this agreement.

- 18.2 Agreements with third parties may be in the form of permits, contracts, or other authorities as appropriate for the management of non-Forestry Activity or NTPs.
- 18.3 Agreements with third parties shall not confer on the agreement holder any rights to construct permanent structures within the Pilot Project Land or to otherwise degrade the productivity of the Pilot Project Land in regards to timber production.
- 18.4 Any such agreements made by the MCFC shall expire with dissolution of this agreement without expectation that the NSDNR will continue any agreement or enter into a similar agreement with the third party.
- 18.5 Where the MCFC is authorized to harvest NTPs or collects a fee for authorized uses of the Pilot Project Land, the fee to be paid to NSDNR by the MCFC for these uses of the Pilot Project Land shall be the amount, if any, as may be specified by the Minister.

## **19. SILVICULTURE PROGRAM & FUNDING:**

- 19.1 Where any portion of the stumpage fees paid include a Silviculture Fee, NSDNR shall hold those amounts in its Crown Land Silviculture Fund for the benefit and use of the MCFC for its normal silviculture activity.
- 19.2 Where the MCFC may undertake innovative approaches to silviculture and timber harvest consistent with the management objectives and management principles provided in Schedule 1, NSDNR may agree to contribute towards these costs.

## **20. MI'KMAQ USERS OF THE PILOT PROJECT LANDS AND FOREST PRODUCTS**

- 20.1 Section 35 of the *Constitution Act, 1982*, protects the existing Aboriginal and treaty rights of the Mi'kmaq, and MCFC agrees that it will (i) provide the Mi'kmaq with continued access, unless otherwise posted, to the Pilot Project Lands for traditional activities (fishing, hunting, harvesting of wood for domestic purposes); and (ii) respect Mi'kmaq culturally important sites within the Pilot Project Lands and provide the Mi'kmaq with continued access to those sites.

- 20.2 The Province, Canada and the Mi'kmaq entered into an Umbrella Agreement on June 7, 2002, in which all three Parties recognized there are outstanding constitutional rights issues amongst them, including Aboriginal rights and treaty rights.
- 20.3 Pursuant to the Umbrella Agreement, on February 23, 2007 the Parties signed the Mi'kmaq-Nova Scotia-Canada Framework Agreement that established the negotiation process for the resolution of issues respecting Mi'kmaq rights and title.
- 20.4 The MCFC acknowledges that this Agreement is subject to any negotiated agreements between the Province, Canada and the Mi'kmaq, or the Province and the Mi'kmaq with respect to such rights on the Pilot Project Lands.
- 20.5 The Province may require MCFC to modify Forestry Activities on the Pilot Project Land to accommodate Mi'kmaq rights.

**21. EXCLUSIVE USE OF PORTIONS OF PILOT PROJECT LANDS BY MCFC FOR NON-FORESTRY PURPOSES:**

- 21.1 Where the MCFC proposes exclusive use of a portion of the Pilot Project Land for a non-forestry purpose, an application may be made by MCFC to NSDNR for such exclusive use. Any application for non-forestry use of the Pilot Project Land requires Ministerial or Executive Council approval.

**22. EXCLUSIVE USE OF PORTIONS OF PILOT PROJECT LANDS BY THIRD PARTIES AUTHORIZED BY THE PROVINCE FOR NON-FORESTRY PURPOSES:**

- 22.1 The MCFC shall not restrict access to the Pilot Project Land or use of the forest access roads by third parties for non-forestry purposes except as approved by NSDNR.
- 22.2 Subject to the rights of the MCFC under this Agreement, nothing in this Agreement limits or modifies the authority, rights or responsibilities of the Province and no liability arises for costs or compensation for exercising its authority for either granting or denying any approval or permission to MCFC or any other person with respect to the use of the Pilot Project Land by any third Parties for non-forestry purposes.

- 22.3 The MCFC shall have the first opportunity to harvest or acquire the Primary Forest Products where the non-forestry use of the Pilot Project Land granted to other persons by NSDNR requires the harvest or removal of Primary Forest Products.
- 22.4 Except by mutual written agreement, MCFC has no obligation arising to incur any costs to implement or enable the use of the Pilot Project Land or forest access roads by any third party for non-forestry purposes.

