

DAVIS GRIMM PAYNE & MARRA

Attorneys at Law
701 FIFTH AVENUE, SUITE 4040
SEATTLE, WA 98104
(206) 447-0182 (Phone)
(206) 622-9927 (Fax)
www.dgpmilaw.com

JOSEPH L. DAVIS (Retired)
WILLIAM T. GRIMM
JOHN M. PAYNE
JOSEPH G. MARRA
EILEEN M. LAWRENCE

BRIAN P. LUNDGREN
PATRICK S. PEARCE
SELENA C. SMITH
CHRISTOPHER L. HILGENFELD
AMY C. PLENEFISCH (Of Counsel)

February 17, 2009

Mr. Allen Hobart, President
Teamsters Joint Council 28
14675 Interurban Avenue S.
Tukwila, WA 98168

Re: Oak Harbor Freight Lines

Dear Mr. Hobart:

This letter is to confirm our conversations on Tuesday evening wherein Oak Harbor confirmed that it was unconditionally returning striking employees to work.

However, certain returning strikers will be laid off due to lack of work and other returning strikers are being suspended pending investigation into possible discipline for misconduct. Oak Harbor proposes to continue the status quo regarding wages and benefits. The benefits proposal is based on the fact that the Trust Funds (i.e., Pension, Health & Welfare, and Washington Retirees H&W) have consistently refused to accept contributions for returning strikers.

Thus, the status quo is the wage rate in the terminated CBA. It also includes the agreement reached with the Union in early October 2008 regarding Pension, Washington Retirees Health & Welfare,

and Teamster Health & Welfare for returning strikers. Oak Harbor would continue to follow the agreed upon status quo for returning strikers, which is as follows:

- Health & Welfare: Oak Harbor will cover the returning strikers under its Company Plans pending a different agreement with the Unions on Health & Welfare. (This will allow these employees to have coverage.)
- Pension: Oak Harbor will place the monthly contributions into an escrow account pending some other agreement on this subject.
- Washington Retirees Health & Welfare: Oak Harbor will put the monthly contributions into an escrow account pending a different agreement on this subject.

If you have any comments on this subject, please contact me. Oak Harbor looks forward to the return of the strikers.

Sincerely,

John M. Payne

JMP:tac

cc: Bob Braun