

LETTER OF UNDERSTANDING

Between

HOBAN EQUIPMENT LTD.

Sicamous B.C. (the employer)

And

TEAMSTERS UNION LOCAL 213

Vancouver B.C. (the union)

This Letter of Understanding shall confirm an agreement between the Employer and the Union as outlined above, that the employer shall make contributions on behalf of the employees, members of the Union, as outlined herein and the employer shall pay wages of not less than those described herein to each employee, members of the union.

1) Contributions

The Employer agrees to contribute Health and Welfare contributions for each employee, member of the Union, for each hour worked by the employee at the rate of two-dollars and twenty-five cents (\$2.25) per hour, for Pension contributions at the rate of two-dollars and thirty cents (\$2.30) per hour for each hour worked.

The Employer further agrees to deduct forty-five cents (0.45) per hour from each employee, member of the Union, as field dues. All of the above contributions and dues deductions shall be submitted to the Union by the 15th day of the month following to that which they refer. The Union shall supply the necessary forms to the Employers.

2) Wages

The Employer shall pay each employee, member of the Union, not less than \$21.40 per hour for each hour worked.

The Union reserves the right to increase wages and contributions as listed above co-incident to wage and contribution increases within the Souther Interior Road Building Agreement.

Should the Employer default on payments for contributions or wages as mentioned herein, the Union shall have the right to take all and any economic action it deems necessary to recover contributions and wages for its members.

The Union may cancel this Letter of Understanding with thirty (30) days notice for non-compliance of the terms set herein.

Hoban Equipment Ltd. has right to terminate with 30 days notice also.

Signed this 5 day of November, 2003 in the Province of British Columbia.

For the Company

For the Union

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