

COLLECTIVE LABOUR AGREEMENT

BEACHCOMBER HOT TUBS INC

AND

TEAMSTERS LOCAL UNION NO. 31

JANUARY 1, 2004 - DECEMBER 31, 2007

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Collective Labour Agreement

Between

BEACHCOMBERS HOT TUBS
(hereinafter referred to as "the Company" or "the Employer")

and

TEAMSTERS LOCAL UNION NO. 31
(hereinafter referred to as "the Union")

ARTICLE 1 – INTENT & PURPOSE

Section 1 - Relationship

The purpose of this agreement is to establish an orderly collective bargaining relationship between the Employer and the Union with respect to the bargaining unit as defined herein, to secure the prompt and equitable disposition of grievances and to promote the efficient operation of the Employer's business. This Agreement shall be regarded as a complete and specific statement of the relationship between the Employer and the Union.

Section 2 - Gender

For the sake of simplicity, where the masculine term is used throughout this Agreement it is understood to include both male and female genders.

Section 3 – No Other Agreements

It is agreed that neither party to this Agreement will enter into any agreement or contract with employees which conflicts with the terms and provisions of this Agreement.

ARTICLE 2

Section 1 – Certificate of Bargaining Authority

The Company agrees to recognize the Union as the sole bargaining agent for:

- (a) Employees and categories of employees referred to in the Certificate of Bargaining Authority held from time to time by the Union.

Section 2 – Bargaining Authority

All members of the Union shall receive a copy of this Agreement which is binding on management, the union and employees. The union shall be responsible for the printing of the Collective Agreements and the Company will share in the printing costs. Copies of the agreement will be available to employees at the successful completion of the probationary period.

ARTICLE 3

Section 1 – Posting of Agreement

The company will provide a glass enclosed locking bulletin board in each Company lunchroom area for such notices as the Union may from time to time wish to post. The said Union notices shall be posted and signed by an elected or appointed officer or other authorized representative of the Union. The Union will ensure that a copy of the collective agreement is attached to each board.

Section 2 – Check-off

The Union will supply the Employer with the appropriate forms authorizing the company to deduct union initiation fees, union dues and/or other assessorial charges as levied in accordance with the constitution and bylaws of the Union. All forms will be signed by new hires on the date of hire and returned to the Union with the monthly remittance of dues.

Section 3 – Union Shop

Every employee of the Company covered by this Agreement shall be a member of the Union in good standing during the whole of the term of this Agreement as a condition of employment with the Company.

Section 4

The deduction of Union dues shall be made from every employee including, but not limited to, probationary employees. In the event that a probationary employee fails to complete his probationary period, Union dues will be deducted from his final pay cheque.

Section 5

The employer shall show the yearly Union monthly dues deductions on employees' T-4 slips.

Section 6 – Contracting Out

To the extent that work is presently contracted out it may continue otherwise work of the bargaining unit will continue to be done by the bargaining unit. This clause does not prevent preassembled work coming into the plant.

ARTICLE 4 – MANAGEMENT RIGHTS

Section 1 – Residual Rights

All matters pertaining to operating the business are reserved to management except as limited by the provisions of this agreement. The employer will make and alter from time to time rules and regulations to be complied with by its employees. These rules and regulations will be filed with the Union.

Section 2 - Discipline

- (a) The employer shall discipline employees only for just cause. Formal reprimands, suspensions and discharge will be in writing to the employee with a copy provided to the Shop Steward. In the event the company intends to terminate a shop steward for cause, the steward will be suspended for twenty-four (24) hours and the union notified.
- (b) An employee who has been suspended or discharged shall be given a reasonable opportunity to meet with his Steward before leaving the employers premises unless it is necessary in the Employer's opinion, because of the circumstances giving rise to his discharge or suspension, to require the immediate expulsion of the employee from the premises.
- (c) Formal reprimands will be removed after twelve (12) months provided there have been no further reprimands entered on the employee's file.

- (d) Employees who believe they have been unjustly reprimanded may appeal such decision through the grievance procedure.

