

LETTER OF UNDERSTANDING

BETWEEN:

UNITED TERMINALS LTD.
(hereinafter referred to as the "Company")

OF THE FIRST PART

AND

TEAMSTERS LOCAL UNION NO.31
(hereinafter referred to as the "Union")

OF THE SECOND PART

(Hereinafter referred to as the "Parties")


SUBJECT: Definitions - "Temporary Lay-Off" and "Lay- Off"

For the purpose of this agreement, the parties agree and it is understood that, at the sole discretion of the employer and in accordance with those provisions of the collective agreement governing reduction and restoration of the work force, a "regular employee" may be laid off for lack of work.

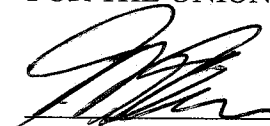
If, at the time an employee is laid off for lack of work, the Company reasonably anticipates that the employee will be recalled within seven (7) calendar days, the employee will be considered to be on "temporary lay-off" and there will be no requirement on the part of the Company to issue a "Record of Employment" (ROE) for the purpose of the employee applying for Employment Insurance benefits.

Signed this *15th* day of *JULY*, 2005.

FOR THE COMPANY



FOR THE UNION



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(Hereinafter referred to as the "Parties")

SUBJECT: Definitions - "Regular Employee" and "Casual Employee"

For the purpose of this agreement, the parties agree and it is understood that a "regular employee" is an employee who:


1. Has completed his/her probation period; and,
2. Has been assigned a 'seniority date'; and,
3. Is a participant in the Teamsters Transport Health & Welfare Plan; and,
4. Is a participant in the Teamsters Pension Plan.

For the purpose of this agreement, the parties agree and it is understood that a "casual employee" is an employee who:

1. Is hired on an incidental basis to supplement the regular work force; and
2. Has not completed his/her probationary period; and,
3. Is not a participant in the Teamsters Transport Health & Welfare Plan; and,
4. Is not a participant in the Teamsters Pension Plan; and,
5. Is guaranteed 4 - 6 - 8 hour pay once he/she has started work; and,
6. Is paid on a weekly basis.

Signed this *15th* day of *JULY*, 2005.

FOR THE COMPANY



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SUBJECT: OVERTIME - "Scheduled" and "Non-scheduled"

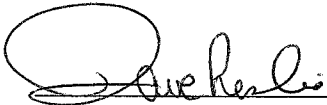
For the purpose of this agreement, "overtime" is understood to be work performed outside of the normal days of operation for the business or work performed by an employee outside of his/her scheduled shift.

All work performed on a regular business day but outside an employee's scheduled shift is understood to be "unscheduled overtime" and such work will be offered in order of seniority and qualifications to the most senior person on site at the time the overtime occurs.

All work performed on a day that is not a regular business day is understood to be "scheduled overtime" and such work will be offered in order of seniority and qualifications to the most senior person in the bargaining unit.

Signed this 15th day of JULY, 2005.

FOR THE COMPANY



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**SUBJECT: "Regular - Specific/ "Regular - Variable" / "Regular - Floater"
Postings**

The parties agree that, effective the date of ratification, the Company will re-structure the current work force as follows:

1. The Company will post twenty-seven (27) "Regular - Posted - Specific" positions and five (5) "Regular - Posted - Variable" positions. In addition, the Company will hire up to six (6) "regular employees" who will be designated as "Regular - Floaters".
2. Employees occupying a "Regular - Posted - Specific" position will have the same start time and days of work on a regular basis and the start time will be specified in the posting. An employee working in a "Regular - Posted - Specific" position will be guaranteed eight (8) hours pay per day once he/she has started work.
3. Employees occupying a "Regular - Posted - Variable" position will be provided a start time on a daily basis from the Company. Once an employee working in a "Regular - Posted Variable" position has been assigned a start time, he/she will be guaranteed eight (8) hours pay for that day.
 - a. The Company will assign the earliest start time in the day to the most senior qualified person who holds a "Regular - Posted - Variable" position.
 - b. Employees holding a "Regular - Posted - Variable" position are required to contact the Company on a daily basis.
4. Employees who do not occupy with a "Regular - Posted - Specific" or "Regular-

Posted - Variable" posting will be considered to be a "Regular - Floater" employee.

- a. As a "regular employee", the Company will comply with Appendix B – Section 7 (H&W contribution) for every "Regular – Floater" employee works a total of eight (8) or more hours in any calendar month.
 - b. As a "regular employee", the Company will pay contributions in accordance with Appendix C (Pension Plan).
 - c. The Company will be responsible for contacting a "Regular – Floater" employee, in order of seniority and qualifications, when he/she is required for work.
 - d. A "Regular – Floater" employee will be guaranteed 4-6-8 hours pay once he/she is called by the Company and starts work.
5. The parties agree that if the total workforce increases or is reduced, the Company will maintain the following ratio of employees throughout the life of the agreement:
- a. 27 posted - specific (71%)
 - b. 5 posted - variable (13%)
 - c. 6 floaters - (16%)
6. Notwithstanding paragraph 5 above, the parties agree that if the Company decides to introduce a 'third shift' that all positions on that shift will be posted as "Regular – Posted – Variable" positions, at the sole discretion of the Company, can be changed to "Regular – Posted – Specific" positions.

Signed this 15th day of JULY, 2005.

FOR THE COMPANY



FOR THE UNION