

Forest Management Plan Amendment

**Mountain Pine Beetle Addendum
Forest Management Unit W14
Approval Decision**

**Blue Ridge Lumber Inc.
(A Subsidiary of West Fraser Ltd.)**

**Forest Management Agreement
#7500020**

**Date: May 22, 2009
Effective: May 1, 2008**

Approved by: _____
**Robert W. Stokes, RPF
Acting Executive Director
Forest Management Branch
Forestry Division**

Executive Summary

The Blue Ridge Lumber Inc. Forest Management Plan Mountain Pine Beetle (MPB) amendment dated February 6, 2009 is approved subject to the satisfactory completion of the Approval Conditions contained in this document.

The MPB amendment has been validated¹ by a Regulated Forestry Professional (RFP). The Department recognizes RFP-validated work as complete, accurate and prepared with professional due diligence. The MPB amendment has been reviewed and approved by government RFPs.

Approved Annual Allowable Cuts

The total approved annual allowable cuts (AAC) are shown in summary in Table A:

Table A: Summary of total annual allowable cuts in Blue Ridge Lumber FMA

| <i>Timber Type</i> | <i>FMA Total AAC</i> | <i>Notes</i> | <i>Reference</i> |
|---------------------------|------------------------------|-------------------------------------|-------------------------|
| <i>Coniferous</i> | <i>808,234 m³</i> | <i>Structure retention included</i> | <i>Page 6, Table 2</i> |
| <i>Deciduous</i> | <i>389,682 m³</i> | <i>Structure retention included</i> | <i>Page 11, Table 7</i> |

Structure retention was not removed from the approved AACs. Refer to the structure retention strategy approved on August 3, 2005 for further details on targets and monitoring. Industrial salvage volumes shall be reported as AAC drain by the FMA Company and embedded quota holders. Refer to the agreement dated February 9, 2009 for further details on the allocation of salvage among operators.

Authorization

The Spatial Harvest Sequence (SHS) contained in this MPB amendment replaces the SHS contained in the Forest Management Plan dated October 25, 2004.

The SHS contained in this MPB amendment is effective beginning May 1, 2007.

The annual allowable cuts are effective beginning May 1, 2008.

The next Forest Management Plan is due by May 1, 2018

¹ Refer to the Alberta Forest Management Planning Standard, Annex 2 for professional validation requirements.

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1.0 Introduction

Alberta is continuing to experience a significant outbreak of mountain pine beetle (MPB) and is implementing control strategies with respect to this outbreak and strategies to prevent future outbreaks². Blue Ridge Lumber Inc.'s (Blue Ridge) addendum to its approved Forest Management Plan (FMP) meets the requirements established by Alberta for such amendments³. This decision documents the rationale for approval and direction for ongoing work.

It is important to note the implementation of this plan is not intended to control the current MPB outbreak, but rather to take actions over the next twenty years to create a forest that is more resistant to such outbreaks by dramatically reducing the overall susceptibility of the pine forest (Pine Strategy). This is a prudent and necessary strategy to avoid the types of catastrophic changes being seen in British Columbia's pine forests. However, if the current outbreak in Alberta expands as rapidly as the British Columbia outbreak, the strategies in this plan will have to be modified to address that reality.

Alberta has directed⁴ that the key outcomes of three scenarios (the current management plan or status quo, the Pine Strategy and a MPB outbreak) be presented. I believe given the MPB outbreak in Alberta, the current management plans do not present likely scenarios and considering today's circumstances, comparison of the Pine Strategy and the MPB outbreak scenarios are the pertinent analyses.

Alberta's goal is to mitigate the effects of MPB on the social, environmental, and economic values of Alberta's forests. To achieve this goal, Alberta must make trade-offs which involve achieving a desired result, generally at the complete or partial expense of something else. Stakeholders are often interested in only one value and are not prepared to consider trade-offs, whereas Alberta must make trade-off decisions in order to reasonably meet its goal for the overall benefit of Albertans.

2.0 Forest Management Plans (FMP) and Priority of MPB Control Strategies

The approval of the FMP amendment results in a new spatial harvest sequence and timber supply. Commitments in the balance of the existing FMP remain in effect until they are replaced by a new FMP. The status of the MPB outbreak will likely be apparent in time for the preparation of the new FMP which will then be able to better address the trade-offs between key outcomes.

The major MPB infestation in British Columbia has spread into Alberta: specifically the Eastern Slopes of the Rocky Mountains, Banff and Jasper National Parks, the Bow Corridor in Kananaskis Country, the Crowsnest Pass, the Grande Prairie region, and east to Slave Lake. MPB infestations are located to the north, south and west of the Blue Ridge FMA, and aerial surveys conducted in 2008 confirm the presence of red attack trees within the W14 forest management unit (FMU). In the event of an outbreak in the FMU, it will be crucial to take all appropriate steps to control the infestation by executing control activities (Level 1 and Level 2⁵) which will take priority over the spatial sequence in this amendment. I expect activities over the next few years to be a combination of control (Level 1 and Level 2) and prevention (Pine Strategy), and operational changes necessary to accomplish both will be handled through annual operating plans.