**23. RIGHT OF WAY AGREEMENTS:**

- 23.1 The MCFC may not enter into any right of way agreements to use adjacent private lands to access the Pilot Project Land without prior approval of NSDNR. Any such right of way agreement approved by NSDNR shall have NSDNR as a party.

**24. ROADS, EQUIPMENT AND STRUCTURES:**

- 24.1 Within the Pilot Project Land, the MCFC is responsible to build or install any new roads, bridges or culverts that may be required under this Agreement. The MCFC shall obtain any legal authorities or permits that may be required and shall satisfy any related conditions or any liabilities associated with the installation of such roads, bridges or culverts.
- 24.2 Unless otherwise agreed, within the Pilot Project Land, the MCFC is solely responsible to maintain existing roads, bridges, culverts or access structures necessary for the implementation of the Management and Operating Plans excepting those provided below:
- a) Gates or gate houses;
  - b) Any bridges and other stream crossings where inspection by NSDNR during the term of this Agreement reveals that maintenance exceeding a value of \$3000 is required to allow for safe industrial use; and
  - c) Damage to road bed, ditches, bridges or stream crossings caused by third parties who were specifically and solely authorized by NSDNR to use such roads for commercial purposes.
- 24.3 Subject to NSDNR having been provided the sufficient budgetary authority, NSDNR may agree to provide funds to the MCFC or may assume directly the

construction or major reconstruction of any roads on the Pilot Project Land necessary to provide access to any other Crown Lands.

- 24.4 The MCFC shall build, improve or maintain the forest access roads necessary for its employees and contractors to access the Pilot Project Land and other Crown lands in order to conduct its Forestry Activities.
- 24.5 Forest access roads and bridges on Crown lands shall be kept open to the public unless posted and or gated as per the Forest Management Plan or the Annual Operating Plan.
- 24.6 The MCFC may not separately restrict access by individual persons lawfully engaged in hunting, trapping or fishing activity, except where and while it is actively engaged in Forestry Activities. When inventorying wood or trucking activity or where the MCFC is aware of other hazards constituting a safety or environmental risk, the MCFC may post portions of the Pilot Project Land as restricted or closed, including roads, rights of way or trails thereon. The MCFC shall notify NSDNR in writing of the locations and durations of such restrictions two (2) days prior to any such posting.
- 24.7 NSDNR is not liable for damage, loss or injury to a user or the MCFC arising in relation to the construction, repair, maintenance or lack of maintenance of a forest access road.
- 24.8 NSDNR may deny approval to build, or maintain a forest access road or may restrict or limit its design or use for any legitimate public purpose.
- 24.9 NSDNR may from time to time request that the MCFC build, open, maintain or upgrade a road(s) on the Pilot Project Land or other Crown land for the shared use or benefit of other users, recognizing that the MCFC has no obligation to do so unless NSDNR and MCFC specifically agree upon the manner by which costs will be paid and the work will be arranged.
- 24.10 NSDNR may at its sole discretion following consultation with the MCFC build, contract or authorize others to build, maintain, upgrade or assume responsibility for any road(s) on the Pilot Project Land.
- 24.11 The MCFC shall have use of roads on the Pilot Project Land to perform all its Forestry Activities as contemplated in the Agreement and shall maintain such

roads and bridges to a standard sufficient for the carrying out of the Forestry Activities.

- 24.12 The planning for the long term development, maintenance and decommissioning of roads on the Pilot Project Land for Forestry Activities shall be part of the MCFC's ongoing community involvement procedures with the public and with Mi'kmaq.
- 24.13 Where the MCFC will incur specific costs in providing a service or good for use of the forestry roads by other commercial occupiers or users, and NSDNR is in agreement with the amount, the MCFC may impose a fee on third parties for use of the forestry road.
- 24.14 The MCFC and NSDNR may agree upon a set of standard fees, and/or terms and conditions to be applied generally to other users, or MCFC may seek agreement of the NSDNR for each user fee.
- 24.15 MCFC shall be entitled to use for its construction or maintenance of forestry roads on the Pilot Project Land without fees or any other charge by NSDNR *in situ* gravel, stone or materials within the rights-of-way of any roads now existing or hereafter built on the Pilot Project Land and from such borrow pits located on the Pilot Project Land that are less than one (1) hectare in area provided that the MCFC has not been informed that the exclusive rights to any deposit has been given to any third party by NSDNR or have been reserved from the Pilot Project Land as identified in Schedule 2.

