

LETTER OF UNDERSTANDING

BETWEEN:

EKSET CONTRACTING LTD .

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 115

Re: "Crushing" - Area: North side of Fraser River beyond Stave River to Harrison Bay and on the South side of Fraser River beyond Mount Lehman Road

It is agreed and understood that the following shall apply to the foregoing type of work:

1. The company may utilize a "Crushing" sub contractor in the described area who may not be signatory to the Local Union.
2. When a sub contractor is utilized and is not signatory to the Local Union such sub contractor shall be allowed two (2) employees who will be on permit @ \$250.00 per month for the duration of the crushing operation to a max.Eight (8) months per year.
3. In consideration of point # 2 the company (Ekset) shall employ one (1) person who shall receive a guaranteed salary of 125 hours per month @ the prevailing operator rate of pay plus benefits and or a minimum of 1500 hours per year. For clarification it is understood that the daily hours of work shall be eight (8) hours per day and forty (40) hours per week - based on 5 consecutive days either - Monday through Friday or Tuesday through Saturday.
4. All work performed in excess of those outlined above shall be paid at the appropriate overtime as per the Employment Standards Act.
5. This understanding shall be reviewed on an annual basis and renewed and/or amended at the expiry of the "Ekset" agreement.

Signed this _____ day of _____, 2006.

EKSET CONTRACTING LTD.

INTERNATIONAL UNION OF OPERATING
ENGINEERS LOCAL 115