

MEMORANDUM OF AGREEMENT

BETWEEN:

Leslie Forest Products Ltd.
(the "Employer")

-AND-

United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and
Service Workers International Union, Local No. 2009
(the "Union")

The parties unanimously agree to recommend to their respective principals the following terms of settlement for the renewal of the 2006/2009 collective agreement between the parties.

1. The term of this agreement shall be effective from the date of ratification to and including December 31, 2014.
2. All current work practices to remain in effect.

Note: The Employer agrees that the current practice of two (2) individuals performing piece work on Company premises after the normal work day and on the weekends shall not be expanded to involve any other bargaining unit function, work areas, machine centres, etc.

Current arrangements with respect to the truck driver will continue.

3. Article 7 - Wage Increases

Year 1 0%

Year 2 0%

Year 3 \$750 Signing Bonus (Payable, to all regular employees on the active employment list.)

Year 4 \$.25 per hour.

\$500 Lump Sum Cash Payment (Payable to all regular employees on the active employment list.)

Notes - Reference Year Four Cash Payment:

In the application of the year four cash payment; in the event of partial year employment the incumbent will be entitled to be paid, on a prorated basis for time worked where the incumbent terminates his/her employment or is terminated during the course of the year.

Payment of the lump sum payout can be in a single lump sum payment at year end; or two payments, one at midyear and one at year end; or four equal payments on a quarterly basis - to be mutually agreed between the Company and the Union.

4. Letter of Understanding #2 - Delete and replace with the following:

"Darshan Atwal and Victor Andrews will continue in their current capacity as per current practice provided that no layoff/reductions in the workforce impact bargaining unit staff."

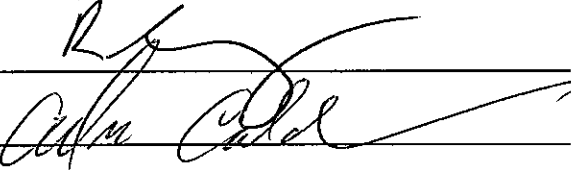
In the event of a reduction in the working forces, the above named individuals will be laid off prior to bargaining unit employees.

5. The following individuals shall receive from the Employer the amounts set out below based on instructions from the Union.

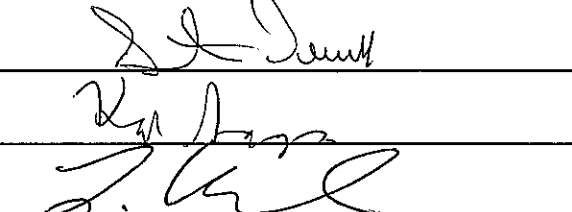
Michael White - \$7000
Ryan Bhala - \$5000
Joseph Sibayan - \$4000
Ahmad Ali - \$4000
Maninder Bhatti - \$4000

6. Effective the date of ratification, the five (5) employees named in 5 above shall have any association with Leslie Forest Products Ltd. terminated. In this regard, effective from the date of ratification it is understood these employees will not be entitled to recall privileges or to continue with any other collective agreement entitlement.
7. Whereas Management retains the right pursuant to Article 2 - Employer Rights to determine its discipline policy, it is agreed that where an employee is terminated, the matter will be referred by both parties to the British Columbia Labour Relations Board Mediation Division for Binding Mediation.
8. Education Fund
The Employer agrees to withdraw the proposal.

Signed on behalf of the Employer



Signed on behalf of the Union



Dated at Vancouver, BC this 29th day of November, 2010.