

COLLECTIVE AGREEMENT

BETWEEN

PACIFIC ABRASIVES AND SUPPLY INCORPORATED
(hereinafter referred to as the "Company")

and

THE INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115
(hereinafter referred to as the "Union")

Effective April 1, 2003 to March 31, 2006

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THIS AGREEMENT entered into this first day of April, 2003

BETWEEN:

PACIFIC ABRASIVES AND SUPPLY INCORPORATED
(hereinafter called the "Company")

PARTY OF THE FIRST PART

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115
(hereinafter called the "Union")

PARTY OF THE SECOND PART

WITNESSETH; that the parties hereto agree as follows:

ARTICLE 1: OBJECTS

The objects of this Agreement are to maintain a harmonious relationship between the Company and its employees; to provide an amicable and equitable method of settling grievances or differences which might possibly arise; to maintain mutually satisfactory working conditions, hours and wages for all employees who are subject to the provisions of this Agreement.

ARTICLE 2: DURATION

This Agreement shall be in full force and effect from and including April 1, 2003 to and including March 31, 2006 and shall continue in full force and effect from year to year thereafter subject to the right of either party to this Agreement within four (4) months immediately preceding the date March 31, 2006 or immediately preceding the anniversary date in any year thereafter, by written notice to the other party, require the other party to commence collective bargaining with a view to the conclusion of the renewal or revision of the collective agreement or a new collective agreement.

Should either party give written notice to the other party pursuant hereto, this Agreement shall thereafter continue in full force and effect until the Union shall strike, or the Company shall lockout or the parties shall conclude a renewal or revision of the agreement or a new collective agreement.

The operation of Section 50 (2) and (3) of the Labour Relations Code of British Columbia is hereby excluded.

ARTICLE 3: DEFINITION OF EMPLOYEE

In this Agreement "employee" means a person who is employed by the Company and who is included in a unit of the Company's employees for who the Union has been certified as the collective bargaining agent by the Labour Relations Board of British Columbia. "Employee" shall also mean a person employed in a job classification listed in Schedule "A" attached hereto, and working at or from any premises opened or taken over by the Company in British Columbia.

ARTICLE 4: BARGAINING AGENCY

1. The Company recognizes and agrees that the Union is the sole bargaining agent for the employees of Pacific Abrasives and Supply Incorporated, employed at the place(s) set out in the certificate(s) of bargaining authority and at the other premises opened or taken over by the Company in British Columbia.
2. This Agreement shall be binding on the Company and the Union and their respective successors, administrators, executors and assigns and on each employee.
3. Each employee covered by this Agreement shall, as a condition of employment and/or continued employment, be and remain or become and remain, a Union member in good standing for the duration of this Agreement or for the duration of his employment with the Company, whichever is shorter. Counting from the date he commences employment with the Company, each new employee will be allowed thirty (30) calendar days within which to make application to join the Union and tender the appropriate initiation fees. The Union shall have the exclusive right to determine who is a member in good standing. Should an employee at any time cease to be a member in good standing of the Union, the Company shall, upon notification in writing from the Union, discharge such employee forthwith.
4. The right to hire employees of its choice is vested exclusively in the Company, but when the Company requires new employees, it shall so notify the Union so that the Union may have the opportunity to provide the Company with suitable applicants.
5. (a) The Company shall deduct from each new employee an amount equal to the Union dues, from the employee's first payroll cheque after completion of six (6) days of work in a calendar month and add that employee's name and the said amount to the closest applicable checkoff; i.e., if the checkoff for that month has not been remitted to the Union, it shall be added to that checkoff; if the month's checkoff has been remitted, it shall be added to the following month's checkoff and shown as the previous month worked.

(b) Dues Checkoff:

The Company will honour an employee's written assignment of wages to the Union.

The Company will deduct any assigned amounts from the employee's wages and pay the same to the Secretary of the Union by the fifteenth (15th) day of the month following such deductions.

ARTICLE 5: HOURS OF WORK AND OVERTIME

1. The standard shop work day shall consist of seven and one half (7 1/2) hours, 7:00 a.m. to 3:00 p.m. The standard work week shall consist of thirty-seven and one-half (37 1/2) hours, Monday to Friday. Graveyard shift shall lead off at 12:01 a.m., Monday.
2. If a second shift is employed, the hours of work shall be seven and one-half (7 1/2) hours of work between the hours of 3:00 p.m., and 11:00 p.m., for which eight (8) hours will be paid and a shift premium of forty-five cents (\$0.45) shall be added on to the classified hourly rate.
3. If a third shift is employed, the hours of work shall be seven (7) hours of work between the hours of 11:30 p.m., and 7:00 a.m., for which eight (8) hours shall be paid and a shift premium of ninety cents (\$0.90) shall be added on to this classified hourly rate.
4. Each shop shift shall have a half-hour lunch period at mid shift.
5. The Company shall give the employee forty-eight (48) hours notice prior to changing of shifts.
6. When it is necessary for an employee to be transferred from one shift to another shift, said shifts will continue for a minimum of three (3) consecutive normal working days, or the overtime rates as provided for in this Agreement will apply.
7. If an employee is working on the second or third shift and is unable to start the shift on time and/or to complete the shift, then the hourly rate for such an employee shall be computed by dividing the employee's total pay for a regular full shift by the applicable total number of hours he would be required to work to qualify for a full second or third shift, multiplied by the actual hours worked.
8. It is intended that every employee should have eight (8) hours' rest between shifts. In the event that an employee is recalled to work before such eight (8) full hours elapse, he shall be paid the appropriate overtime rates for work performed after recall. No employee shall be permitted to resume work on his own accord until eight (8) full hours have elapsed.

Clarification:

Employees working after midnight reporting for work next shift after an eight (8) hour break will not lost the time taken from the shift to make up the eight (8) hour break.

9. (a) Employees called in before their regular starting time shall be paid at the double time rate for time worked prior to their regular starting time.
- (b) Employees called back to work after their regular shift shall receive a minimum of four (4) hours' pay at the prevailing overtime rate.

10. All hours worked outside of the standard work hours, outside the established shift hours and outside the standard work week shall be considered overtime until a break of eight (8) hours occurs, and shall be paid for at the following rates:

Monday through Friday - over seven and one-half (7 1/2) hours and up to and including eleven (11) hours, time and one-half; over eleven (11) hours, double time, as per the Employment Standards Act.