² See the *Mountain Pine Beetle Action Plan for Alberta (AP)* and the *Interpretive Bulletin - Planning Mountain Pine Beetle Response Operations (IP)* on the department of Sustainable Resource Development (SRD) website

³ See the *Interpretive Bulletin - Planning Mountain Beetle Response Operations* on SRD website.

⁴ See IP

⁵ See AP for definitions

3.0 Habitat for Species of Special Concern (Grizzly Bear Habitat)

Alberta's Grizzly Bear Recovery Plan (GBRP) has been accepted by the Minister of Sustainable Resource Development. The GBRP recognizes that reduced grizzly bear survival and reproductive success are linked to human activity in core and secondary habitats. Access development increases human activity. The department will finalize an implementation plan for the GBRP in the near term. When this is published, the Company shall address the requirements in its operational plans and the next forest management plan.

In the interim, Blue Ridge conducted an assessment of its forest management activities on grizzly bear habitat. Operational planning can mitigate many of the impacts of timber harvest activities and should be used where conditions are appropriate.

4.0 Access

The Road Corridor Development Plan was approved on January 17, 2006. This plan provided a general overview of the roads that Blue Ridge uses and plans to develop as part of forest management operations. Access is essential to the management of MPB and the impacts will be mitigated with good planning, effective construction, timely reclamation, and reforestation. Blue Ridge commits to working with the local Area staff to address the approval conditions specified in the January 17, 2006 letter.

The following is required:

Approval Condition 4.1 – Access

- i. Blue Ridge shall develop an alternative strategy for the planned all weather access (new section) in compartments 61095 and 62105. The Company shall develop access to one of the existing access routes; however, multiple links are not warranted in this particular location.**
- ii. To develop access, Blue Ridge shall conduct effective and meaningful consultation with recreation groups with interests in these routes to address mitigation strategies and minimize potential conflicts.**
- iii. Proposed access corridors that cross Zone C – Key Wildlife and Watercourse areas shall consider feasible alternatives. The selected route(s) require detailed road plans be developed to support review and approval.**

5.0 Water Yield

Blue Ridge assessed the impact of the Pine Strategy amendment on the watersheds in the FMA. Long-term average annual water yield increases range between 1 % and 15%. Forecasts indicate no watersheds exceed a 15% increase, although watershed 7 was assessed at 15%. The results are not unexpected and are acceptable outcomes from the planned operations to address MPB susceptible pine reduction.

6.0 Long Term Fibre Sustainability

The fibre flow proposed in the MPB Preferred Scenario is acceptable for the forest management unit. The marginal increase from 795,750 m³ to 808,234 m³ is planned for 20 years followed by a reduction to 775,250 m³ for the remainder of the planning horizon. The reduction represents a modest decrease of 2.6% to the long-term harvest level.

7.0 Pine Strategy Implementation

The department recognizes that uncertain economic conditions may limit the company's ability to fully implement the Pine Strategy. The company has developed a rational and feasible FMP amendment that achieves a significant reduction in MPB susceptible pine on its management area. On-going and timely communication with local government staff is essential to manage the issues identified, and those yet to be identified. Blue Ridge is encouraged to continue its efforts to keep the public and stakeholders advised of its operational plans and accomplishments in addressing the MPB situation.

The implementation of the Pine Strategy does not guarantee the prevention of an outbreak in the near future; however, in twenty years it will create a forest that is more resistant to such outbreaks. Should an outbreak occur, salvage strategies will address the outbreak to minimize the socio-economic and environmental impacts.

8.0 Embedded Timber Operators

Blue Ridge has reached general agreement with the embedded timber operators and the department regarding operational sequencing and annual allowable cut (AAC) sharing. Tables 2 and 7 present the approved AACs for the forest management unit and each operator.

9.0 Spatial Harvest Sequence

The spatial (mapped) harvest sequence (SHS) is the most important output of the FMP as it implements the strategies the companies must follow to achieve the predicted future forest condition. While dependent on many factors, the future forest condition is strongly influenced by harvest patterns, intensity and schedules. It presents spatially and temporally how the integration of environmental, economic and social values will be achieved on the FMA. Adherence to a properly planned harvest sequence is imperative to achieving the predicted future forest. Blue Ridge commits to following the SHS and tracking variance.

The SHS submitted with this mountain pine beetle amendment incorporates land-use updates to 2007. Therefore, the SHS is effective beginning May 1, 2007. Forest Management Branch recognizes that Blue Ridge may have to draw from the 11 – 20 year SHS prior to submission of the next Forest Management Plan in 2018.

The following is required:

Approval Condition 9.1 – Spatial Harvest Sequence

- i. Blue Ridge shall follow the mapped 20-year harvest sequence as presented in the FMP.**

- ii. **To address operational planning concerns, all timber disposition holders are authorized to modify the SHS by deleting no more than 20% of the total sequenced area in each compartment by decade, while harvesting no more than 100% of the total area within the SHS by compartment, by decade.**
 - a. **Preference should be given to selecting stands from the second 10-year period of the SHS (years 2017-2026) when replacing deleted stands (from ii above). Where this is not feasible, replacements may be from any other stands identified in the approved net landbase of the FMP, with priority given to pine stands that are ranked highly susceptible to MPB infestations.**
- iii. **Where timber operators exceed the variance described in (ii), the Area Manager, Woodlands Area may require the completion of a Compartment Assessment and the Senior Manager, Forest Planning Section may recommend the adjustment of the approved annual allowable cut (AAC) to reflect the impact of the variance.**
- iv. **The Department requires the variance from the SHS to be reported annually and the 5-year Stewardship Report to analyze the variance from the SHS.**
- v. **The Department will generally not request a modification of the approved harvest sequence for the first 15 years of the planning period unless required by a change in legislation or a policy approved by the Minister.**

10.0 Performance Monitoring and Reporting

The effective implementation of the Pine Strategy throughout Alberta is very important, and timely information is vital to ensuring the best decisions are made and the most appropriate management strategies are developed. Considering this, the Department will require Pine Strategy progress reports to be prepared to keep the Department, other agencies and the public knowledgeable and current on the work completed. The Department will publish these requirements at a later date.