ARTICLE 5 – NO STRIKES AND LOCKOUTS

Section 1 – No Work Stoppages

The Union agrees that during the life of this Agreement neither the Union nor any employee shall take part in or call or encourage any strike, picketing, slowdown or any suspension of or stoppage or interference with work or production, either complete or partial, which shall in any way affect the operations of the Employer and there shall not be any sympathy strikes. The Employer agrees it will not engage in any lockout of employees.

ARTICLE 6 – REPRESENTATION

Section 1 – Plant Visitations

Authorized agents of the Union will request and have access to the Company's establishments during working hours for the purpose of investigating conditions related to this Agreement and shall in no way interrupt the Company's working schedule.

Section 2 – Shop Stewards

- (a) The Union shall elect or appoint from among its members in the bargaining unit and shall notify the Company in writing forthwith of such appointments and deletions of those employees so elected or appointed. The Company will recognize shop stewards and not discriminate against them for lawful Union activity.
- (b) Grievances shall be processed during the normal working hours of the shop steward. A steward shall receive his regular rate of pay when grievances or pending grievances are processed with the Employer.
- (c) If the Employer representative is unable to meet the steward during the steward's normal working hours, the steward shall be paid at straight time for all hours spent during the processing of the grievances with the Employer.

Section 3 – Production of Records

For the purpose of processing specific grievances or disputes, Business Representatives of the Union and Stewards will, with reasonable prior notice, have time cards and personal disciplinary records made available to them on request during the office hours of the Employer.

ARTICLE 7 – GRIEVANCE PROCEDURE AND ARBITRATION

Section 1 – Purpose

Whenever any dispute arises between the Company and the Union or between the Company and one or more employees, the employees shall continue to work and the dispute shall be adjusted in accordance with the following procedures.

Section 2 – Time Limits

Time limit to initiate this Grievance Procedure:

- (a) Termination or lay-off – ten (10) calendar days.
- (b) All other grievances – thirty (30) calendar days.

In any dispute over a pay cheque or pay statement or any matter thereon the time limit shall be calculated from the date the employee received the pay cheque or pay statement.

- (c) All time limits referred to in the grievance procedure may be extended by mutual agreement.

Section 3 – Grievance Procedure

An earnest effort to resolve the grievance will be made by all parties at all steps of grievance process.

Step 1:

Any grievance of an employee shall first be taken up between such employee and the Company supervisor, however, the employee will be entitled to be represented by a shop steward or a Union representative.

Step 2:

Failing settlement within 10 days following Step 1, such grievance will be reduced to writing and shall be taken up between a representative of the Union or a shop Steward and the Production Manager.

Step 3:

Failing settlement within 10 days following Step 2, such grievance and any dispute arising between the Union and the Company over the interpretation or application of the provisions of this Agreement, including any dispute as to

whether a matter is subject to this grievance procedure shall be referred to two (2) authorized representatives of the Union and two (2) authorized representatives of the Company. The representatives of the Union and the Company shall exchange statements in writing setting forth their respective positions relative to the matter(s) in dispute not later than at their initial meeting.

Step 4:

Failing settlement under Step 3, either Party may refer the matter to an agreed upon neutral arbitrator who will meet with the authorized representatives of the Union and the Company to hear both sides.

All monetary grievance settlements are to be paid the following pay period on a separate cheque or as otherwise agreed to between the parties.

Section 4 – Appointment of Arbitrator

- (a) If the parties fail to agree upon a neutral arbitrator within five (5) days (excluding Saturday, Sundays and general holidays) after one party has served written notice on the other party of its intention to refer the matter to a neutral arbitrator, the appropriate Government Agent will be requested to appoint a neutral arbitrator.
- (b) The parties may if mutually agreed have the matter heard by the Canadian Joint Grievance Panel Inc. as per the attached Memorandum of Agreement.

Section 5 – Arbitrator's Decision

The arbitrator shall be required to hand down his decision within fourteen (14) days (excluding Saturday, Sunday and General Holidays) following completion of the hearing, and his decision will be final and binding on the two Parties to the dispute and shall be applied forthwith.

The decision of the arbitrator shall be specifically limited to the matter submitted to him, and he shall have no authority in any manner to amend, or change any provisions of this Agreement.

The cost of the arbitrator will be borne equally by the Union and by the Company.

ARTICLE 8 – SENIORITY

Section 1 – Seniority Defined

Seniority is the length of service from the last date of hiring of the employee.