Saturday - time and one-half for all hours worked up to and including eleven (11) hours; over eleven (11) hours, double time.

Sunday and General Holidays - double time for all hours worked.

11. (a) An employee who reports for work at the start of the standard work week shall be guaranteed full pay for the balance of the standard work week. The forty-eight (48) hour notice of layoff provided in the seniority section of this Agreement shall take precedence when an employee is laid off on a Thursday. He would work Friday and Monday and by working Monday is not entitled to full pay for that week.

If an employee of his own volition does not report for his regular shift of shifts, then his weekly minimum five (5) shift pay base shall be reduced to the number received by subtracting the number of shifts missed from base five (5).

- (b) An employee reporting for work on his regular shift shall receive a minimum of eight (8) hours' pay at his regular rate.
- (c) An employee called to work on a Saturday, a Sunday or on a General Holiday, (or a day observed as General Holiday), shall receive minimum of four (4) hours' pay at the prevailing overtime rates.
- (d) The provisions of this section shall not apply if an employee voluntarily quits or lays off, or is discharged for proper cause.

12. Preparation Time

The Company shall pay one (1) hour personal preparation time to each employee being sent on out-of-town jobs for a period of overnight or longer. The personal preparation time is for packing personal belongings at home.

13. Where an employee is required to work through the regular established lunch period, such employee shall be paid the applicable overtime rate and be allowed reasonable time off to consume a meal with no loss of pay.
14. Where an employee, at the request of the Company, performs work at overtime rates, such time will be considered overtime only and will not be included in the computation of his daily guarantee as provided under this Agreement.
15. Employees involved in an accident while on the job shall receive eight (8) hours' pay at his classified rate for the day of the accident. If an employee is required to take time off while on the job to consult a doctor with regard to any compensable injury he has received on the job, he shall be paid for such time off provided a doctor's letter or note is supplied and he returns to complete the day's work, if practicable.
16. All overtime shall be on a voluntary basis.
17. Without detracting from the minimum overtime hours worked and/or minimum overtime pay guarantees as provided elsewhere in this Agreement, when an employee works overtime, his time worked shall be calculated on thirty (30) minute unit basis. If an employee works any part of a thirty (30) minute unit he shall receive credit for time worked for that full thirty (30) minute unit.
18. When employees are being worked on two (2) or more shift schedules and where a majority of the employees request it they shall rotate shifts.
 - (a) When two crews are being utilized:
 - the employer shall provide a schedule indicating the shifts that the crews will be assigned to work.
 - each crew shall rotate shifts every week, however, when agreed to by the Company an employee can agree to mutually exchange his scheduled rotation with another employee.
 - (b) Where a third shift is anticipated to be required for a period of more than two weeks all crews shall rotate on a three shift schedule.
 - (c) When a third shift is terminated the remaining rotation schedule (refer to section "a" above), and work the shift as if the normal rotation schedule had been in effect the whole time.
 - (d) The rotation schedule will be from days to afternoon to days for the normal rotation

schedule (two shifts) and days to afternoon to graveyard to days for the three shift schedule.

19. (a) Employees who work beyond ten (10) hours per day shall receive a maximum of one-half (1/2) hour's pay for time off to eat a meal, but may take up to forty-five (45) minutes off for such purpose. Further to this, if an employee feels that he requires additional time off, he will request such additional time from the Foreman and if the request is reasonable the foreman shall grant same. This break shall occur at the regular meal hour.
- (b) Employees working on Company premises for a period of ten (10) or more hours shall receive a meal allowance of eight dollars and fifty cents (\$8.50).

ARTICLE 6: MANAGEMENT RIGHTS

The Union recognizes and agrees that:

- (a) The management and operation of the plant and the direction of the working forces are vested exclusively in the Company.
- (b) The Company has and shall retain the right to select its employees, to hire, classify, promote, demote or disciplines them and discharge employees for proper cause, provided that a claim of discrimination against an employee in respect to any of these matter, or a claim of violation of any section of a grievance and be dealt with as hereinafter provided.

ARTICLE 7: GRIEVANCE PROCEDURE

Should a dispute arise between the Company and an employee or the Union as an entity regarding the interpretation, application, operation, or any alleged violation of this Agreement, including any questions as to whether any matter is arbitrable, it shall be resolved in the following procedural manner.

- (a) The employee or the Union, together with such person or persons as he or the Union may wish, shall take the matter up with the Company within thirty (30) calendar days.
- (b) Should a resolution not be reached by step (a) then a Business Representative of the Union, accompanied by the employee if the employee or Business Representative so wish, shall discuss the matter with the Company. If a solution is reached, this shall be final.
- (c) If the procedures set forth in (a) and (b) above do not result in a solution being

reached within seven (7) days of the first discussion between a Business Representative of the Union and a representative of the Company, or within such further period as the Company and Union agree to in writing, the dispute shall be referred to an Arbitration Board of three (3) persons appointed as follows:

- (1) The party desiring Arbitration shall appoint a member for the Board and shall notify the other party in writing of the name and address of the person so appointed and particulars of the matter in dispute.
- (2) The party receiving the notice shall within five (5) days appoint a member for the Board and notify the other party of its appointment.
- (3) The two Arbitrators so appointed shall confer to select a third person to be chairman and failing for three (3) days from the appointment of the second of them to agree upon a person willing to act, either of them may apply to the Honourable, the Minister of Labour, of British Columbia, to appoint such third member.

The Arbitration Board shall sit, hear the parties, settle the terms of the question to be arbitrated, and make its award, within ten (10) days from the date of the appointment of the chairman, provided the time may be extended by agreement in writing.

If the Arbitration Board finds (or if at any earlier stage of the Grievance Procedure it is found) that an employee has been unjustly suspended or discharged, that employee shall be reinstated by the Company without loss of pay and will all his rights, benefits and privileges which he would have enjoyed if the suspension or discharge had not taken place, or if the Arbitration Board finds (or if at any earlier stage of the Grievance Procedure it is found) that an ex-employee should have been rehired, that ex-employee shall be employed by the Company and paid all pay which he would have enjoyed and accorded all rights, privileges and benefits which he would have enjoyed if he had been hired at the proper time provided, that if it is shown to the Board that the employee has been in receipt of wages during the period between discharge or suspension and reinstatement, or day of failure to rehire and rehiring, the amount so received shall be deducted from wages payable by the Company pursuant to this Article, less any expenses which the employee has incurred in order to earn the wages so deducted, AND PROVIDED THAT the Arbitration Board, if circumstances are established before it, which in the opinion of the Arbitration Board, makes it just and equitable to do so shall have the authority to order the Company to pay less than the full amount of wages lost.