## **25. OPERATIONS AND CONTRACTORS:**

- 25.1 The MCFC shall ensure that where it engages any Contractors to operate on the Pilot Project Land, it shall require the same competency and legal liability requirements as NSDNR would require at any time for a contractor it would engage directly, or which it would otherwise require that a licensee comply with. This includes any competency or training requirement necessary to achieve or retain forest management certification(s).
- 25.2 The MCFC shall not commence work at any proposed Forestry Activities until MCFC has complied with NSDNR's required procedures for posting public notification of each of the intended activities and accommodating where possible such valid concerns from respondents as may be received.

- 25.3 The MCFC shall be responsible for obtaining and maintaining all approvals and permits necessary for the purpose outlined in subsections 25.1 and 25.2. NSDNR does not by the fact of entering into this Agreement, covenant that such approvals or permits will be issued by the Province of Nova Scotia or relevant authority.
- 25.4 The MCFC and/or its contractors shall register under, and comply with, all of the provisions of the *Worker's Compensation Act* for the Province of Nova Scotia and all regulations passed thereunder. The MCFC agrees to comply with all the Laws including, but not limited to, the *Occupational Health and Safety Act*, the *Construction Safety and Industrial Safety Regulations*, the *Temporary Workplace Traffic Control Regulations*, and "The Forest Professional; a Code of Practice for the Stewards of Tomorrow's Forests", made pursuant to the *Occupational Health and Safety Act*.
- 25.5 Where the MCFC is subject to a directive or order made pursuant to the *Environment Act*, the *Occupational Health and Safety Act*, or any other law of the Province, the Province shall not be liable to the MCFC for any losses or costs incurred by the MCFC as a result of such a directive or order. The MCFC shall be liable to the Province for any losses or costs to the Province as a result of the MCFC's failure to meet the aforesaid requirements.
- 25.6 The MCFC must be registered with the Registry of Joint Stocks and obtain a business number. The MCFC or its contractors in each year it undertakes forestry operations shall, where applicable, supply a letter from the Nova Scotia Workers Compensation Board indicating the MCFC and its contractors are in good status; supply proof of training in Emergency First Aid; and supply a letter from the Nova Scotia Forest Safety Society indicating they have received the required training in order to be certified to operate on Crown land.
- 25.7 Upon request, the MCFC shall deliver to the NSDNR, satisfactory evidence of compliance with subsections 25.2, 25.4 and 25.6 herein.

## **26. BOUNDARY LINES AND SURVEYS:**

- 26.1 All parties agree that a map of the Pilot Project Land boundaries, as provided in Schedule 2 appended hereto, is necessary to implement the Agreement. Except as provided in subsection 26.2 below, the MCFC has no obligation to establish or maintain any legal survey boundary of the Pilot Project Land.

26.2 Where the boundaries of the Pilot Project Land are not established in the field, the MCFC will request an Order of Survey from the Director of Surveys at NSDNR. Subject to the availability of its resources, NSDNR may establish the boundary or authorize MCFC to establish the boundary by employing a Nova Scotia Land Surveyor at MCFC's expense. Until the boundary is sufficiently established, MCFC will maintain a no-treatment area between its Forestry Activities and the Pilot Project Lands boundary adequate in width to prevent trespass into areas not subject to timber harvest under this Agreement.

**27. TAXES AND OPERATING COSTS:**

27.1 The MCFC shall pay and discharge any taxes or charges levied by any municipal or provincial or federal authority upon the Pilot Project Land or structures controlled by the MCFC, which shall include, but not be limited to, property taxes, betterment charges, service charges, business taxes and occupancy charges.

**28. COMPLIANCE WITH LAWS:**

28.1 The MCFC shall comply with all applicable provisions of law including, but not limited to, federal and provincial legislative enactments, and any applicable laws and regulations, including but not limited to: forestry operations, use of land, public health, wildlife, endangered species, environmental protection and fire prevention and control.