Section 2 – Probation

- (a) newly hired employees accrue no seniority until they have completed sixty (60) days of work. On the successful completion of probation, seniority will be backdated to the original date of hire.
- (b) The probationary period is a trial period during which an employee maybe terminated for any work related reason.

Section 3 – Lay-offs

The parties agree that job security should increase with the length of service. To that end the following procedure will be followed in the event of a reduction of forces.

- (a) Lay-off notices will be issued to the Junior employees in seniority order in the Production Worker I category.
- (b) If further lay-offs are required lay-off notice will be issued to remaining employees in Production I category.
- (c) Should the curtailment of operations be so significant notices would then be issued to the junior Production Workers in category II and then into category III.
- (d) Should there be a full curtailment of operations all affected employees will receive notice.

Section 4 – Bumping

Although it is unlikely because of the sequence of lay-off, if an employee in Production Worker I category receives notice and they have previously successfully performed the work of a production Worker II and there are junior employees holding Production Worker II positions, the senior laid-off Production Worker I may exercise his/her right to bump such employee(s).

Section 5 – Recall

Employees on lay-off will be recalled in reverse order of their lay-off i.e. last laid off, first recalled. Employees recalled must report for work on the date recalled provided they are given one week's notice. Employees recalled who do not report will be considered as terminated.

Employees on lay-off must provide the employer with any changes of address or phone number.

Recall rights will be effective for 6 months for those with less than one year's service and twelve (12) months for those with one or more years' service. Employees with more than five (5) years

service will acquire an additional month recall per year of service over five (5) to a maximum of eighteen (18) months.

Section 6 – Loss of Seniority

Employees will be struck from the seniority list and be considered as terminated if

- (a) They quit
- (b) They are fired for cause
- (c) Become members without standing with the union
- (d) Fail to return to work after recall
- (e) Fail to return to work after a Leave of Absence
- (f) Accept other employment while on Leave of Absence.

Section 7 – Seniority Lists

The Company will post and maintain seniority listings. Such up-to date listings will be posted as of January and July of each year. Copies of current lists will be provided to the Union. Such lists to state starting date of employee.

In the event that the Company purchases a business or any part thereof, the employees of which are covered by a Collective Agreement with a Local Union of the International Brotherhood of Teamsters, the seniority of such employees shall be computed from the date that they respectively first become employees of the business aforesaid.

If, as and when locations are closed down or partially closed down or amalgamated or moved to another location, the seniority of such employees shall immediately become a subject of discussion and failure of the Parties to agree may be submitted to the grievance procedure hereinafter provided for a final decision.

ARTICLE 9 – JOB POSTINGS

Section 1 – New Hires

All new employees will be hired into the Production Worker I category at a rate of \$2.00 per hour less than the PW 1. Every six (6) months new hires will receive a fifty cent (.50¢) increase reaching the prevailing PW 1 rate after two years. Upon achieving the full PW 1 rate employees will qualify to participate in the Teamster Pension Plan.

Employees in this category may be utilized to fill any position in the Category.

Section 2 – Vacancies in Production Worker II Category

When a vacancy occurs in the Production Worker II category it will be posted as such for seven (7) days and will be awarded to the most senior P.W. I who applies. Employees in category 2 may be utilized to fill any position in this category.

Section 3 – Vacancies in Production Worker III Category

Vacancies in Production Worker III categories will be posted for seven (7) days by specific job. Employees must be qualified to be successful in this posting. The most senior qualified employee will be awarded the posting.

The most senior Production Worker II employees will be afforded training on specific jobs in P.W.III positions.

Section 4 – Vacancies in Production Support Positions

Vacancies in these positions will be specifically posted for seven (7) days and awarded to the most qualified senior employee who bids on the job.

Section 5 – Trial Periods in Category III and Production Support Positions

Employees assigned through the posting procedure to a position in Category III or Support Positions will be on a trial period for a period of 45 work shifts. If they are unsuccessful they will be reassigned to their previous category and the affected employees will revert to their previously held positions.

ARTICLE 10 – SENIORITY WHILE OUT OF BARGAINING UNIT

Section 1 – Promotions to Supervisor Position

When an employee within the bargaining unit covered by this Agreement receives leave of absence in writing with a copy to the Union to take a position within the Company which is beyond the sphere of the bargaining unit, he may retain his seniority for a maximum of ninety (90) calendar days within the bargaining unit.