The Arbitration Board shall have the right to modify any penalty imposed by the Company on an employee.

If the award of the Arbitration Board is subsequently set aside by a court of competent

jurisdiction, the question shall, at the request of either party, be submitted to another Arbitration Board appointed pursuant to and with all the powers provided by this Article.

The expenses and remuneration of the chairman shall be paid by the parties in equal shares.

Without restricting the specific powers hereinbefore mentioned, the Arbitration Board shall have all the general powers of an Arbitration Board.

- (d) A discharged employee or the Union may, within seventy-two (72) hours of his discharge, in writing, require the Company to give him the reason for his discharge and the Company will give such reasons to him, in writing, within seventy-two (72) hours of such request and in the event of any dispute or difference as to whether or not there was proper cause for the discharge of such an employee, only the reasons so set forth in writing, shall constitute cause. The twenty-four (24) hour periods in Saturdays, Sundays, or General Holidays shall not be used as counting hours with regard to such written requests.

ARTICLE 8: SENIORITY

1. The Company shall at least once every six (6) months, post in a conspicuous place on its premises an up-to-date list of all employees covered by this Agreement showing the date when each commenced his employment with the Company. The Company shall forward to the Union a copy of each list on the date of its posting.
2. When a new employee is hired, it is agreed that he shall be on probation for thirty (30) calendar days and during this period seniority will not be applicable. When the probationary period is completed, seniority will commence from the date of hiring.
3. An employee re-entering the employ of the Company after his right to recall has expired shall not be subject to another probation period.
4. In the event of layoffs, seniority shall be recognized. The principle of last man on, first man off, shall prevail subject to job classification. The Company shall give at least forty-eight (48) hours' notice of layoffs.
5. If layoffs occur, providing a senior man is capable of performing another job, he shall be given the opportunity to take such a job.
6. A laid off employee shall retain his seniority and recall rights with the Company for nine (9) months after the date of layoff, subject to Article 8, Section 7 and Article 13.25(a).
7. When vacancies occur, the Company shall rehire laid-off employees according to their

seniority and the principle of last man off, first man on shall prevail. The Company shall make personal contact with laid-off employees.

If the Company is unable to make personal contact with the employee or the employee does not agree to report to work, the Company will issue a letter of recall by registered mail or telegram to the employee's last known address. If the employee fails to respond to the recall notice within a specific period (five (5) working days), he will be deemed to have terminated his right to recall. The onus shall be placed upon the employee to keep the Company informed of his address and telephone number during a period of layoff.

8. If a laid-off employee is called back to work with the Company within his right to recall period, there shall be deemed to have been no break in such an employee's continuous service with the Company by reason of such layoff.
9. When new jobs are available, wherever possible, the Company will promote new employees to a better paying job, seniority, qualifications and ability to be considered.

ARTICLE 9: VACATIONS

1. The Company shall give each employee a annual holiday which will be allocated on the basis of seniority and based on the following entitlements:
 - (a) An employee shall receive two (2) weeks' vacation in the calendar year in which he completes a term of one (1) year's service and each year thereafter up to two (2) years' service. He shall receive as vacation pay for each vacation period either eighty (80) hours' pay at his then applicable current rate or four and one-half percent (4 1/2%) of his gross earnings for the calendar year immediately preceding the vacation period, whichever is the greater.
 - (b) An employee shall receive three (3) weeks' vacation in the calendar year in which he completes a term of two (2) years' service and each year thereafter up to seven (7) years' service. He shall receive a vacation pay for each vacation period either one hundred and twenty (120) hours' pay at his then applicable current rate or six and one-half percent (6 1/2%) of his gross earnings for the calendar year immediately preceding the vacation period, whichever is greater.
 - (c) An employee shall receive four (4) weeks' vacation in the calendar year in which he completes a term of seven (7) years' service and each year thereafter up to twelve (12) years' service. He shall receive as vacation pay for each vacation period either one hundred sixty (160) hours' pay at his then applicable current rate, or eight and one-half percent (8 1/2%) of his gross earnings for the calendar year immediately preceding the vacation period, whichever is the greater.
 - (d) An employee shall receive five (5) weeks' vacation in the calendar year in which he

completes a term of twelve (12) years' service and each thereafter up to twenty (20) years' service. He shall receive as vacation pay for each vacation period either two hundred (200) hours' pay at his then applicable current rate, or ten and one-half percent (10 1/2%) of his gross earnings for the calendar year immediately preceding the vacation period, whichever is the greater.

- (e) An employee shall receive six (6) weeks' vacation in the calendar year in which he completes a term of twenty (20) years' service and each year thereafter up to thirty (30) years' service. He shall receive as vacation pay for each vacation period either two hundred and forty (240) hours' pay at his then applicable current rate, or twelve and one-half percent (12 1/2%) of his gross earnings for the calendar year immediately preceding the vacation period, whichever is greater.
- (f) An employee shall receive eight (8) weeks' vacation in the calendar year in which he completes a term of thirty (30) years' service and each year thereafter. He shall receive as vacation pay for each vacation period either three hundred and twenty (320) hours' pay at his then applicable current rate, or sixteen and one-half percent (16 1/2%) of his gross earning for the calendar year immediately preceding the vacation period, whichever is the greater.
- (g) For the purpose of determining a calendar year's employment to qualify an employee for vacations and vacation pay, the parties agree that when an employee has worked a minimum of fifteen hundred (1500) hours in an employee's calendar year, running from anniversary date to anniversary date, he shall be eligible for vacations as above set forth.

Employees who work less than fifteen hundred (1500) hours shall be paid as the case may be, four and one-half percent (4 1/2%), six and one-half percent (6 1/2%), eight and one-half percent (8 1/2%), ten and one-half percent (10 1/2%), twelve and one-half percent (12 1/2%), or sixteen and one-half percent (16 1/2%) of their gross earnings for the work year immediately preceding the vacation period.