**29. MAINTENANCE AND REPAIR:**

29.1 The MCFC shall not cause or permit any nuisance or damage to adjacent or nearby properties.

29.2 In accordance with the purpose described in Schedule 1, the MCFC shall be responsible for the maintenance of the Pilot Project Land as found and shall keep the Pilot Project Land in good repair and in a clean and tidy condition to the satisfaction of NSDNR and shall yield up same in good repair and in a clean and tidy condition to the satisfaction of NSDNR at the expiration or termination of this Agreement. Where any repair is made necessary by an action or inaction of the MCFC, the MCFC shall make such repairs to the Pilot Project Land as are required by NSDNR from time to time.

29.3 The MCFC shall not, during the term of this Agreement, do, suffer or permit to be done any act or thing which may impair, damage or injure the Pilot Project Land

beyond the damage occasioned by reasonable use in accordance with the purpose described herein in Schedule 1, and shall, at the MCFC's own cost and expense, maintain and repair all portions of the Pilot Project Land which may at any time be damaged other than through reasonable use thereof, NSDNR to be the sole judge of the meaning of the words "reasonable use".

29.4 NSDNR may, without notice, enter the Pilot Project Land for purposes of inspection of the Pilot Project Land in order to determine the conditions or state of repair of any of the Pilot Project Land.

29.5 The MCFC shall be responsible for disposing of all garbage and waste material resulting from the use of the Pilot Project Land. Disposal shall be by approved means or as directed in writing by NSDNR.

### **30. FIRE HAZARDS:**

30.1 The MCFC shall not do and shall not permit to be done on the Pilot Project Land anything which will or might increase the forest fire hazard. Unless exempted in writing by the NSDNR, the MCFC shall, during the term of the Operating Agreement, keep and maintain in the area of operation, fire equipment as outlined in *Forest Fire Protection Regulations* or such other equipment as the NSDNR may specify from time to time.

### **31. ERECTION OF EQUIPMENT AND STRUCTURES:**

31.1 The MCFC may, upon receiving prior written approval by NSDNR, place or erect on the Pilot Project Land only such equipment, buildings, structures and other personal property deemed necessary for the Pilot Project described in Schedule 1. The MCFC shall keep the same in good repair to the satisfaction of NSDNR and shall forthwith make such repairs as requested by NSDNR. All such buildings or structures or other improvements shall be constructed and thereafter maintained by and at the cost and expense of the MCFC.

### **32. NON-INTERFERENCE WITH FOREST MANAGEMENT PRACTICES:**

32.1 NSDNR covenants with the MCFC for the peaceful and quiet enjoyment of the Pilot Project Land during the term of this Agreement, subject to the provisions herein.

32.2 The MCFC shall not interfere in any way with the use of immediately adjoining lands by NSDNR or any other Licensee or owner of the adjoining lands in the

harvesting of forest products and the MCFC recognizes the right of NSDNR or any Licensee or owner of the immediately adjoining lands to conduct forestry operations or forest management activities including without limiting the generality thereof, the construction and maintenance of roads; the harvesting of trees and any follow up activity required; and the use of forestry equipment and machinery thereon without interference by the MCFC.

**33. LIABILITY AND INSURANCE:**

- 33.1 The MCFC shall be deemed to be the occupier of the Pilot Project Land and shall be responsible for ensuring the Pilot Project Land is maintained to a standard suitable for the use of the Pilot Project Land as set out in this Agreement. The MCFC shall be solely liable for Pilot Project Land maintenance. MCFC shall be liable for any and all damage caused to the Pilot Project Land due to the actions of its contractors, subcontractors, employees or agents engaged in Forestry Activities on the Pilot Project Land.
- 33.2 The MCFC is not in any way the agent of NSDNR.
- 33.3 The MCFC shall not have any claim or demand against NSDNR for loss, damage or injury of any nature whatsoever or howsoever caused to the person or property of the MCFC or third parties unless such loss, damage or injury is due to the negligence of any officer or servant of NSDNR while acting within the scope of their employment.
- 33.4 The MCFC shall be responsible for the actions and safety of all persons authorized by the MCFC to visit the Pilot Project Land
- 33.5 The MCFC and/or guests, invitees, employees, servants, agents, contractors, etc., and permitted assigns voluntarily accept all risks incurred while visiting or staying on the Pilot Project Land.
- 33.6 The MCFC shall, at its own expense, provide general liability insurance. The insurance shall be written in such terms as will fully protect the MCFC and also NSDNR as an additional insured. The limits of coverage shall not be less than \$2,000,000.00 with respect to each occurrence or accident, \$2,000,000.00 annual aggregate, on an occurrence (not claims made) basis. The MCFC shall provide proof of such insurance annually by providing a copy of a proof of insurance to NSDNR's Regional Director.

