

LETTER OF UNDERSTANDING
BETWEEN
WEST FRASER MILLS, CHASM SAWMILLS
AND
USWA LOCAL 1-417

Preamble: (Job Training Agreement)

The purpose of this supplement shall be to establish a Job Training Program affecting all the employees of Chasm Sawmills, as set out in the provisions of the Master Agreement and Article X-Seniority, Section 2: Job Posting. The Job Training Program is designed to provide a specified course of training and official acknowledgement of a completed training program.

Section A – Key Jobs

1. For the purpose of this supplement, the Company will post for trainees for the following key jobs. All other jobs will be trained by seniority.

Sawmill

Cut-off Saw
2 Sided Canter
4 Sided Canter
Board Edger #1
Board Edger #2
Curve Gang
Stacker
Spare man

Planer

Lumber Grader
(must hold valid lumber grading ticket)
Planer Feeder
Stacker

Yard/Car loading

Forklift/ Car Loading
Energy System/ Dry Kilns (must hold valid class 5 ticket)
Planer Infeed
Planer Outfeed
Sawmill Outfeed
Kiln Forklift

Log Yard

966 Operator/ Mill Feed
Wagner Operator
Log Yard Equipment Operator
966 Sample Yard

2. The required number of trainees will be determined prior to posting and only one trainee shall be selected, in order of seniority, from each posting. Trainee postings will be shift restricted and only applicants from shift where the vacancy exists will be eligible to bid.
3. For training positions occurring in the non-traditional shifts (i.e. log yard, kilns/energy system etc.) posting will be plant wide including weekend shift. Employees winning training positions on the Wagner must have first been a successful winner of a trainee position on any position requiring articulated log yard machines and have become qualified. All 3 positions qualify.

4. Employees on permanent shifts (i.e. dayshift) may bid on training positions on any shift, however once qualified, they will only be used to fill vacancies on that shift of one week or more.
5. All apprenticeships will be posted plant wide and training will be in accordance with Apprenticeship Selection Program set out in the Master Agreement.

Section B-Procedure for Posting Trainee Positions

1. The trainee position will be posted for three (3) working days, relevant to the shift where the vacancy exists. Employees who wish to bid on the trainee position shall make an application on the form provided, within the posting period set out herein.
2. An employee who is absent from the plant on an approved Leave of Absence, on layoff, ill or suffering from any injury due to an accident, at the time of job training postings, will be allowed to make application within three (3) working days of their return to work; however, in no event later than twenty (20) calendar days of the job training posting.
3. The Company shall within two (2) working days of the closing off time of the particular trainee position, re-post the original Trainee notice on which is placed the name of the employee who has been selected for trial on the trainee job. It shall remain posted for a period of seven (7) days.
4. The Trainee posting form shall contain the following information:
 - a.) The name (description) of the job.
 - b.) The trainee position posting number.
 - c.) The date the notice was posted, and the date of closing for which applications will be received.
 - d.) The incumbent job rate.
 - e.) The shift from which the posting originated.
 - f.) A space provided to place the name of employee who has been selected to fill the position.
5. Selection of the Trainee on each posting shall be by Plant Seniority.

Section C-Particulars of the Training Program

1. Trainee will be afforded a familiarization period to determine whether they wish to continue to be trained in that position. The familiarization period will be two (2) shifts on 40 Hr jobs and four (4) shifts on 80 Hr jobs, unless management and Plant Committee determine an additional length of time for a particular job.
2. The employee may cease training and return to their incumbent position, without penalty, anytime during the familiarization period.