- (h) In the event of termination of service with the Company after an employee has had his vacation he earned for the previous year, he shall receive as vacation pay four and one-half percent (4 1/2%), six and one-half percent (6 1/2%), eight and one-half percent (8 1/2%), ten and one-half percent (10 1/2%), twelve and one-half percent (12 1/2%) or sixteen and one-half percent (16 1/2%) as the case may be of his gross earnings he earned in the year in which he ends his employment for which no vacation has been paid.
- (i) Prior to an employee going on his vacation, the Company shall furnish the employee

with a statement showing the period for which the employee is receiving his or her vacation pay, how the vacation pay was calculated, and shall include all overtime payment, commissions, or anything of a monetary value on which the employee has to pay income tax, and also a cheque for the proportionate vacation pay the employee is entitled to.

- (j) If an employee so requests, the Company will provide two (2) weeks of the employee's vacation time in the summer months (June 15th to September 15th). If a dispute arises, vacation period will be allocated on the basis of seniority. The Company will consider three (3) weeks' vacation during the summer months for those eligible for four (4) weeks or more vacation if so requested.
- (k) An employee's scheduled vacation period shall not be changed by the Company within the one (1) month period immediately preceding the start of the vacation period without the consent of the employee concerned.
- (l)
 - (i) Each employee shall be required to take full annual holiday period that he is entitled to under the provisions of this Agreement.
 - (ii) Prior to any lay-offs all employees shall exhaust their accrued holidays.
- (m) The entitlements of an employee under this section shall at no time be less beneficial than those he would be entitled to under the provisions of any Government legislation or any orders or regulations made thereunder.
- (n) Eligibility for vacations shall be maintained, but not accumulated during absence.
 - (i) due to temporary illness or non-occupational accident exceeding twenty-six (26) weeks;
 - (ii) with authorized leave of absence;
 - (iii) due to layoff without recall, for a period not to exceed twelve (12) calendar months.
- (o) Eligibility for vacations will be maintained and accumulated during absence due to:
 - (i) a compensable accident;
 - (ii) serving in the non-permanent Armed Forces of Canada;
 - (iii) temporary illness or non-occupational accident not exceeding twenty-six (26) weeks.

2. Banked Overtime:

- (a) Employees shall have three (3) options per service year, at which time they will declare either fifty percent (50%) time off and fifty percent (50%) cash, one hundred percent (100%) cash or one hundred percent (100%) time off.
- (b) Time off may be claimed as follows:
 - (i) forty-eight (48) hours' notice must be given to the Manager prior to any time off being taken.
- (c) Employees may only accumulate a maximum of eighty (80) hours per year, after which regular payment of overtime will apply.
- (d) Accumulated credits may only be carried to the next calendar year by mutual consent.
- (e) Employees working on repair work cannot claim vacation overtime until such time as the repair job has been completed.
- (f) Time off shall be on a seniority basis.

ARTICLE 10: GENERAL HOLIDAY PAY

- 1. (a) The Company shall give to each employee a holiday with pay on each of the designated General Holidays. For each such holiday an employee shall be paid not less than the equivalent of the wages he would have earned at his classified rate of pay for his normal hours of work. An employee shall receive such holiday pay even if the holiday falls on a Saturday, Sunday or on an employee's weekly day off. The designated General Holiday shall be:

New Year Day	Remembrance Day	Boxing Day
Labour Day	Thanksgiving Day	Christmas Day
Dominion Day	B.C. Day	Easter Monday
Good Friday	Empire Day	* Heritage Day

(* third Monday of February)

and any other holiday declared, proclaimed or celebrated by the Federal and/or Provincial Government shall be paid for.

All work performed on such holiday shall be paid at double (2X) the regular hourly rates plus the regular general holiday pay.

In order to qualify for payment for any of the above General Holidays, the employee

must have worked the week preceding the holiday and the first week following the holiday.

When a General Holiday falls on a Saturday or on a Sunday or on an employee's weekly days off then the next work day shall be observed as the holiday. If Christmas Day and Boxing Day fall on a Saturday and on a Sunday respectively, or on an employee's weekly days off, then the next two (2) work days shall be observed as holidays.

- (b) Without limiting the general application of sub-section (a) of this section, but subject to the provisos contained herein, General Holiday pay provisions will prevail:
 - (i) where an employee is off work due to any circumstances for which he is eligible to receive compensation under the Workers's Compensation Act, provided such an employee has earned wages from the Company during the sixty (60) calendar days immediately preceding the holiday;
 - (ii) where an employee is off work due to sickness, quarantine or an accident provided such an employee has earned wages from the Company during the sixty (60) calendar days immediately preceding the holiday. If the Company so requests, a doctor's certificate shall be submitted as proof of disability. The Company shall pay the cost of such certificate;
 - (iii) where an employee is off work due to a death in the immediate family or is acting as a juror or witness as provided elsewhere in this Agreement.

- 2. When a General Holiday falls within an employee's scheduled vacation, he shall receive the pay of a normal shift for the holiday in addition to his vacation pay, or a day off with pay in conjunction with his vacation.

ARTICLE 11: WAGES

- 1. The Company shall remunerate an employee at the wage rate applicable to the job classifications that such an employee is employed in. The job classifications and applicable wage rates shall be those agreed upon and set out in Schedule "A" attached hereto, and remain part of this Agreement.

2. Payment of Wages

The Company shall, every second Friday, pay to each employee all wages earned by the employee to a day not more than five (5) working days prior to the date of payment provided that if a General Holiday falls on the regular pay day, payment will be made the preceding day.

Payment of wages will be made during working hours. In the event that an employee is laid-off, the Company shall pay such employee not later than the next business day after he ceased to be an employee of the Company, all wages, salary, and holiday pay earned by such employee, excluding authorized deductions, providing the employee has submitted his time cards, expense reports, service reports and all Company property to his immediate supervisor.

The Company will issue to each employee a separate or detachable itemized statement with each pay showing separately the number of straight time hours worked and the number of overtime hours worked and the respective hourly rates applicable thereon. The statement shall also show the total wages for the pay period and the total deductions therefrom.

An employee shall be required, on Company time, to fill out and submit time sheets, service reports and work reports daily if the Company so requests.

Exchange charges will be added to an employee's pay cheque or otherwise provided for by the Company.