The starting date of such an appointment shall be posted in the terminal. Notice shall be given to the Union in writing prior to the employee leaving the bargaining unit for any period of time. During this leave of absence such employee shall continue to be covered by the Health and Welfare and the Pension Plan as provided in this Agreement.

Employees who have been granted such a leave of absence must remain a member of the Union and be covered under all benefits of the Collective Agreement but shall not perform any duties covered by the bargaining unit. In such appointments seniority shall be a consideration. The

successful appointee shall not have the right to hire and fire during the ninety (90) day leave of absence.

Not later than on the ninetieth (90) calendar day of this period, the employee must exercise his seniority rights by returning to his former unit or relinquish all such seniority rights. Should the employee return or be returned to the bargaining unit for any reason, he must remain within the unit for a minimum period of one hundred and twenty (120) calendar days prior to exercising such privilege again.

Section 2 – Relief Supervisors

The parties recognize that bargaining unit employees may be used as Relief Supervisors for regular Supervisors off on vacations, illness, leave of absence, etc. For the duration of such relief assignments employees will suffer no loss of seniority. Relief Supervisors will not be required to formally discipline employees.

ARTICLE 11 – LEAVES OF ABSENCE

Section 1 – General Leave

Employees may request a leave of absence up to thirty (30) calendar days. As much advance notice as possible is requested and a minimum of 3 months is required. In considering such requests the operational needs of the plant will be of paramount importance. Requests that fall in the time frame of November through the end of February are the most likely to receive favourable consideration, as will any request for an extension to the thirty (30) calendar days maximum.

Section 2 – Benefit Continuation

Employees on Leave of Absence in excess of two (2) weeks may continue their benefit coverage by paying for the entire premium costs for the duration of the leave.

Section 3 – Being Employed Elsewhere

Any employee hereunder on leave of absence engaged in gainful employment without prior written permission from both the Company and the Union shall forfeit his seniority and his name will be stricken from the seniority list and he will no longer be considered as an employee of the Company.

Section 4 – Compassionate Leave

Any employee requesting leave of absence for compassionate reasons shall not be unreasonably denied such request.

Section 5 – Union Leave

The Employer agrees to grant one employee an indefinite leave of absence, without pay, to work for the Teamsters Union, retaining and accumulating seniority during such leave. The leave of absence shall be revocable by the employee upon one (1) week's notice.

Section 6 – Lay-Off During Leave of Absence

An employee on a leave of absence who otherwise would have been subject to lay-off will complete the leave of absence and then be considered as being laid-off.

Section 7 – Pregnancy Leave

An employee who has completed thirteen (13) weeks of employment and who is pregnant will be entitled to pregnancy leave in accordance with the provisions of the Employment Standards Act.

An employee on pregnancy leave will continue to participate in the Employer's benefit plans for the period of their leave unless they elect in writing not to do so, provided that they continue to pay the contributions, if any, for the period of such leave.

Section 8 – Parental Leave

Employees who have worked for the Employer for at least thirteen (13) weeks and are the parents of a natural or adoptive child are eligible for a leave of absence without pay in accordance with the provisions of the Employment Standards Act.

Employees on parental leave will continue to participate in the Employer's benefit plans for the period of their leave unless they elect in writing not to do so, provided that they continue to pay the employee's contributions, if any, for the period of leave.

Section 9 – Bereavement Leave

- (a) In the event of a death in the immediate family of the employee a leave of absence with pay for three (3) days will be granted if the employee attends the funeral. If the employee does not attend the funeral the leave will be for one (1) day. Immediate family includes: spouse, children, father, mother, brothers, sisters.
- (b) The employer shall have the right to request a receive proof of death relating to any such absence.

- (c) Should more time off be required for any reason relating to the death an additional leave of absence without pay will not unreasonably be denied.

Section 10 – Jury Duty

If an employee is called for jury duty or to serve as a Crown Witness on his normal working day, the Employer agrees to pay the employee eight (8) hours straight time less the amount received from the Crown.

