



**Transervice Logistics Inc.
Transervice Lease Corp.**

Corporate Headquarters
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MEMORANDUM OF AGREEMENT

This Memorandum of Agreement between the Communications, Energy and Paperworkers Union of Canada (CEP) and Transervice Lease Co. (Transervice), executed January 24, 2007, is based upon all of the following terms (the Agreement):

1. Effective February 4, 2007, the existing Collective Bargaining Agreement, including the present Bell pension plan, between the CEP and Bell Canada will be assumed by Transervice through its expiration date of November 30, 2007 (the "Agreement").

2. The new Collective Bargaining Agreement ("CBA"), between the CEP and Transervice, will be entered into commencing December 1, 2007 and expire November 30, 2012.

3. Shop personnel will be enrolled in a major medical and dental plan similar to the Option II plan presently in effect with Bell Canada. The employee's annual cost for participation in the plan will be \$150 for single coverage and \$250 for family coverage. If the employee decides not to have dental or medical coverage provided, he or she will receive the following reimbursement, to be paid in equal installments in each pay period, on a yearly basis:

Dental, Single Coverage - \$125
Medical, Single Coverage - \$175

Dental, Family Coverage - \$250
Medical, Family Coverage - \$350

4. All employees will be allowed to participate in a defined contribution plan as detailed in Exhibit "A" attached hereto.

5. Wages: each employee will retain his/her existing wage rate:

- in the first year of the CBA, provided the individual has been employed for six (6) months, he will receive a \$1300 lump sum payment in the first pay period of June 2008.

- in the second year of the CBA, provided the individual has been employed for six (6) months, he will receive a \$1300 lump sum payment in the first pay period of June 2009.

- in the third year of the CBA, each employee will receive a 2% increase, effective December 1, 2009.

- in the fourth year of the CBA, each employee will receive a 2% increase, effective December 1, 2010.

- in the fifth year of the CBA, each employee will receive a 2% increase, effective December 1, 2011.

6. There will be a flex dollar contribution provided by Transervice of \$500 each contract year.

7. The employee will be entitled to the same vacation and seniority earned to date and employees will be entitled to earn the vacation presently available.

8. The Company will provide Life and AD&D insurance to 1 x's the employee's annual salary.

9. Annually, in the first pay period of June, \$900, in lieu of Bell's ESP and Discount Plan, will be added to the employee's salary with the intent of his applying it to the DC pension plan, transferring it to a personal RRSP or retaining it as additional income. Additionally, \$675 will be received in the first pay period of December, 2007 for the period March 1st through November 30th, 2007 in lieu of Bell's ESP and Discount Plan.

10. The employee can bank time to a maximum of 75 hours by utilizing the 2 ½ hour differential weekly between 37.5 and 40 hours worked.


11. The Company will provide short term disability, long term disability, educational assistance (\$1500 per year based upon a satisfactory grade), and group RRSP (no employer contribution) on the same basis as presently provided by Bell Canada.

12. The Agreement will be revised, by mutual consent, to reflect appropriate and proper conditions for the Business and Fleet Maintenance operations.

The parties acknowledge their acceptance and agreement to the foregoing, subject to ratification by the members covered under this Memorandum of Agreement, by signing in the spaces provided below.

TRANSERVICE LEASE CO.

CEP



Dennis M. Schneider, Executive V.P.

John Edwards, Administrative V.P.

Michel Ouimet, Quebec V.P.