

**LETTER OF UNDERSTANDING
BETWEEN
CHASM SAWMILLS
AND
USWA LOCAL 1-417**

RE: Janitorial Employees

Janitorial employees will be considered as a Permanent Part-time employee holding only company seniority and will not accrue divisional seniority, hence precluding them from holding posted jobs.

As Permanent Part-time employees, janitorial employees will be assigned those jobs that have been historically performed by janitors, including, but not limited to:

- Cleaning walls and floors of offices, lunchrooms, first aid room, washrooms, hallways, computer rooms and meeting rooms, as well as furniture and equipment within.
- Emptying garbage cans, general clean-up.

Janitorial employees will not accrue divisional seniority, hence precluding them from bidding on posted jobs.

Janitorial employees will receive full benefits, including pension.

In the event of a reduction of forces, the janitorial employees will not be subject to being displaced by the application of seniority.

In the event that work is not available to the janitorial employees, they will be laid-off, by seniority. All efforts will be made to provide janitorial employees with work, however, there is no guarantee of hours per day or hours per week intended.

Each janitorial employee shall be limited to a maximum of thirty two (32) per week, unless otherwise approved by management. These hours must be worked over the five day period of Monday to Friday. Hours of work each day must be mutually agreed upon by both parties. If a day of work is missed, hours cannot be made up by working additional hours over subsequent days.

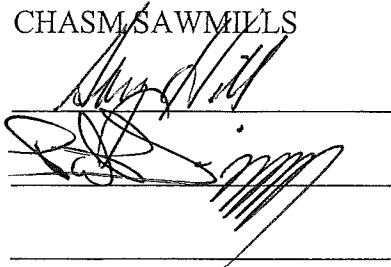
Preference will be given to janitorial employees to move to full time, provided written notice is giving stating their desire to do so.

Statutory Holidays and Personal Floaters shall be in accordance to the Master Agreement.

This agreement may be terminated by either Party upon thirty (30) calendar days written notice.

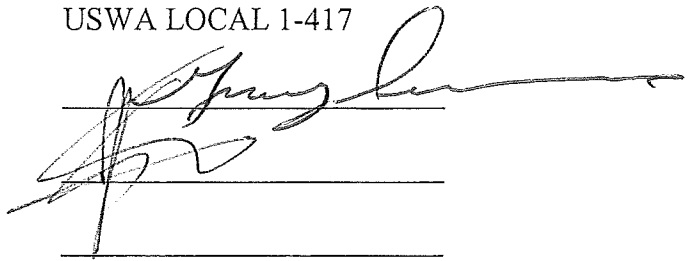
Signed this 26 day of June, 2006

CHASM SAWMILLS



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USWA LOCAL 1-417



Handwritten signature of a representative from USWA Local 1-417, written over three horizontal lines.