33.7 The MCFC shall not do or omit to do or suffer anything to be done or omitted to be done with regard to the Pilot Project Land which will in any way impair or invalidate such coverage.

**34. INDEMNITY:**

34.1 The MCFC shall at all times indemnify and save harmless NSDNR or any of their officers, employees or agents from and against all claims, demands, losses, costs, damages, including personal injury or death, actions, suits and other proceedings by whomsoever made, sustained, brought or prosecuted, or from anything done or omitted by the MCFC, in any manner based upon, occasioned by or attributable to the execution of this Operating Agreement, unless such claims, etc., result from the negligence of any officer, employee or agent of NSDNR while acting within the scope of their duty or employment.

34.2 Details of claims included in 34.1 brought against the MCFC with respect to the Pilot Project Land are to be immediately reported to NSDNR at the address for Notice.

**35. TRESPASS:**

35.1 NSDNR shall not be liable for the loss of or damage to any property of the MCFC by trespass, theft or otherwise.

35.2 The MCFC shall be responsible for providing for the safety and security of the structures, equipment and harvested products on the Pilot Project Land. Expenses incurred to control trespass, theft or damage shall be the responsibility of the MCFC.

**36. ASSIGNMENT AND TRANSFER:**

36.1 This Agreement is not subject to assignment or transfer.

36.2 The MCFC shall not assign or in any way encumber the Pilot Project Land, or any part thereof.

**37. DISSOLUTION OR BANKRUPTCY:**

37.1 In the event of winding up or dissolution of the MCFC, or the adjudication of the MCFC as bankrupt pursuant to the *Bankruptcy Act*, or an assignment by the MCFC for the benefit of its creditors, or the commencement of proceedings under

any insolvency legislation, or the appointment of a receiver or trustee to its property, then this Agreement shall terminate immediately and the term herein created be at an end and the MCFC shall quit and surrender the Pilot Project Land to NSDNR, but shall notwithstanding remain liable for any loss or damage suffered by NSDNR.

**38. TITLE TO PILOT PROJECT LAND:**

38.1 Notwithstanding that the NSDNR has no reason to doubt the validity of its title to the Pilot Project Land, it is hereby declared and this Agreement is accepted by the MCFC upon the express condition that the MCFC shall have no recourse against NSDNR should NSDNR's title to the Pilot Project Land be found to be defective or should these presents prove ineffectual by reason of any defect in title or access.

**39. VACATING PILOT PROJECT LAND:**

39.1 On the termination of this Agreement for any circumstances whatsoever, the MCFC shall forthwith vacate the Pilot Project Land in a condition satisfactory to NSDNR and NSDNR shall incur no expense, liability or cost in this regard.

**40. NOTICES:**

40.1 Any notice or document required to be given by this Operating Agreement shall be deemed to have been received if delivered or mailed postage pre-paid seven (7) business days following the day such notice or document was mailed, with such notice or document to be delivered:

- a) to NSDNR addressed to the Director of Resource Management, Regional Services Branch, Department of Natural Resources, PO Box 698, Halifax, Nova Scotia, B3J 2T9, or at such other address as the Department may direct from time to time;
- b) to the MCFC addressed to the Chair, Medway Community Forest Co-operative Ld., at c/o Mersey Tobeatic Research Institute, PO Box 215, Kempt, N.S. B0T 1B0, or at such other address as the MCFC may direct from time to time.