11.0 Authorization

The Forest Management Plan Amendment for Forest Management Agreement 7500020 effective May 1, 2008 is approved as per the annual allowable cuts presented in Tables 2 and 7.

The annual allowable cuts are effective beginning May 1, 2008.

The next Forest Management Plan shall be received by the department in time for approval by May 1, 2018.

Table 1. Historical Coniferous Allocations and Annual Allowable Cuts¹

| FMU | Company Name | Disposition Number | Landbase Management Type | Source | Volume Supply Area | Cover Group / Species | Primary Disposition Allocation (%) | Primary Coniferous AAC (m³) 15/10/30 cm | Total Approved AAC (m³) |
|----------------------|-------------------------------------|---------------------------|---------------------------------|---------------|---------------------------|------------------------------|---|---|---|
| W14 | Blue Ridge Lumber Inc. | FMA7500020 | Single Combined | FMA-Only | n/a | All | | 723,683 | 723,683 |
| W14 | | Local Use | Single Combined | FMA-Only | n/a | All | | 3,637 | 3,637 |
| W14 | FMA AAC Subtotal | FMA7500020 | Single Combined | FMA-Only | n/a | All | | 727,320 | 727,320 |
| W14 | Millar Western Forest Products Ltd. | CTQW140001 | Single Combined | FMA-Only | VSA 1 | All | 8.6000% | 68,430 | 68,430 |
| FMU W14 Total | | | | | | | | 795,750 | 795,750 |

Notes:

1 Effective date: May 1, 2004

Table 2. Approved Coniferous Allocations and Annual Allowable Cuts
Effective Date: May 1, 2008

| FMU | Company Name | Disposition Number | Landbase Management Type | Source | Volume Supply Area | Cover Group / Species | Primary Disposition Allocation (%) | Primary Coniferous AAC (m ³) 15/10/30cm | Total Approved AAC (m ³) | Reduced AAC Effective Date | Reduced Primary Coniferous AAC (m ³) 15/10/30cm | Total Reduced Approved AAC (m ³) |
|----------------------|-------------------------------------|--------------------|--------------------------|----------|--------------------|-----------------------|------------------------------------|---|--------------------------------------|----------------------------|---|--|
| W14 | Blue Ridge Lumber Inc. | FMA7500020 | Single Combined | FMA-Only | n/a | All | | 735,032 | 735,032 | 1-May-28 | 705,035 | 705,035 |
| W14 | | Local Use | Single Combined | FMA-Only | n/a | All | | 3,694 | 3,694 | 1-May-28 | 3,543 | 3,543 |
| W14 | FMA AAC Subtotal | FMA7500020 | Single Combined | FMA-Only | n/a | All | | 738,726 | 738,726 | 1-May-28 | 708,578 | 708,578 |
| W14 | Millar Western Forest Products Ltd. | CTQW140001 | Single Combined | FMA-Only | VSA 1 | All | 8.6000% | 69,508 | 69,508 | 1-May-28 | 66,672 | 66,672 |
| FMU W14 Total | | | | | | | | 808,234 | 808,234 | | 775,250 | 775,250 |

Table 3. Coniferous Periodic Allowable and Quadrant Authorized Allowable Cuts

| 3.1 | | W14 Blue Ridge Lumber Inc. | | Disposition: FMA7500020 | | | |
|--|-----------------------------|---|---------------------------|---|---|---|--|
| | | Period Start: 1-May-08 | | Period End: 30-Apr-13 | | | |
| | Period Segment Start Date | Period Segment End Date | Years in Period Segment | Primary Approved Harvest Level (m ³ /yr) | Primary PAC Contribution (m ³) | Total PAC Contribution (m ³) | Notes |
| 1 | 1-May-08 | 30-Apr-13 | 5.0000000000 | 738,726 | 3,693,630.0000 | 3,693,630.0000 | Approved operational utilization changes will be reflected in the annual timber production audit. |
| Periodic Reconciliation Volume (m ³) | | | | | 182,875 | 182,875 | 5 yrs x 36,575 m ³ /yr of audited unused green timber (731,503 m ³ or 36,575 m ³ /yr from 1998 Virginia Hills fire was approved as carry forward to be harvested over 20 years commencing Sept. 1, 2000). |
| PAC Total | | | | | 3,876,505 | 3,876,505 | |
| 3.2 | | W14 Millar Western Forest Products Ltd. | | Disposition: CTQW140001 | | | |
| | | Quadrant Start 1-May-06 | | Quadrant End 30-Apr-11 | | | |
| | Quadrant Segment Start Date | Quadrant Segment End Date | Years in Quadrant Segment | Primary Approved Harvest Level (m ³ /yr) | Primary Quadrant Contribution (m ³) | Total Quadrant Contribution (m ³) | Notes |
| 1 | 1-May-06 | 30-Apr-08 | 2.0000000000 | 68,430 | 136,860.0000 | 136,860.0000 | |
| 2 | 01-May-08 | 30-Apr-11 | 3.0000000000 | 69,508 | 208,524.0000 | 208,524.0000 | Approved operational utilization changes will be reflected in the annual timber production audit. |
| Quadrant Reconciliation Volume (m ³) | | | | | 62,349 | 62,349 | 57,045m ³ (1996-2001 reconciliation from CTQ W020022) + 5304 m ³ (2003-2006 reconciliation from CTQ W140001) |
| QAAC Total | | | | | 407,733 | 407,733 | |