3. (a) The Company will pay a premium of seventy cents (\$0.70) per hour for all time spent on Company business, while outside the greater Grand Forks area; this premium will be added on to the regular rate.
- (b) Construction rates of pay shall be paid to employees who install permanent machinery on construction sites or who do repair work on construction sites that would otherwise be done by members of Building Trades Unions. The construction rates of pay shall only apply to the actual hours worked on the construction site. Construction rates shall not apply to service calls, inspection calls, warranty work and delivery jobs.

ARTICLE 12: TRANSPORTATION AND EXPENSES

1. (a) Employees required to report for work outside the Grand Forks area who do not return daily shall be paid all their transportation, accommodation and meal expenses providing supporting receipts are obtained and submitted to the Company where requested, except for listed non receipted expenses to a maximum of three dollars (\$3.00) per day.
- (b) Travel time and waiting time during the employee's regular shift hours, will be paid at straight time. Travel time authorized by the Company or the customer outside the

employee's regular shift hours, will be paid for at time and one-half up to a maximum of eight (8) hours in any twenty-four (24) hour period. All travel time and waiting time on Saturday, Sunday and any General Holiday will be paid for at time and one-half to a maximum of eight (8) hours in any twenty-four (24) hour period.

All time spent driving or travelling in a motor vehicle to and from such job or jobs shall be considered as time worked.

(c) The exception to this provision would be where first class sleeping accommodations is provided while travelling on a public conveyance. In this instance, time would cease at 9:00 p.m., and commence at 8:00 a.m., the next day.

2. In going to work outside the shop and returning daily, employees shall be at the shop at the starting time, and allowed time to return to the shop at the close of the work day. They shall be paid all fares to and from the shop, to place of work, or alternatively, be supplied with transportation by the Company. It is understood that where employees reside in the city where the work is being done they shall report to and finish work at the regular starting and stopping time.

All time spent driving or travelling in a motor vehicle to and from such job or jobs shall be considered as time worked.

3. Employee vehicles can be used on Company business only if such usage is requested by the Company.

When an employee vehicle is used on Company business the employee will be reimbursed on the basis of twenty-five cents (\$0.25) per mile with a minimum of six dollars (\$6.00) per trip.

On out of town jobs where an employee is requested by the Company to take his own vehicle he shall be guaranteed a minimum of five dollars (\$5.00) per day for his vehicle.

The Company agrees to reimburse the employee for the difference between standard rate and business rate insurance to those employees requested by the Company to use their vehicle on Company business.

An employee shall arrange with the Company for adequate insurance coverage before using his motor vehicle on Company business.

4. When an employee is going out on a job which will require his absence from home one or more nights, the Company shall inform such an employee, on or before the day of his departure, of the approximate length of time he will be out on the job. If an employee is sent

out on one job and subsequently is assigned to other jobs, the total period will not be extended beyond fourteen (14) days.

If there is reason to extend this period, and the employee requests to return home, the Company will transport such an employee back to his home base and during such transformation such an employee shall be accorded all the benefits and conditions as to travelling as provided under this Agreement.

This will not preclude long term out of town assignments which will be arranged in advance.

ARTICLE 13: GENERAL PROVISIONS

1. An employee suffering injury while in the employ of the Company must report to the First Aid Department immediately, or as soon thereafter as practicable, and also report to that department on returning to work.
2. Adequate washroom facilities will be provided by the Company and kept in sanitary condition. Employees will cooperate by observing the simple rules of cleanliness.
3. Waterless hand cleaner shall be supplied at all mechanical operations covered by this Agreement.
4. All employees required to wear coveralls or smocks shall have these supplied and cleaned by the Company at no expense to the employees involved. Any smock or set of coveralls supplied, shall be of the proper size to fit the employee. There shall be at least two (2) changes available each week to the employees involved, and field servicemen going out on calls shall have several extra sets of coveralls to take with them when they go out on such calls.
5. The Company will supply suitably enclosed heated accommodation where employees may have their lunch.
6. An employee shall be granted two (2) ten (10) minute breaks during the course of each shift - one in each half of the shift. An employee shall be granted a ten (10) minute break after each two (2) hours of overtime he works in any day. If an employee is working off the Company's premises, these periods shall be increased to fifteen (15) minutes.
7. Employees shall be allowed a minimum of five (5) minutes personal clean up time each shift, such time to precede the end of the shift.
8. With the co-operation of employees, the Company will attempt to maintain shop

temperatures above 16 degrees C. during cold weather. The Company agrees not to require its employees to perform outside repair work in temperatures below -29 degrees C., unless adequate protection and some form of heat is provided. Tarpaulins, windbreaks, etc., shall be erected before commencement of work and heat must be made available.

The Company shall supply protective clothing when employees are engaged in cleaning equipment.

NOTE: It must be recognized that an understanding of this nature requires a high degree of cooperation between employees and the Company. Employees will not arbitrarily stop work without advising their supervisors.

9. (a) The Union may select or appoint a shop steward or shop stewards to represent the employees and the Union shall notify the Company as to the name or names of such shop steward or shop stewards. The Company agrees that no shop steward shall suffer any discrimination by reason of holding such office. The shop steward shall be allowed reasonable time during working hours to carry out their duties.
- (b) When the Company for any reason finds it necessary to terminate a shop steward, the Business Representative of the Union shall be notified prior to such termination.
- (c) Upon informing Management, authorized agents of the Union shall have access to the Company's premises during working hours for the purposes of adjusting disputes, investigating working conditions and ascertaining that the Agreement is being adhered to in the operation.
10. (a) It shall not be considered a violation of this Agreement for an employee to refuse to cross a picket line which has been legally established as a result of a bona fide labour dispute between a recognized Trade Union and an Employer with whom the picketing Union has a dispute.
- (b) The Union reserves the right to render assistance to other labour organizations. It shall not be considered a violation of this Agreement for an employee to refuse to work with a non-union workman or workmen.
11. (a) Standby Time

If an employee reports to a field job outside the Greater Grand Forks area and through no fault of his own, is unable to work, he shall immediately contact the

Company for instructions. Nevertheless, while being required to stand by the job, he shall be paid for a regular shift of eight (8) hours in each twenty-four (24) hours.

(b) Layover Time

Where an employee is required to remain in the field on Saturday, Sunday or a General Holiday, he shall be paid six (6) hours for each such day at straight time rates.