ARTICLE 12 - GENERAL

Section 1 – Injury at Work

If an employee meets with an accident after starting work, incapacitating him from carrying out his duties, the employee will be paid one (1) day's pay for the day of his injury providing the employee is not receiving Worker's Compensation pay for that day.

The Employer will supply, if necessary, an ambulance service to a hospital or physician's services and then to the employee's residence for the day of the injury.

Section 2 – Pay for Time

All employees covered by this Agreement shall be paid for all time spent in the service of the Company. Rates of pay provided for by this Agreement shall be minimums. Time shall be computed from the time that the employee is required to start work or registers in, whichever is later, until he is effectively released from duty. Employees who punch out late even though they were released from duties on time will not receive overtime unless it was previously authorized.

Section 3 – Savings Clause

If any article or section of this Agreement or any of the riders hereto should be held invalid by operation of law or by any 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 and of any rider thereto 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 effected thereby.

Section 4 – Negotiations for Replacement of Articles Held Invalid

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 either Party 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 an arbitrator as outlined in Article 7.

The Employer will pay the regular hourly rate for all employees compelled to attend Employer's meetings or Health and Safety meetings required by the Employer or by law.

Section 5 - Training

Where the Employer requires an employee to take training, the employee will be paid for all time spent in such training.

Section 6 – Time off to Vote

Personnel will be allowed time off to vote in Federal, Provincial or Municipal elections in accordance with the appropriate statute.

Section 7 - Lockers

The Employer will supply lockers to employees upon the completion of the probationary period.

Section 8 – Protection of Rights

It shall not be a violation of this Agreement or cause for discharge of any employee in the performance of his duties to refuse to cross a legal picket line recognized by the Union. The Union shall notify the Company as soon as possible of the existence of such recognized legal picket lines.

Section 9 – Picket Lines

It is agreed in the event of a strike among the employees of any other firm with which the Company does business, the Company will not ask its employees to perform any labour they do not ordinarily perform.

Section 10 – No Strike or Lockout

It is mutually agreed that there shall be no strike, lockout, or slowdown whether sympathetic or otherwise during the term that this Agreement shall be in force.

Section 11 – Filing Cabinet for Union

The employer will supply the union stewards with a lockable filing cabinet for filing union related materials.

Section 12 – Technological Change

Definition: Technological and mechanical changes shall be defined to mean the introduction and utilization of other equipment changes which have not previously been used with the bargaining unit by the Company and the use of which results in the termination or the laying off of regular employees.

Recognition by Parties: All Parties to this Agreement recognize that technological and mechanical changes that result in the increased efficiency and productivity must be encouraged and further that all Parties have a direct responsibility to reduce to a minimum the adverse effects that may result from such changes.

Prior Notification: The Company shall advise the Union as far in advance as possible, and not less than thirty (30) calendar days prior to the introduction technological or mechanical changes and the matter shall immediately become the topic of general discussion and consultation between the Company and the Union and particularly in regard to:

- (a) The effect such changes will have on the number of employees within the bargaining unit;
- (b) The probable effect on working conditions; and
- (c) Any changes in job classifications.

Dislocated Employees: In the event technological or mechanical changes result in a reduction in the work force or the demotion or promotion of employees, such reductions, demotions or promotions shall be done in accordance with the provisions of article 8, seniority as contained herein.

Retraining and Upgrading: The parties jointly and individually will undertake with the assistance of Canada Manpower and through recognized provincial or local adult training programs if necessary to re-train and upgrade regular employees to enable them to become qualified and capable of performing new jobs resulting for or created by the technological mechanical changes.

Section 13 – Transfer of Ownership

This Agreement shall be binding upon the Parties hereto, their successors, administrators, executors and assigns. In the event an entire business or any part thereof is sold, leased, transferred or taken over by sale, transfer, lease, assignment, receivership or bankruptcy proceedings, such business or any part thereof shall continue to be subject to the terms and conditions of this Agreement for the life thereof. The Company shall notify the Union in writing, not later than the effective date of the fact of any sale, transfer, lease, assignment, receivership or bankruptcy proceeding, not including financial arrangements thereof.

ARTICLE 13 – MEDICAL EXAMINATION

Section 1

- (a) Any Company or Government required physical or medical examination shall be promptly complied with by all employees provided, however, the Company shall pay for all such physical or medical examinations or for any time lost as a result thereof during his working hours.