Table 4. Blue Ridge Lumber Inc. FMA Coniferous Chargeability

Effective Date: May 1, 2008

| FMU | Company Name | Disposition Number | Coniferous Species Used in AAC | Species NOT Chargeable to AAC | Rights to Species NOT Chargeable to AAC | Structure Retention (%) | Structure Retention (%) Accounted for in AAC | Net Landbase Deletions and Deferrals | Net Landbase Deletions and Deferrals: Rights to Timber | Industrial Salvage Chargeability Strategy |
|--|--------------|--------------------|--------------------------------|-------------------------------|---|-------------------------|--|--|--|---|
| All dispositions and FMUs (unless otherwise noted) | | | Sw, Sb, Pl, Fb, Lt | N/A | N/A | N/A | Structure retention target: 0.02 large patches (>0.2 ha) per hectare per compartment and 0.2 small patches (4 trees - 0.2 ha) per hectare per compartment. See strategies outlined in Structure Retention Strategy approved August 3, 2005. Structure retention was not removed from approved AAC. | Deferral: marginally merchantable stands. Deletions: Unproductive Timber Productivity Rating, moist sites, Sb-leading 6-11 m tall with origin older than 1900, Lt content greater than or equal to 30%, stand height less than 7 m and origin older than 1930. Stands identified as cutblocks or proposed cutblocks will remain in the productive landbase. | Deferred stands did not contribute to AAC | Industrial salvage volumes are to be reported as drain against the AAC by the FMA holder and embedded quota holders. Blue Ridge Lumber has adopted sole source chargeability for coniferous salvage. Deciduous industrial salvage from VSA 1 will be pro-rated between ANC and SRD. Deciduous industrial salvage from VSA 2 will be drained against Millar Western Forest Products' quota for pure deciduous stands and will be drained against Blue Ridge Lumber's deciduous AAC for mixedwood stands. See e-mail from Doug Schultz dated February 9, 2009 for more details. |

Table 5. Blue Ridge Lumber Inc. FMA Coniferous Utilization

Effective Date: May 1, 2008

| FMU | Company Name | Disposition Number | AAC Type | Cover Group / Species | Utilization used to determine Harvest Level in PFMS | | | | Operational Utilization | | | | |
|-----|-------------------------------------|--------------------|----------|-----------------------|---|---------------------|---------------------|-------------------|-------------------------|---------------------|---------------------|-------------------|---|
| | | | | | Top Diameter (cm) | Stump Diameter (cm) | Minimum Length (cm) | Stump Height (cm) | Top Diameter (cm) | Stump Diameter (cm) | Minimum Length (cm) | Stump Height (cm) | Coniferous Harvest Level (m ³) based on Operational Utilization |
| W14 | Blue Ridge Lumber Inc. | FMA7500020 | Primary | All | 10 | 15 | N/A | 30 | 11 | 15 | N/A | 30 | 709,916 |
| W14 | Millar Western Forest Products Ltd. | CTQW140001 | Primary | All | 10 | 15 | N/A | 30 | 12 | 15 | N/A | 30 | 63,079 |

Notes:
 Blue Ridge Lumber reduction 3.9% to move from 15/10/30 to 15/11/30
 Millar Western reduction 9.25% to move from 15/10/30 to 15/12/30

Table 6. Historical Deciduous Allocations and Annual Allowable Cuts

| FMU | Company Name | Disposition Number | Landbase Management Type | Source | Volume Supply Area | Cover Group / Species | Primary Deciduous AAC (m³) 15/10/30 cm | Total Approved AAC (m³) |
|----------------------|-------------------------------------|---------------------------|---------------------------------|---------------|---------------------------|-------------------------------|--|---|
| W14 | Blue Ridge Lumber Inc. | FMA7500020 | Single Combined | FMA-Only | VSA 2 | C, CD, DC, D(C) - all species | 117,640 | 117,640 |
| W14 | | Local Use | Single Combined | FMA-Only | VSA 2 | C, CD, DC, D(C) - all species | 591 | 591 |
| W14 | FMA AAC Subtotal | FMA7500020 | Single Combined | FMA-Only | VSA 2 | C, CD, DC, D(C) - all species | 118,231 | 118,231 |
| W14 | ANC Timber Ltd. | DTAW140001 | Single Combined | FMA-Only | VSA 1 | All cover groups - Aw only | 48,650 | 48,650 |
| W14 | ANC Timber Ltd. | DTAW140002 | Single Combined | FMA-Only | VSA 1 | All cover groups - Aw only | 32,975 | 32,975 |
| W14 | Millar Western Forest Products Ltd. | DTAW140003 | Single Combined | FMA-Only | VSA 2 | D - all species | 144,600 | 144,600 |
| W14 | Unallocated | Unallocated 1 | Single Combined | FMA-Only | VSA 1 | All cover groups - Aw, Bw | 20,954 | 20,954 |
| W14 | Unallocated | Unallocated 2 | Single Combined | FMA-Only | VSA 1 | All cover groups - Pb | 23,594 | 23,594 |
| W14 | Unallocated | Unallocated 3 | Single Combined | FMA-Only | VSA 2 | D - all species | 678 | 678 |
| FMU W14 Total | | | | | | | 389,682 | 389,682 |