12. No supervisors or office personnel will be allowed to use hand tools or carry out work which would be normally done by employees in the bargaining unit, except in the instructing or training of employees.

13. Bonding

If, at any time, the Company requires an employee to be bonded by an individual bond, the cost of such bonding shall be assumed by the Company. An employee will not fill out the required bonding application form until such application form has been sanctioned by the Union.

14. Sub-Contracting

Where the Company's facilities, space, trained personnel and time are available, the Company will continue to have all work which is presently performed by its employees, performed by members of the bargaining unit.

15. Leave of Absence

- (a) (i) The Company shall allow time off work without pay for any employee who is serving on a Union committee for purposes of discussions with the Company, or serving a Union delegate to any conference or function, provided all requests for time off are reasonable and do not interfere with the proper operation of a business.

- (ii) No employee who acts within the scope of this sub-section shall lose his job or be discriminated against for so acting.

- (b) When an employee suffers an injury or illness which requires his absence, he shall report the fact to the Company as soon as possible, prior to his actual starting time, so that adequate replacement may be made if necessary.

- (c) If an employee desires a leave of absence for reasons other than those referred to in this section, he must obtain permission, in writing, for the same from the Company, a copy to be supplied to the Union.
- (d) In any instance where an employee accepts other employment without the consent of Management, when on leave of absence for any reason, his employment may be terminated, subject to proper proof of same.

16. Union Notices

- (a) A notice board shall be provided for the posting of all official Union notices exclusively, and will not be used for the purpose of disseminating political information. The right is reserved to the Company to request the removal of material offensive to the Company.
- (b) The following information shall be kept in a central location, readily accessible to the Shop Steward.
 - (i) Seniority list
 - (ii) Copy of Agreement
 - (iii) Welfare Plan Provisions

An employee requiring such information shall contact the shop steward for same.

17. Technological or Procedure Changes

In the event the Company requires the introduction of equipment in its operations, requiring specialized training, the Company agrees to give the first opportunity to employees then on the payroll through the job posting procedures of this Agreement, to operate this equipment and/or train to operate the equipment, provided the applicant qualifies with the requirements of an aptitude test, cost of such test to be borne by the Company. Any employee taking such a test is entitled to know the results of such test. The Company further agrees to notify the Union as soon as its final decision is made as to the introduction of new equipment or any procedural change. Failure on the part of the Company to comply with these provisions will automatically give cause for grievance.

18. Job Posting, etc.

In the event that a new job is created, or a vacancy occurs, or new equipment is installed in that operation, the Company shall post a notice on the bulletin board notifying that a vacancy

exists in a particular job.

Employees desiring such job shall then apply, in writing within thirty-six (36) hours of such posting, except that employees on vacation or out of town on work for the Company at such time shall have the privilege of applying when they return. The senior employee applying who has the ability to do the job, subject to the Technological or Procedure Changes section of this Agreement, shall receive such job.

19. (a) If an employee suffers a death in the immediate family he shall be granted compassionate leave of absence with full pay for three (3) days. Immediate family means; spouse, mother, father, brother, sister, children, mother-in-law, father-in-law and grandparents. If the employee affected does not attend or arrange services he shall only be entitled to one (1) day as provided under this section.
- (b) All time lost by an employee due to necessary attendance on jury date, or acting as a witness, or any court proceedings arising out of his employment, or subpoenaed as a witness, or in completing his driver's tests required by the employee for actual employment with the Company, or doctor's examinations in connection therewith, shall be paid for by the Company at the rate of pay applicable to said employee.

If an employee is employed on an afternoon or graveyard shift and attends upon jury duty, or if an employee is attending upon jury duty or acting as a witness and becomes scheduled to commence work on an afternoon or graveyard shift, such an employee shall not be required to work such shifts and shall receive pay for time loss pertaining to jury duty or acting as a witness as provided in this sub-section. All jury duty pay received by an employee for the days he received pay from the Company shall be paid over to the Company. Any employee on jury duty, shall subject to this section, make himself available for work before or after being required for such duty whenever practicable during his regular shift.

20. Dismissed or Improper Charges

When a charge is laid against an employee, such charge arising while the employee was acting within his scope of employment with the Company, and such charge is dismissed or held improper by a court of competent jurisdiction or on an appeal taken therefrom, the Company shall pay the employee at his regular rate for the time loss due to attendances on his legal counsel and any court appearances. The Company shall also reimburse the employee for any legal fees and other legitimate expenses that the employee has incurred. Prior to the employee taking steps to defend himself he shall consult the General Manager of the Company to determine which legal firm should be used.

21. Transfer

When an employee agrees to transfer the Company shall:

- (a) Allow reasonable living expenses to the transferred employee up to a maximum of thirty (30) days. Living expenses are to be discussed initially with the employee before departure and each fifteen (15) days thereafter.
- (b) Pay the transferred employee's transportation costs to the new location and supply first class accommodation and meals to the employee while he is en route to the new location.
- (c) Assume the cost of moving the transferred employee's family and household goods to the new location. This shall include the cost of transporting and accommodating the family while en route to the new location.

No transferred employee shall move his family or household goods at the Company's expense without written authority from the General Manager of the operation.

- (d) When an employee accepts a transfer to another branch and his job at the branch is eliminated, the Company shall pay all expenses in moving him back to his original branch if such transfer has been less than three (3) years.

22. Article Headings

The article headings shall be used for purpose of reference only, and may not be used as an aid in the interpretation of this Agreement.

23. Truck Maintenance and Safety

It is to the mutual advantage of both the Company and the employees, that employees should not operate vehicles which are not in safe operating condition and not equipped with the safety equipment required by law. The maintenance of equipment in sound operating condition is not only function but a responsibility of Management and in respect thereto the Company agrees as follows:

- (a) The Company shall not require employees to take out on the streets or highways any vehicle that is not in safe operating condition or equipped with safety equipment, seat belts, or stickers prescribed by law. It shall not be a violation of this Agreement where employees refuse to operate such equipment.
- (b) All trucks owned or leased by the Company must have steps or other similar devices to enable drivers to get in and out of the body for safety purposes.
- (c) It is agreed between the Company and the Union, having regard for safety and driver health factor, that all vehicles shall have adequate heaters, windshield wipers and defrosters installed.

