

LETTER OF UNDERSTANDING

BY AND BETWEEN: **D.B.D. VENTURES (the "Company")**

AND: **INTERNATIONAL UNION OF OPERATING ENGINEERS
LOCAL 115 (the "Union")**

It is agreed by the parties, as an addendum to the collective agreement between D.B.D. Ventures and the International Union of Operating Engineers Local 115, the following terms and conditions shall apply for all work performed by D.B.D. Ventures within the boundaries of the gravel operation of Construction Aggregates Ltd. at Sechelt, BC.

HIRING PROCEDURE

As a condition of this Letter of Understanding, the Company agrees to employ only members of the Union and/or employees who become and remain members in good standing with the Union. Employees who are not members of the Union shall make application to join the Union within fourteen (14) days of commencing employment.

The Company shall have the right to "name hire" up to fifty percent (50%) of its employees on a one-to-one basis (first hired by the Company). Such employees may or may not be members of the Union. The Company will notify the Union immediately upon hiring such employee.

The Company shall be required to hire the remaining fifty percent (50%) of employees through the Union dispatch. The Union shall have the right to select such members from its "out-of-work list". The Union agrees to dispatch only members who are qualified and experienced in the classification requested by the Company.

The Company may elect to hire employees who may not be experienced in a classification. In such case the employee will be on a two (2) week probationary/training period. Probationary/training employees shall be paid sixty percent (60%) of the classified rate of pay during this two (2) week period.

HOURS OF WORK AND OVERTIME

Hours of work for day shift and/or night shift shall be seven and one half (7½) hours per shift, excluding lunch period.

All employees shall be entitled to two (2) coffee breaks per shift. Coffee breaks shall be paid time.

The Company shall meet with the Union prior to starting a third (3rd) shift, for the purpose of determining what the hours of work shall be for this shift.

Overtime shall be paid for all hours worked in excess of seven and one half (7½) per shift, Monday through Friday. All hours worked on Saturday, Sunday or a General Holiday shall be paid at the overtime rates of pay.

RATES OF PAY

The rates of pay for all employees will be set at twenty-one cents (21¢) per hour above the classification rate as set out in the collective agreement between Construction Aggregates Ltd. and the Union. These rates of pay will automatically follow the Construction Aggregates Ltd. classification rates of pay from year to year thereafter.

VACATION PAY AND GENERAL HOLIDAYS

The Company shall pay each employee all vacation and general holiday pay every payday.

The Union agrees to observe Heritage Day (3rd Monday in February) as a floater holiday. This day shall be taken off by mutual agreement between the employees and the Company.

DRUG AND ALCOHOL TESTING

The Company retains the right to request new employees to be tested for drug or alcohol dependency prior to employment. After employment the Company may only request an employee to be tested for drug or alcohol dependency for probable cause. Where the Company has requested an employee to be tested such employee shall have the right to be tested by the employee's own doctor.

The Company shall advise such employee of this right.

The Company agrees to establish and Employee Assistance Program to assist any employee who may suffer from a drug or alcohol dependency problem.

TRUST FUNDS

The Company shall pay into all trust funds at the rate of eighty percent (80%) as set out in the R.B.S.I.A. except for working dues. These trust funds will follow the rates as contained in the R.B.S.I.A. Collective Agreement from year to year thereafter.

It is agreed by the parties that the contributions to the funds shall be for each hour wages are payable. In other words, all overtime hour contributions shall be at straight time rates.

UNION DUES CHECK-OFF

Union dues check-off shall be deducted from the employee's pay and remitted by the Company at the rate of two and one half times (2½x) the employee's rate of pay. These rates will only be adjusted as set out in the Working Rules and By-laws of the Union.

ROAD BUILDING INDUSTRY STANDARD AGREEMENT

All other terms and conditions of the Road Building Industry Standard Agreement not set out specifically in this Letter of Understanding shall be in full force and effect.

All of which is agreed to this ____ day of _____, 2004 at _____, BC.

WITNESS

D.B.D. VENTURES

INTERNATIONAL UNION OF OPERATING
ENGINEERS - LOCAL 115

D.B.D. Ventures
CAL – Rates and Benefits

Rates of Pay

	October 01, 2001	April 01, 2002	April 01, 2003	April 01, 2004
Haul Truck Driver	\$23.95	\$24.23	\$24.52	\$24.81
Truck Driver	\$22.21	\$22.49	\$22.78	\$23.07
Mobile Equipment Operator	\$25.75	\$26.25	\$26.75	\$27.25

Rates of pay are twenty-one cents (21¢) above CAL classification rates.

Benefit Package – 100% paid by the employer.

	October 01, 2001	April 01, 2002	September 01, 2003	March 01, 2004	March 01, 2005
Health & Welfare Plan	\$1.28		\$1.56	\$1.60	\$1.65
Pension Plan	2.72	AS	2.88	3.04	3.20
Apprenticeship Plan	0.305	SET	0.305	0.305	0.305
OE Advancement Fund	0.13	BY	0.13	0.13	0.13
Rehabilitation Fund	0.015	THE	0.015	0.015	0.015
Tool Allowance Fund	0.065	R.B.I.S.A.	0.065	0.065	0.065
TOTAL	\$4.515		\$4.955	\$5.155	\$5.365