**41. ENUREMENT:**

41.1 This Agreement shall enure to the benefit of and be binding upon NSDNR, its Heirs, Successors, assigns and authorized representatives, and upon the MCFC or its successors.

**42. WAIVER:**

42.1 The failure of NSDNR to insist upon a strict performance of any covenants, provisos, conditions or reservations contained in this Agreement shall not be deemed a waiver of any rights or remedies that NSDNR may have and shall not be deemed a waiver of any subsequent breach or default in the covenants, provisos, conditions or reservations contained in this Agreement.

**43. AMENDMENT TO AGREEMENT:**

43.1 This Agreement shall not be changed, modified or discharged orally. Any changes shall be made in writing and when agreed upon by all parties, shall be incorporated and form part of this Agreement.

**44. DISPUTE:**

44.1 In the event of any dispute or difference arising as to any matter or thing connected with this Agreement or the interpretation thereof, the same shall be determined by and at the sole discretion of NSDNR but with consideration of the intent and purpose of this agreement.

**45. TIME:**

45.1 Time is of the essence.

**RESERVING**, however, to NSDNR, its heirs and successors, all mines, quarries, minerals and non-minerals, including gypsum and Crown limestone with full liberty at all times to search, quarry, bore, secure, obtain and dig for and appropriate and carry away the same and for that purpose to enter from time to time upon the demised property or any part thereof and from time to time to authorize any other person or persons, corporation or corporations by grant, Agreement, license, or otherwise to exercise the said liberty or right hereby reserved.

**AND FURTHER RESERVING** to NSDNR, its heirs and successors, all rights, interests, claims, privileges, easements, possessions and liberties heretofore granted, leased or licensed or otherwise lawfully acquired in or in respect of any such mines or minerals on the Pilot Project Land or any part thereof.

**AND FURTHER RESERVING** to NSDNR, the right to complete or open and complete any road through the Pilot Project Land or any part thereof that NSDNR deems expedient to complete or open and complete together with the right to grant a right-of-way across the Pilot Project Land related to a public function, such as the transmission of energy or communications.

**AND FURTHER RESERVING** to other Crown land Licensees or rights holders, the right to complete or open and complete any road through the Pilot Project Land or any part thereof that NSDNR expedient to complete or open and complete across the Pilot Project Land to connect with other roads the other party may establish on other areas of Licensed Crown lands or on privately owned lands.

**EXCEPT AS PROVIDED HEREIN, FURTHER RESERVING** to NSDNR all timber and trees now standing or growing or hereafter to be standing or growing upon the Pilot Project Land or any part thereof.

**EXCEPT AS PROVIDED HEREIN,** that no exclusive right or privilege to take game or fish in any manner whatsoever from the Pilot Project Land or the lakes, rivers, brooks, or streams or other waters in or upon the Pilot Project Land shall by virtue of this Agreement pass to the MCFC.

**IN THIS AGREEMENT** and where the context requires, words in the singular include the plural and vice versa, and words importing the masculine gender shall include the feminine and neuter genders, and words importing persons shall include firms and corporations and vice versa, and all covenants, provisos, stipulations, agreements, liabilities and obligations entered into by or imposed upon the MCFC herein, if more than one, shall be joint and several.





## Schedule 1

### Medway Community Forest Cooperative

#### Objectives and Principles

##### **Management Objective:**

The overall management goal of the MCFC is to generate a profit from ecologically appropriate forest management and other activities to enable support of the local community. Without a profitable community forest model there can be little or no support provided to the community.

##### **Management Principles:**

- The forest resource is managed in such a way as to be economically viable without dependency on government subsidies;
- The Co-op will strive to support economic stability in the local community;
- The Co-op will aim for a high level of business innovation through new product development, start-up ventures, and community investment;
- The land base will be managed to maximize multiple economic, social, and environmental values;
- The organizational design and planning processes are designed to cultivate a broad level of community collaboration;
- Governance structures will have a high level of accountability and transparency; to the community and board of director positions will be democratically elected from an open membership;
- The forest will be managed using ecologically based forest management to maintain, enhance, or restore healthy Acadian forest conditions;
- The forest will be managed in full consideration of the larger landscape, including protected areas and high conservation values.

## **Schedule 2**

Plan map of the community forest parcels.