- (d) It is mutually agreed that a form shall be supplied the driver on which he must report defects in equipment with sufficient copies so that the driver may retain a copy and so that the head office of the Company will have a copy of this report to file.
 - (e) When a driver reports a defect in equipment, he must tag or mark the vehicle involved in such a manner so that any other employee will notice the defective equipment. It shall be the Company's responsibility to supply tags or other marking devices. This tag to be left on the vehicle in order to show the work has been completed and shall be removed by the out-going driver.
 - (f) The Company shall not compel any driver to operate a vehicle which weighs in excess of the legal gross weight limits. Where a driver with the knowledge of the Company operates with an overload and is convicted, the Company shall be responsible for any fines involved. Drivers who of their own accord, operate with an overload may be subject to discipline and responsible for their own fines.
 - (g) The Company shall supply a fire extinguisher and an adequate First Aid Kit for each service vehicle. Each uncovered service vehicle shall be equipped with a tarpaulin.
 - (h) All vehicles will comply with Workers' Compensation Regulations.
24. The Company will provide rubber clothes, welders' gloves and welders' aprons, goggles and helmets. Hard hats will be issued by the Company for job use where required.
25. Severance and Layoff Pay
- (a) If an employee is laid-off for a period that exceeds his right to recall as provided for in the seniority provisions of this Agreement and that employee has a minimum of one (1) years' service with the Company, he shall be paid one (1) weeks' pay for each year of service with the Company to a maximum of fifteen (15) weeks at his then applicable rate of pay. Such an employee may elect to accept layoff pay under the provisions of this section before the end of his right to recall period, but in so doing shall forfeit all seniority rights accruing to him under this Agreement, by reason of this terms of service with the Company.
 - (b) In the event of amalgamation, permanent closure of the plant, or a department thereof, or automation, causing any employee to lose his employment with the Company, the Company hereby agrees to pay the employee severance pay provided the employee has a minimum of one (1) years' service with the Company. Severance pay shall be based on an employee's regular rate of pay at the date of his

severance and shall be paid in accordance with the following schedule:

One (1) week's pay for each year of service with the Company to a maximum of fifteen (15) weeks.

In the event that part of the plant remains open or that an employee has lost his employment because of amalgamation or automation, an employee eligible to receive severance pay may elect to remain on the seniority list for possible recall. The Company shall hold the severance pay for such employee for the period of his right to recall but during such period the employee may be subject to the same forfeiture provisions of sub-section (a) of this section, request and receive payment of such pay.

- (c) An employee shall be entitled to the provisions of either (a) or (b) but not both.

26. Benefits and Pension Plans

- (a) Contributions to the Operating Engineers Benefits Plan in respect to each employee covered by this Agreement shall be in the amounts set out for each hour earned.

Effective April 1, 2003 - \$
Effective April 1, 2004 - \$
Effective April 1, 2005 - \$

Contributions to Benefits and Pension Plan in respect to each employee covered by this Agreement shall be in the amounts set out for each hour earned.

The Operating Engineers Benefits Plan shall be controlled by a Board of Trustees composed of eight (8) representatives appointed by the Union .

Contributions must be forwarded by the Company to the Operating Engineers, Benefits Plan by the fifteenth (15th) day of the month following the month which the contributions cover, and shall be in accordance with the prescribed contribution forms supplied by the Benefits Plan.

In the event the Company fails to remit contributions to this Plan in conformity with this section of the Agreement, the Union is free to take any economic action it deems necessary against the Company, and such action shall not be considered a violation of this Agreement.

A Business Representative of the Union may inspect, during regular business hours, the Company's record of time worked by employees and contributions made to the Plan.

Other personnel of the Company party to this Agreement may become Associate Members of the Plan as provided for in the Trust Agreement, and upon so doing, be governed by the regulations as provided by the Trustees from time to time.

Benefits which will be provided under this Plan as follows:

- (i) Medical Surgical Benefits
- (ii) Weekly Indemnity Benefits for Non-Occupational Sickness and Accident
- (iii) Such additional benefits as the Trustees of the Plan shall periodically determine.

(b) An employee will be eligible for all coverage benefit in (a) on the first day of the month following commencement of employment.

(c) Where the Company presently has an Employee Benefit Plan in effect covering salary continuation and/or life insurance and/or accidental death and dismemberment coverage, and such coverage is in excess of the coverage outlined in this section, then the Company shall continue such coverage at no cost to its employees.

(d) Accident Insurance

The Company will maintain at its expense twenty-four (24) hour accident coverage on each employee, for a principal sum of fifty thousand dollar (\$50,000.00) payable to the beneficiary or estate of the employee who loses his life because of an accident.

(e) Prescription eyeglasses which are damaged on the job shall be replaced by the Company at no cost to the employee to a maximum of one (1) pair per Agreement year.

27. Pension Plan

Contributions to the Operating Engineers Pension Plan in respect to each hour earned by each employee shall be:

Effective April 1, 2003 -	\$
Effective April 1, 2004 -	\$

Effective April 1, 2005 - \$

The Operating Engineers' Pension Plan shall be controlled by a Board of Trustees composed of eight (8) representatives appointed by the Union .

The Company is required to report on the forms provided by the Pension Plan.

Contributions must be forwarded by the Company to the Operating Engineers' Pension Plan by the fifteenth (15th) day of the month following that which contributions cover.

In the event a Company fails to remit contributions to this Plan in conformity with this section of the Agreement the Union is free to take any economic action it deems necessary against such Company and such action shall not be considered a violation of this Agreement.

The Business Representative of Local 115 may inspect during regular business hours a Company's record of time work by employees and contributions made to the Plan.

Payments to the Pension Plan shall be made by cheque, payable at par, at the Municipality of Burnaby, Province of British Columbia, to the Operating Engineers' Pension Plan.

28. The Company shall make contributions to the Operating Engineers' Joint Apprenticeship Board, 4333 Ledger Avenue, Burnaby, British Columbia, at the rate of five cents (\$0.05) per hour for which wages are payable to employees covered by this Agreement.

29. Sick Time

The Company shall grant sick leave credits, to each employee. These credits shall be granted on the following basis:

At the beginning of each service year with the Company an employee will receive credit for forty-eight (48) hour sick leave to apply to the service year which is just commencing. Before reaching an anniversary date at which sick time will be received an employee will receive during the interim period, sick leave credit based on four (4) hours per month which will accumulate to a maximum of forty-eight (48) hours. A new employee shall not receive sick leave credits until he has been in the employ of the Company for sixty (60) calendar days. At that time he shall receive eight (8) hours credit and four (4) hours credit each month thereafter. If he becomes sick during his first year he shall only be allowed to use the sick hours earned up until the time he became sick.