3. Once the familiarization period has passed and the employee and the Company wish to continue training, the employee enters the formal phase of training referred to as the Training Period. The training period for the key jobs will be up to a maximum of forty (40) hours with the exception that the training period for the Canters and mobile equipment will be eighty (80) hours. Exceptional circumstances which involve additional training time will be discussed by management and the plant committee. Trainee maybe qualified in less time.
4. In the case of a trainee being declared incompetent by a shift Supervisor and Superintendent, they may invoke their rights under Article XV- Grievance Procedure. The Company will notify the Plant Committee when a Trainee is to be removed from the Training Program.
5. If the employee removes himself/herself from the training program after completing the familiarization period, the employee can no longer bid for that trainee posting for a period of one (1) year.
6. If an employee has been declared incompetent under the Job Training Program, the employee can no longer bid for that Trainee Position for a period of two (2) years.
 - a.) If, however, there is in the future a significant change in the job content, the provision above shall not be applicable.
 - b.) Also, if there is in the future, a significant change to the qualifications of an employee who has been declared incompetent, the employee can bid on the trainee program.
7. The Company will determine the number of trainees required. When more that one vacancy exists for the same trainee position, the following principles will apply:
 - a.) It is intended that employees be trained in order of seniority, however, it is recognized that this is not always possible, when it is not possible the Plant Committee shall be notified. If a junior employee is selected to train first, if required they must fill vacancies in this job to enable the other employees in the group to receive their training. This requirement continues until at least one senior trainee has been declared qualified.
 - b.) If a vacancy occurs, and the senior employee has not been qualified but would otherwise be available and willing to fill the vacancy, and the vacancy is filled by a junior employee, the senior employee will be paid the rate of the vacant job.
8. Employees engaged in job training will be assigned for these purposes to work with a fully qualified operator and/or instructor.
9. The employee's progress will be checked regularly by the supervisor, and a written progress report given to the trainee daily on 40 Hr, every 2 days on a 80 Hr jobs. The

trainee to be advised in writing, copy to the Plant Committee, and a copy for the employee file when they are considered to be qualified.

10. If during the training period, the employee vacates or is declared incompetent:
 - a.) If less than the declared training period, the next senior applicant will be selected, or;
 - b.) If more than the training period, the trainee position will be re-posted.
11. An Employee can only hold and train for one (1) position at a time.
12. Upon being awarded a trainee position an employee is not eligible to train for a second trainee position until they are declared qualified. Employees are eligible to be awarded a maximum of two (2) trainee positions in any twelve (12) month period.
13. During their training period, trainees will receive their regular job rate of pay, except that they shall not receive more than the established rate for the job for which they are being trained.
14. The trainee, after completing the training period, will revert back to his regular job until such time as he bids on another Trainee position or job vacancy.
15. In the event of the temporary absence of the Incumbent, through illness/injury or other reasons, occurring during the work week, a qualified operator on that shift shall fill the vacancy. If the Incumbent is off work beyond the end of the week following the beginning of illness/injury, the senior qualified on that shift, if practical shall fill the position.
16. In the event that the senior qualified trainee does not take the vacant position, the junior qualified trainee must fill the vacant position.
17. It is anticipated that when an employee bids for a training position and becomes qualified, they will bid on vacancies for the job in which they were trained.
18. If the selected trainee has not commenced training within three (3) months it shall be discussed with the Plant Committee.
19. Tradesmen are not eligible to bid on Training positions.
20. To bid on the spare man position a person must be qualified on three (3) of the key positions for the sawmill thru the Job Training Agreement.

Section D- Training Time Lines

1. The length of the training program will be determined by the applicant's progress and unless extraordinary circumstances exist it is the intent that training will commence within fourteen (14) days of posting being awarded and completed with six (6) months of posting date. Training will be on an uninterrupted basis whenever possible.

Section E – Security

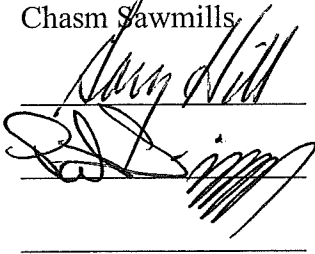
The Job Training Plan will not alter the intent of Article X Section 5, dealing with "Reduction in Forces".

Section F- Duration

This agreement shall remain in effect for one (1) year from the date of signing and thereafter shall be subject review, termination or amendment upon thirty (30) calendar days written notice by either party. Meaningful discussions must take place before cancellation.

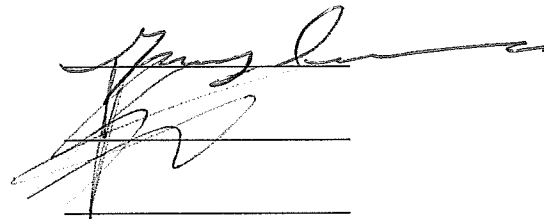
Dated this 26 day of July, 2006

For the Company
Chasm Sawmills



Two handwritten signatures are written over two horizontal lines. The first signature is in cursive and appears to read "Gary Hill". The second signature is more stylized and illegible.

For the Union
USWA Local 1-417



A single handwritten signature is written over a horizontal line. The signature is in cursive and appears to read "James L. ...".