### **Schedule 3**

#### **Community Forest Performance Evaluation Criteria**

At the completion of the three year term, the Minister may provide a replacement agreement for a period of 20 years, renewable each 5 years, providing the following criteria have been achieved during the Pilot Project:

- i) The MCFC has made available to the market a minimum 50% of the calculated annual allowable cut each year, the year commencing the month and day this agreement is signed, and a minimum of 60% and maximum of 110% of the annual allowable cut over the three year term;
- ii) A management plan for the MCFC has been developed and is in place to guide operations and operations are consistent with this management plan;
- iii) The MCFC has demonstrated implementation of practices consistent with the Nova Scotia Code of Forest Practice and the required Management Practices;
- iv) The MCFC has demonstrated substantial compliance with the Acts and Regulations regarding forest management in Nova Scotia; and
- v) The MCFC has demonstrated compliance with this agreement and has made progress in achieving the Pilot Project Objectives, criteria and indicators of success as set out in the Table A included as part of this Schedule.

SCHEDULE 3, TABLE A				Pilot Project Evaluation	Who
Principles	Criteria	Indicators	Measures		
Local governance	The MCFC strives for diversity & representation on the board of directors	A balance of interests are represented on the Board of Directors	MCFC Board has 3 seats for social interests, 3 seats for economic interests, 3 seats for environmental interests, 3 seats for First Nations interests	x	MCFC and DNR
	The MCFC strives for a high level of information transparency in all its activities and decisions	Board decisions and actions are freely available to interested parties	Meeting minutes are clearly recorded and kept on file	x	MCFC and DNR
			Minutes are made available to members and the general public	x	MCFC and DNR
	The MCFC develops clear engagement with Mi'kmaq communities and supports aboriginal rights on the land	There are a minimum of 3 positions on the Board of Directors for Mi'kmaq representation	Evidence of due diligence and active efforts to fill Board seats for Mi'kmaq representatives	x	MCFC and DNR
			Evidence of ongoing relationship and communication with Mi'kmaq communities	x	MCFC and DNR

	The MCFC demonstrates sound corporate governance capacity	Effective governance policies and processes are in place	Board member satisfaction with governance processes	x	MCFC and DNR
			Evidence of successful resolution of conflict	x	MCFC and DNR
Local Economic Benefits	The MCFC supports a significant level of business innovation	The MCFC develops multiple revenue streams	Multiple revenue streams are in place	x	MCFC
	The MCFC generates a financial return to Province	The financial return to Province is greater than the cost of program funding provided by the Government	Value of annual stumpage payments	x	MCFC and DNR
			Records that stumpage has been paid	x	MCFC and DNR
Management for Multiple Use Values	The MCFC protects Aboriginal values on the landbase	Sites of cultural significance are identified and protected	Management plan identifies sites of cultural significance	x	MCFC and DNR
			Management plan describes protection strategies	x	MCFC and DNR
	The MCFC develops recreation opportunities on the landbase	The MCFC increases the diversity of forest experiences on the landbase	Established process to permit activities in line with MCFC vision and business plan	x	MCFC and DNR

Environmental Quality	The MCFC maintains or increases the health of the forests under its management	Third party forest certification is maintained	Certificate is active	x	MCFC and DNR
	A Management plan appropriate to the needs and interests of the community forest is in place	MCFC and DNR collaborate on management planning	Appropriate management plans exist	x	MCFC and DNR
		A management plan is implemented	Compliance reporting	x	MCFC and DNR
			Regular updates provided		MCFC and DNR
	The MCFC demonstrates a high quality of forestry practice	Management activities are in accord with the Code of Forest Practices	Compliance reporting	x	MCFC and DNR
		Special management practices for the management of wildlife and other environmental values are implemented	Compliance reporting	x	MCFC and DNR
		Business processes are in place to minimize and mitigate potential environmental risks from operations	Tenders and contractors hired meet requirements	x	MCFC and DNR
			Staff training to meets requirements	x	MCFC and DNR

