

THIS ACCOMODATION AGREEMENT dated the 31st day of December, 2008

BETWEEN:

NORTHERN PULP NOVA SCOTIA CORPORATION, a body corporate incorporated under the laws of Nova Scotia ("Northern")

- and -

PICTOU LANDING INDIAN BAND, as represented by Chief and Council (the "First Nation")

WHEREAS:

A. Kimberly-Clark Inc. ("Kimberly-Clark") and the First Nation entered into a Memorandum of Understanding dated September 27, 2001 (the "MOU") with respect to the operation of the Boat Harbour Effluent Treatment Facility (the "Treatment Facility") to treat effluent from a kraft pulp mill operated by Kimberly-Clark at Abercrombie Point, Nova Scotia (the "Mill");

B. The land upon which the Treatment Facility is located is subject to a lease dated December 31, 1995 between Scott Maritimes Limited and Her Majesty the Queen in the Right of Nova Scotia ("Nova Scotia") and a lease extension agreement dated October 22, 2002 between Kimberly-Clark and Nova Scotia (collectively the "Lease");

C. Pursuant to a licence issued by Nova Scotia (the "Licence") which expires December 31, 2008, effluent is discharged from the Treatment Facility into Boat Harbour, a former tidal estuary adjacent to lands occupied by the First Nation which was used as a stabilization basin in connection with the Treatment Facility;

D. Pursuant to section 14.2 of the MOU, Kimberly-Clark assigned its rights and obligations under the MOU to Neenah Paper Company of Canada ("Neenah");

E. Neenah and the First Nation amended the MOU by amending agreement dated as at January 1, 2006 (the "First Amending Agreement");

F. Neenah has since sold the Mill and assigned the Lease to Northern which now operates the Mill and the Treatment Facility;

G. Northern has requested that Nova Scotia extend the Licence beyond December 31, 2008;

H. Nova Scotia has given the First Nation notice of the request to extend the Licence and the First Nation has advised Nova Scotia that the extension of the Licence would interfere with the aboriginal, treaty, constitutional and other rights of the First Nation and its members;

I. Nova Scotia has recently renewed its commitment to the First Nation to return Boat Harbour to a tidal estuary and to relocate the Treatment Facility;

J. Nova Scotia and the First Nation are engaged in negotiating the terms of the return of Boat Harbour to a tidal estuary, the relocation of the Treatment Facility and the accommodation of the aboriginal, treaty, constitutional and other rights of the First Nation and its members First Nation in respect of the extension of the Licence for a period of time to allow for the orderly relocation of the Treatment Facility (the "Negotiations") which Negotiations may not be completed until January 31, 2009;

K. The First Nation is prepared as a good faith gesture to advise Nova Scotia that it will not oppose the temporary extension of the Licence to January 31, 2009 to allow for the continued operation of the Treatment Facility during the anticipated Negotiations subject to the terms and conditions contained herein;

NOW THEREFORE for good and valuable consideration, this Accommodation Agreement witnesses as follows:

1. **Defined Terms**

1.01 The term "Boat Harbour Effluent Treatment Facility" shall have the meaning ascribed to it in the MOU.

1.02 All references to monetary amounts shall be in Canadian funds.

2. **Status Quo**

2.01 Subject to (a) the payment by Northern on or before January 1, 2009 of the sum of \$110,000 which would otherwise be payable pursuant to section 10.3 of the MOU and (b) the payment by Northern on or before January 1, 2009 of the sum of \$95,000 which would otherwise have been payable under the First Amending Agreement, the First Nation hereby undertakes to advise Nova Scotia that it will not oppose the extension of the Licence to January 31, 2009.

IN WITNESS WHEREOF the parties have properly executed this Accommodation Agreement on the date and month first written above.

SIGNED, SEALED and DELIVERED

in the presence of:

) **NORTHERN PULP NOVA**
) **SCOTIA CORPORATION**
)
) Per: _____
)
) Per: _____
)
) **PICTOU LANDING INDIAN BAND**
)
) Per: _____