Notes:
1 Effective date: May 1, 2004

Table 7. Approved Deciduous Allocations and Annual Allowable Cuts

Effective Date: May 1, 2008

| FMU | Company Name | Disposition Number | Landbase Management Type | Source | Volume Supply Area | Cover Group / Species | Primary Deciduous AAC (m ³) 15/10/30 cm | Total Approved AAC (m ³) |
|----------------------|-------------------------------------|--------------------|--------------------------|----------|--------------------|-------------------------------|---|--------------------------------------|
| W14 | Blue Ridge Lumber Inc. | FMA7500020 | Single Combined | FMA-Only | VSA 2 | C, CD, DC, D(C) - all species | 117,640 | 117,640 |
| W14 | | Local Use | Single Combined | FMA-Only | VSA 2 | C, CD, DC, D(C) - all species | 591 | 591 |
| W14 | FMA AAC Subtotal | FMA7500020 | Single Combined | FMA-Only | VSA 2 | C, CD, DC, D(C) - all species | 118,231 | 118,231 |
| W14 | ANC Timber Ltd. | DTAW140001 | Single Combined | FMA-Only | VSA 1 | All cover groups - Aw only | 48,650 | 48,650 |
| W14 | ANC Timber Ltd. | DTAW140002 | Single Combined | FMA-Only | VSA 1 | All cover groups - Aw only | 32,975 | 32,975 |
| W14 | Millar Western Forest Products Ltd. | DTAW140003 | Single Combined | FMA-Only | VSA 2 | D - all species | 144,600 | 144,600 |
| W14 | Unallocated | Unallocated 1 | Single Combined | FMA-Only | VSA 1 | All cover groups - Aw, Bw | 20,954 | 20,954 |
| W14 | Unallocated | Unallocated 2 | Single Combined | FMA-Only | VSA 1 | All cover groups - Pb | 23,594 | 23,594 |
| W14 | Unallocated | Unallocated 3 | Single Combined | FMA-Only | VSA 2 | D - all species | 678 | 678 |
| FMU W14 Total | | | | | | | 389,682 | 389,682 |

Table 8. Deciduous Periodic Allowable and Quadrant Authorized Allowable Cuts

| | | | | | | | |
|-------------------|-------------------------------------|--|----------------------------------|--|--|--|---|
| 8.1 | W14 | Blue Ridge Lumber Inc. | Disposition: FMA750020 | | | | |
| | Period Start: 1-May-08 | | Period End: 30-Apr-13 | | | | |
| | Period Segment Start Date | Period Segment End Date | Years in Period Segment | Primary Approved Harvest Level (m³/yr) | Primary PAC Contribution (m³) | Total PAC Contribution (m³) | Notes |
| | 1-May-08 | 30-Apr-13 | 5.0000000000 | 118,231 | 591,155.0000 | 591,155.0000 | |
| | Periodic Reconciliation Volume (m3) | | | | 0 | 0 | |
| PAC Total | | | | | 591,155 | 591,155 | |
| 8.2 | W14 | ANC Timber Ltd. | Disposition: DTAW140001 | | | | |
| | Quadrant Start 1-May-04 | | Quadrant End 30-Apr-09 | | | | |
| | Quadrant Segment Start Date | Quadrant Segment End Date | Years in Quadrant Segment | Primary Approved Harvest Level (m³/yr) | Primary Quadrant Contribution (m³) | Total Quadrant Contribution (m³) | Notes |
| | 1-May-04 | 30-Apr-09 | 5.0000000000 | 48,650 | 243,250.0000 | 243,250.0000 | |
| | Quadrant Reconciliation Volume (m3) | | | | 0 | 0 | |
| QAAC Total | | | | | 243,250 | 243,250 | |
| 8.3 | W14 | ANC Timber Ltd. | Disposition: DTAW140002 | | | | |
| | Quadrant Start 1-May-04 | | Quadrant End 30-Apr-09 | | | | |
| | Quadrant Segment Start Date | Quadrant Segment End Date | Years in Quadrant Segment | Primary Approved Harvest Level (m³/yr) | Primary Quadrant Contribution (m³) | Total Quadrant Contribution (m³) | Notes |
| | 1-May-04 | 30-Apr-09 | 5.0000000000 | 32,975 | 164,875.0000 | 164,875.0000 | |
| | Quadrant Reconciliation Volume (m3) | | | | 0 | 0 | |
| QAAC Total | | | | | 164,875 | 164,875 | |
| 8.4 | W14 | Millar Western Forest Products Ltd. | Disposition: DTAW140003 | | | | |
| | Quadrant Start 1-May-07 | | Quadrant End 30-Apr-12 | | | | |
| | Quadrant Segment Start Date | Quadrant Segment End Date | Years in Quadrant Segment | Primary Approved Harvest Level (m³/yr) | Primary Quadrant Contribution (m³) | Total Quadrant Contribution (m³) | Notes |
| | 1-May-07 | 30-Apr-12 | 5.0000000000 | 144,600 | 723,000.0000 | 723,000.0000 | |
| | Quadrant Reconciliation Volume (m3) | | | | 160,323 | 160,323 | Reconciliation volume results from the amalgamation of DTAW910001 and DTAW910002 in VSA 2 for the period covering 2003-2007. For detailed calculation refer to administrative note 3 of DTAW140003. |
| QAAC Total | | | | | 883,323 | 883,323 | |