The Company shall, to the extent that sick leave credits are available, pay to an employee who reports sick on a regular work day the equivalent of the wages he would have earned at his classified rate of pay for his normal hours of work and reduce his sick leave credits by the

number of hours that correspond with the number of hours that he would have normally worked.

Sick time shall be subject to the following provisions:

- (a) Sick leave shall be granted for an employee's personal use only.
 - (b) An employee who reports sick during any day will have his sick leave allotment reduced by the number of hours not worked during that day
 - (c) Sick time is not to be used for any purpose other than legitimate illness.
 - (d) All absence due to illness of a duration of more than three (3) consecutive scheduled work days shall require a doctor's certificate to an employee's department manager.
 - (e) It is the responsibility of an employee to immediately notify his department supervisor of absence due to illness. If there is no notification, absence may be considered absence without pay.
 - (f) A committee of three (3) comprised of an employee's supervisor, department manager and a Business Representative of the Union, shall rule on any contingencies not covered by these provisions.
 - (g) In computing time served with the Company for purpose of determining eligibility for sick time with pay, it will be governed by an employee's commencement date with the Company.
 - (h) All unused sick time per service year may be accumulated up to a maximum of thirty (30) extra days sick time provided that:
Accumulated extra sick time may only be used after the annual five (5) days sick time has been used up.
 - (i) No pay or allowance will be made in lieu of sick time.
 - (j) Sick leave may not be used for any periods covered by sickness and accident insurance, Workers' Compensation and long term salary insurance.
 - (k) All sick time which is accumulated in excess of the thirty (30) days shall be paid to the employees.
30. (a) Employees are required to take orders only from their immediate supervisors.
- (b) Crews
- When one member of a designated crew is absent (for vacation, sick days, or authorized leave) for more than one(1) day, a temporary employee shall be hired.
- (c) Temporary Employee

Temporary employees hired for short term employment shall be hired under the terms of, and receive all conditions of, the Collective Agreement.

SCHEDULE "A"

1. CLASSIFICATIONS

- (a) Mechanics, Welders Painters Machinists Machine Operators, Truck Drivers.

Effective April 1, 2003	\$23.63 per hour
Effective April 1, 2004	\$23.63 plus COLA plus 1/4%
Effective April 1, 2005	April 1, 2004 rate plus COLA plus 1/4%

- (b) Casual Employees (Students) for janitorial duties and clean up:

Effective	
April 1, 2003	\$14.58 per hour
April 1, 2004	\$14.58 plus COLA plus 1/4%
April 1, 2005	April 2004 rate plus COLA plus 1/4%

Note: These rates shall be adjusted by any amounts agreed to be placed in Pension or Benefits Plan contributions as described through a Letter of Understanding between the parties.

2. CASUAL EMPLOYEES

Casual Employees shall not perform any work normally done by employees who work in the operations, production, or maintenance departments of the Company.

3. FIRST AID MAN

When an employee is designated as First Aid Man by the Company he shall receive thirty-five cents (\$0.35) per hour above his classification.

4. LEAD HAND

When an employee is designated as Lead Hand by the Company he shall receive one dollar (\$1.00) per hour above the highest classification under his supervision.

5. Where an employee works in a higher hourly wage classification, he shall be paid the higher rate for the hours worked in such classification.

6. When a new job classification is introduced which is not included in the list of classifications in this Schedule, the Company and the Union shall promptly negotiate a wage rate for such classification.

Every effort will be made by the parties to conclude negotiations the matters in dispute shall be referred to a single arbitrator agreed upon between the parties. Failing such agreement, either party at any time may call upon the Minister of Labour of the Province of British Columbia to appoint an Arbitrator.

ARTICLE 14: SAVINGS CLAUSE

1. No employee, who prior to the date of this Agreement was receiving more than the rate of wages as set out in the Schedule attached hereto or working less hours than stipulated in this Agreement, shall suffer a reduction of wages or increase in hours worked per week because of the adoption of this Agreement.
2. Nothing herein contained shall preclude higher wages being paid to employees of special ability.
3. (a) If any Article or section of this Agreement should be held invalid by operation of law or by tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or section should be restrained by such tribunal, pending a final determination as to its validity, the remainder of this Agreement or the application of such Article or section to persons or circumstances other than those as to which it has been held invalid, or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.
- (b) In the event that any Article or section is held invalid or enforcement of or compliance with which has been restrained, as above set forth, the parties affected thereby shall enter into immediate collective bargaining negotiations, upon the request of the Union, for the purpose of arriving at a mutually satisfactory replacement for such Article or section during the period of invalidity or restraint. If the parties do not agree on a mutually satisfactory replacement, they shall submit the dispute to the Grievance Procedure.

SIGNED AT _____, this ____ day of _____, 200__

PACIFIC ABRASIVES AND SUPPLY
INCORPORATED

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

SHOP STEWARD

LETTER OF UNDERSTANDING

Between

PACIFIC ABRASIVES SUPPLY INCORPORATED

And

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

Where casual or temporary employees perform work normally done by the regular employees the temporary employee shall be paid the same rate as the regular employee would receive for performing that work.

This letter becomes effective on the date signed below.

Signed at -----this -----day of ----- 2004.

Pacific Abrasives and Supply Incorporated

International Union of Operating Engineers
Local 115

LETTER OF UNDERSTANDING

Between

PACIFIC ABRASIVES SUPPLY INCORPORATED

And

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

The Parties agree to the following:

1. The wage increase or 3% (\$.69) for 2003 shall be distributed as follows:
\$.15 to the Operating Engineer Benefits Plan
\$.14 to the Operating Engineer Pension Plan
\$.40 to wages

2. In each of the following two years on or before the anniversary date of the collective agreement , the Union shall notify the Company of the distribution of the wage increases as determined by the members of Pacific Abrasives to either wages, the Operating Engineers Benefits Plan or the Operating Engineers Pension Plan.

This letter becomes effective on the date signed below.

Signed at -----this -----day of ----- 2004.

Pacific Abrasives and Supply Incorporated

International Union of Operating Engineers
Local 115