## Schedule 4

### Initial Stumpage FY 2014-15

<b>Initial Stumpage</b>			
<b>April 1st 2014- March 31st 2015</b>			
<b>Product</b>	<b>Includes Overhead Allowance (1)</b>		
	<b>April 1st 2014- March 31st 2015</b>		
	<b>For Volume Agreements</b>		
	<b>Applicable Stumpage Rates (2)</b>		
	<b>m3</b>	<b>tonnes</b>	<b>(imperial)</b>
<b>Sawlog</b>			
Hardwood unsorted	\$ 13.39	\$ 12.89	\$ 75.83 Mfbm
Hardwood #2 and btr	\$ 19.35	\$ 18.63	\$ 109.58 Mfbm
Hardwood #3	\$ 13.39	\$ 12.89	\$ 75.83 Mfbm
Hardwood #4	\$ 7.57	\$ 7.29	\$ 42.87 Mfbm
Softwood (sp/fir)	\$ 29.36	\$ 34.26	\$ 166.27 Mfbm
Softwood (White Pine)	\$ 20.33	\$ 23.73	\$ 115.13 Mfbm
Softwood (Hem/L/rP/NS)	\$ 14.56	\$ 16.99	\$ 82.45 Mfbm
<b>Studwood</b>			
Softwood	\$ 23.80	\$ 27.77	\$ 55.26 Cords
<b>Pulpwood</b>			
Hardwood	\$ 7.69	\$ 7.41	\$ 14.81 Cords
Softwood Grade 1	\$ 9.51	\$ 11.10	\$ 21.01 Cords
Softwood Grade 2, west	\$ 3.95	\$ 4.61	\$ 8.73 Cords
<b>Veener</b>			
Prime Hwd	\$ 28.50	\$ 27.45	\$ 161.40 Mfbm
<b>Firewood</b>			
Hardwood	\$ 7.69	\$ 7.41	\$ 14.81 Cords
<b>Fuelwood/biomass</b>			
Eastern and Central			
greater than 75% Hardwood	\$ 7.49	\$ 7.21	N/A
greater than 75% Softwood	\$ 7.49	\$ 8.74	N/A
Western Region			
greater than 75% Hardwood	\$ 3.50	\$ 3.37	N/A
greater than 75% Softwood	\$ 3.50	\$ 4.08	N/A
<b>Conversion Factors</b>			
Sawlog (SW & HW)	1mfbm = 5.663 m3		
Studwood (softwood)	1 cord = 2.322 m3		
Studwood (hardwood)	1 cord = 2.209 m3		
Palletwood	1 cord = 2.209 m3		
Pulpwood (hardwood)	1 cord = 1.926 m3		
Pulpwood (softwood)	1 cord = 2.209 m3		
Fuelwood	1 cord = 1.926 m3		
tonnes SW	1 tonne = 1.167 m3		
tonnes HW	1 tonne = 0.963 m3		
1. Included is an Overhead Allowance of \$2.13/m3 in 10 year Volume Utilization Agreement if earned			
2. Silviculture Contributions are included in the rates for all agreements			
\$3.00/m3 softwood products and \$0.60/m3 hardwood products			
An Overhead Allowance of \$4.67/m3 would apply to an area based Management Agreement			
Minimum price of \$3.50			

## **Schedule 5**

### **Current Special Forest Management Policies as of December 3, 2014**

This list and the contents of the policies listed are subject to change at the sole discretion of NSDNR. It is the responsibility of the Operating Agreement holder to be aware of any such changes.

- Boreal Felt Lichen Special Management Practices
- Boreal Felt Lichen Recovery Strategy
- Special Management Practice for Heron Colonies
- Atlantic Coastal Plain Flora Recovery Plan
- Mainland Moose Recovery Plan
- Wood Turtle Management Plan
- Wood Turtle Special Management Practices
- Blandings Turtle Recovery Strategy
- Endangered Mainland Moose Special Management Practices
- Bald Eagle Special Management Practices
- White-Tailed Deer Wintering Areas Special Management Practices
- Code of Forest Practice
- Old Forest Policy
- Forest Ecosystem Classification for Nova Scotia (DNR Report FOR-2013-1)
- Forest/Wildlife Guidelines and Standards (1989)
- Standard Operating Procedures required by virtue of NSDNR forest management certification(s)
- Pre-Treatment Assessment, as provided by NSDNR