| | | | | | | | | |
|-----|------------|-------------------------------------|-----------------------------------|----------------------------------|--|--|--|--------------|
| 8.5 | W14 | Unallocated | Disposition: Unallocated 1 | | | | | |
| | | Quadrant Start | 1-May-08 | Quadrant End | 30-Apr-13 | | | |
| | | Quadrant Segment Start Date | Quadrant Segment End Date | Years in Quadrant Segment | Primary Approved Harvest Level (m³/yr) | Primary Quadrant Contribution (m³) | Total Quadrant Contribution (m³) | Notes |
| | | 1-May-08 | 30-Apr-13 | 5.0000000000 | 20,954 | 104,770.0000 | 104,770.0000 | |
| | | Quadrant Reconciliation Volume (m3) | | | | 0 | 0 | |
| | | QAAC Total | | | | 104,770 | 104,770 | |
| 8.6 | W14 | Unallocated | Disposition: Unallocated 2 | | | | | |
| | | Quadrant Start | 1-May-08 | Quadrant End | 30-Apr-13 | | | |
| | | Quadrant Segment Start Date | Quadrant Segment End Date | Years in Quadrant Segment | Primary Approved Harvest Level (m³/yr) | Primary Quadrant Contribution (m³) | Total Quadrant Contribution (m³) | Notes |
| | | 1-May-08 | 30-Apr-13 | 5.0000000000 | 23,594 | 117,970.0000 | 117,970.0000 | |
| | | Quadrant Reconciliation Volume (m3) | | | | 0 | 0 | |
| | | QAAC Total | | | | 117,970 | 117,970 | |
| 8.7 | W14 | Unallocated | Disposition: Unallocated 3 | | | | | |
| | | Quadrant Start | 1-May-08 | Quadrant End | 30-Apr-13 | | | |
| | | Quadrant Segment Start Date | Quadrant Segment End Date | Years in Quadrant Segment | Primary Approved Harvest Level (m³/yr) | Primary Quadrant Contribution (m³) | Total Quadrant Contribution (m³) | Notes |
| | | 1-May-08 | 30-Apr-13 | 5.0000000000 | 678 | 3,390.0000 | 3,390.0000 | |
| | | Quadrant Reconciliation Volume (m3) | | | | 0 | 0 | |
| | | QAAC Total | | | | 3,390 | 3,390 | |

Table 9. Blue Ridge Lumber Inc. FMA Deciduous Chargeability

Effective Date: May 1, 2008

| FMU | Company Name | Disposition Number | Deciduous Species Used in AAC | Species NOT Chargeable to AAC | Rights to Species NOT Chargeable to AAC | Structure Retention (%) | Structure Retention (%) Accounted for in AAC | Net Landbase Deletions and Deferrals | Net Landbase Deletions and Deferrals: Rights to Timber | Industrial Salvage Chargeability Strategy |
|-----|------------------------|--------------------|-------------------------------|-------------------------------|---|-------------------------|--|--|--|--|
| W14 | Blue Ridge Lumber Inc. | FMA7500020 | Aw, Pb, Bw | N/A | See other entries in Table 9 | N/A | Structure retention target: 0.02 large patches (>0.2 ha) per hectare per compartment and 0.2 small patches (4 trees - 0.2 ha) per hectare per compartment. See strategies outlined in Structure Retention Strategy approved August 3, 2005. Structure retention was not removed from approved AAC. | Deferral: Marginally merchantable stands. Deletions: Unproductive Timber Productivity Rating, moist sites, stand height less than 7 m and origin older than 1930. Stands identified as cutblocks or proposed cutblocks will remain in the productive landbase. | Deferred stands did not contribute to AAC | Industrial salvage volumes are to be reported as drain against the AAC by the FMA holder and embedded quota holders. Blue Ridge Lumber has adopted sole source chargeability for coniferous salvage. Deciduous industrial salvage from VSA 1 will be pro-rated between ANC and SRD. Deciduous industrial salvage from VSA 2 will be drained against Millar Western Forest Products' quota for pure deciduous strands and will be drained against Blue Ridge Lumber's deciduous AAC for mixedwood stands. See e-mail from Doug Schultz dated February 9, 2009 for more details. |
| W14 | ANC Timber Ltd. | DTAW140001 | Aw | N/A | See other entries in Table 9 | N/A | Structure retention target: 0.02 large patches (>0.2 ha) per hectare per compartment and 0.2 small patches (4 trees - 0.2 ha) per hectare per compartment. See strategies outlined in Structure Retention Strategy approved August 3, 2005. Structure retention was not removed from approved AAC. | Deferral: Marginally merchantable stands. Deletions: Unproductive Timber Productivity Rating, moist sites, stand height less than 7 m and origin older than 1930. Stands identified as cutblocks or proposed cutblocks will remain in the productive landbase. | Deferred stands did not contribute to AAC | Industrial salvage volumes are to be reported as drain against the AAC by the FMA holder and embedded quota holders. Blue Ridge Lumber has adopted sole source chargeability for coniferous salvage. Deciduous industrial salvage from VSA 1 will be pro-rated between ANC and SRD. Deciduous industrial salvage from VSA 2 will be drained against Millar Western Forest Products' quota for pure deciduous strands and will be drained against Blue Ridge Lumber's deciduous AAC for mixedwood stands. See e-mail from Doug Schultz dated February 9, 2009 for more details. |
| W14 | ANC Timber Ltd. | DTAW140002 | Aw | N/A | See other entries in Table 9 | N/A | Structure retention target: 0.02 large patches (>0.2 ha) per hectare per compartment and 0.2 small patches (4 trees - 0.2 ha) per hectare per compartment. See strategies outlined in Structure Retention Strategy approved August 3, 2005. Structure retention was not removed from approved AAC. | Deferral: Marginally merchantable stands. Deletions: Unproductive Timber Productivity Rating, moist sites, stand height less than 7 m and origin older than 1930. Stands identified as cutblocks or proposed cutblocks will remain in the productive landbase. | Deferred stands did not contribute to AAC | Industrial salvage volumes are to be reported as drain against the AAC by the FMA holder and embedded quota holders. Blue Ridge Lumber has adopted sole source chargeability for coniferous salvage. Deciduous industrial salvage from VSA 1 will be pro-rated between ANC and SRD. Deciduous industrial salvage from VSA 2 will be drained against Millar Western Forest Products' quota for pure deciduous strands and will be drained against Blue Ridge Lumber's deciduous AAC for mixedwood stands. See e-mail from Doug Schultz dated February 9, 2009 for more details. |

| FMU | Company Name | Disposition Number | Deciduous Species Used in AAC | Species NOT Chargeable to AAC | Rights to Species NOT Chargeable to AAC | Structure Retention (%) | Structure Retention (%) Accounted for in AAC | Net Landbase Deletions and Deferrals | Net Landbase Deletions and Deferrals: Rights to Timber | Industrial Salvage Chargeability Strategy |
|-----|-------------------------------------|--------------------|-------------------------------|-------------------------------|---|-------------------------|--|--|--|--|
| W14 | Millar Western Forest Products Ltd. | DTAW140003 | Aw, Pb, Bw | N/A | See other entries in Table 9 | N/A | Structure retention target: 0.02 large patches (>0.2 ha) per hectare per compartment and 0.2 small patches (4 trees - 0.2 ha) per hectare per compartment. See strategies outlined in Structure Retention Strategy approved August 3, 2005. Structure retention was not removed from approved AAC. | Deferral: Marginally merchantable stands. Deletions: Unproductive Timber Productivity Rating, moist sites, stand height less than 7 m and origin older than 1930. Stands identified as cutblocks or proposed cutblocks will remain in the productive landbase. | Deferred stands did not contribute to AAC | Industrial salvage volumes are to be reported as drain against the AAC by the FMA holder and embedded quota holders. Blue Ridge Lumber has adopted sole source chargeability for coniferous salvage. Deciduous industrial salvage from VSA 1 will be pro-rated between ANC and SRD. Deciduous industrial salvage from VSA 2 will be drained against Millar Western Forest Products' quota for pure deciduous strands and will be drained against Blue Ridge Lumber's deciduous AAC for mixedwood stands. See e-mail from Doug Schultz dated February 9, 2009 for more details. |
| W14 | Unallocated | Unallocated 1 | 20954 m ³ : Aw, Bw | N/A | See other entries in Table 9 | N/A | Structure retention target: 0.02 large patches (>0.2 ha) per hectare per compartment and 0.2 small patches (4 trees - 0.2 ha) per hectare per compartment. See strategies outlined in Structure Retention Strategy approved August 3, 2005. Structure retention was not removed from approved AAC. | Deferral: Marginally merchantable stands. Deletions: Unproductive Timber Productivity Rating, moist sites, stand height less than 7 m and origin older than 1930. Stands identified as cutblocks or proposed cutblocks will remain in the productive landbase. | Deferred stands did not contribute to AAC | Industrial salvage volumes are to be reported as drain against the AAC by the FMA holder and embedded quota holders. Blue Ridge Lumber has adopted sole source chargeability for coniferous salvage. Deciduous industrial salvage from VSA 1 will be pro-rated between ANC and SRD. Deciduous industrial salvage from VSA 2 will be drained against Millar Western Forest Products' quota for pure deciduous strands and will be drained against Blue Ridge Lumber's deciduous AAC for mixedwood stands. See e-mail from Doug Schultz dated February 9, 2009 for more details. |
| W14 | Unallocated | Unallocated 2 | 23594 m ³ : Pb | N/A | See other entries in Table 9 | N/A | Structure retention target: 0.02 large patches (>0.2 ha) per hectare per compartment and 0.2 small patches (4 trees - 0.2 ha) per hectare per compartment. See strategies outlined in Structure Retention Strategy approved August 3, 2005. Structure retention was not removed from approved AAC. | Deferral: Marginally merchantable stands. Deletions: Unproductive Timber Productivity Rating, moist sites, stand height less than 7 m and origin older than 1930. Stands identified as cutblocks or proposed cutblocks will remain in the productive landbase. | Deferred stands did not contribute to AAC | Industrial salvage volumes are to be reported as drain against the AAC by the FMA holder and embedded quota holders. Blue Ridge Lumber has adopted sole source chargeability for coniferous salvage. Deciduous industrial salvage from VSA 1 will be pro-rated between ANC and SRD. Deciduous industrial salvage from VSA 2 will be drained against Millar Western Forest Products' quota for pure deciduous strands and will be drained against Blue Ridge Lumber's deciduous AAC for mixedwood stands. See e-mail from Doug Schultz dated February 9, 2009 for more details. |

| FMU | Company Name | Disposition Number | Deciduous Species Used in AAC | Species NOT Chargeable to AAC | Rights to Species NOT Chargeable to AAC | Structure Retention (%) | Structure Retention (%) Accounted for in AAC | Net Landbase Deletions and Deferrals | Net Landbase Deletions and Deferrals: Rights to Timber | Industrial Salvage Chargeability Strategy |
|-----|--------------|--------------------|---------------------------------|-------------------------------|---|-------------------------|--|--|--|--|
| W14 | Unallocated | Unallocated 3 | 678 m ³ : Aw, Pb, Bw | N/A | See other entries in Table 9 | N/A | Structure retention target: 0.02 large patches (>0.2 ha) per hectare per compartment and 0.2 small patches (4 trees - 0.2 ha) per hectare per compartment. See strategies outlined in Structure Retention Strategy approved August 3, 2005. Structure retention was not removed from approved AAC. | Deferral: Marginally merchantable stands. Deletions: Unproductive Timber Productivity Rating, moist sites, stand height less than 7 m and origin older than 1930. Stands identified as cutblocks or proposed cutblocks will remain in the productive landbase. | Deferred stands did not contribute to AAC | Industrial salvage volumes are to be reported as drain against the AAC by the FMA holder and embedded quota holders. Blue Ridge Lumber has adopted sole source chargeability for coniferous salvage. Deciduous industrial salvage from VSA 1 will be pro-rated between ANC and SRD. Deciduous industrial salvage from VSA 2 will be drained against Millar Western Forest Products' quota for pure deciduous strands and will be drained against Blue Ridge Lumber's deciduous AAC for mixedwood stands. See e-mail from Doug Schultz dated February 9, 2009 for more details. |

Table 10. Blue Ridge Lumber Inc. FMA Deciduous Utilization

Effective Date: May 1, 2008

| FMU | Company Name | Disposition Number | AAC Type | Cover Group / Species | Utilization used to determine Harvest Level in PFMS | | | | Operational Utilization | | | | |
|-----|-------------------------------------|--------------------|-----------------|----------------------------|---|---------------------|---------------------|-------------------|-------------------------|---------------------|---------------------|-------------------|--|
| | | | | | Top Diameter (cm) | Stump Diameter (cm) | Minimum Length (cm) | Stump Height (cm) | Top Diameter (cm) | Stump Diameter (cm) | Minimum Length (cm) | Stump Height (cm) | Deciduous Harvest Level (m ³) based on Operational Utilization |
| W14 | ANC Timber Ltd. | DTAW140001 | Primary | All cover groups - Aw only | 10 | 15 | N/A | 30 | | | | | |
| W14 | ANC Timber Ltd. | DTAW140002 | Primary | All cover groups - Aw only | 10 | 15 | N/A | 30 | | | | | |
| W14 | Millar Western Forest Products Ltd. | DTAW140003 | Primary | D - all species | 10 | 15 | N/A | 30 | | | | | |
| W14 | Unallocated | Unallocated 1 | Primary - VSA 1 | All cover groups - Aw, Bw | 10 | 15 | N/A | 30 | | | | | |
| W14 | Unallocated | Unallocated 2 | Primary - VSA 1 | All cover groups - Pb | 10 | 15 | N/A | 30 | | | | | |
| W14 | Unallocated | Unallocated 3 | Primary - VSA 2 | D - all species | 10 | 15 | N/A | 30 | | | | | |

Table 11. Fiber Transfer Agreements within the Blue Ridge Lumber Inc. FMA Area

| Source Company | Source Dispositon Number | Transfer Type | Company Directed To | Species Group | Volume (m3/yr) | Comments |
|------------------------|---------------------------------|----------------------|----------------------------|----------------------|-----------------------|---------------------|
| Blue Ridge Lumber Inc. | FMA7500020 | FMA | Local Use | Coniferous | 3,694 | FMA clause 8(2) (a) |
| Blue Ridge Lumber Inc. | FMA7500020 | FMA | Local Use | Deciduous | 591 | FMA clause 8(2) (a) |