Where a regular employee is required by the Company to take a medical outside of his regular hours of work, the Company shall pay, to a maximum of two (2) hours straight time, wages for such time spent excepting in instances where an employee is returning to work or is about to return to work following illness or disability.

- (b) If following a medical examination under (a) of this section, the employee is dissatisfied with the decision of the Company doctor, the employee may seek a decision from his personal doctor. Should the decision of the Company's doctor and the employee's doctor differ, the Company or the Union is entitled to direct that the employee be examined by a medical specialist whose specialty covers the disability. The Company's doctor and the employee's doctor together, shall then select such a specialist.
- (c) An employee who has been absent from work because of illness or accident shall not suffer a reduction in his regular wages only because the Company requires a medical examination prior to the employee resuming work. If such employee is entitled to work under seniority and recall procedures, he will be paid his regular wages for each day or days until he returns to work, provided the Company medical examiner certifies the employee fit to resume work.

Should the Employer require a medical certificate for any reason, the Employer will pay for all cost involved.

Section 2 – Compensation Sickness Coverage

When an employee goes off work ill or on compensation the Company shall continue to pay both his Health and Welfare Plan fees and Union dues so that the employee shall be protected to the utmost provided:

- (a) the employee reimburses the Company for such contributions normally paid by said employee and is at no time more than five (5) months in arrears; and
- (b) the period of such coverage shall exceed twelve (12) months only by mutual agreement of the two Parties.

When an employee returns to work, the Company shall deduct from his earnings any monies the Company has paid out in respect of his contributions.

In the event any employee does not return to work, and the employee refuses or neglects on demand at his last known address to make restitution for such monies paid out, the Union shall then reimburse the Company for said amount.

ARTICLE 14 - HEALTH AND SAFETY

Section 1 – Safety Committee

The Employer and the Union agree that they mutually desire to maintain high standards of health and safety for the employees in order to prevent injury or illness. The Employer and the Union agree to establish a Health and Safety Committee consisting of two (2) Employer and two (2) Union employee representatives. Meetings will be held monthly during working hours. The Employer will pay participating employees at their regular rate of pay for the time required.

Section 2 – Sanitary Conditions

Where possible, and where required, the Company agrees to maintain at its locations adequate, clean, sanitary toilet facilities, lockers, lunchrooms and washrooms having hot and cold running water with proper ventilation. It shall be the responsibility of the employees to use all facilities carefully and considerately without unnecessary damage and dirtiness.

Section 3 – First Aid Supplies

The company shall supply first aid provisions in accordance with the Worker's Compensation Act.

Section 4 – First-Aid Attendant

Any employees holding a first-aid certificate recognized under the Worker's Compensation Board regulations who is designated by the Company to carry out duties of a first-aid attendant, Class C, shall receive in addition to his regular rate as provided in Schedule "A" herein a premium of seventy-five (75) cents per hour. The employer shall be responsible for the cost of maintaining or upgrading the employee's first-aid certificate to the extent that course fees will be paid by the Employer.

Section 5 – Protective Equipment

The Employer will provide protective rainwear for employees who are required to work in inclement weather.

The Employer will provide and pay for the following safety equipment:

- Gloves as required;
- Goggles as required;
- Ear protection as required;
- Respirator as required.

The Employer will also provide at its expense dust masks to all employees as requested.

Section 6 - Coveralls

Upon completion of the probationary period the Employer will provide the employee with three (3) pairs of coveralls. In the interim period employees will be provided with paper or temporary coveralls.

ARTICLE 15 - VACATIONS

Section 1 - Vacation Entitlement

Employees who work a minimum of 1600 hours in a year will qualify for the greater of the following:

- Upon completion of one years service 80 hours vacation at their hourly rate at the time of taking the vacation or 4% of gross earnings.
- Upon completion of three (3) years continuous 120 hours of vacation at their hourly rate at the time of taking their vacation or 6% of gross earnings.
- Upon completion of nine (9) years of continuous service 160 hours of vacation at their hourly rate at the time of taking their vacation or 8% of gross earnings.

- Upon completion of fifteen (15) years of continuous service 200 hours of vacation at the hourly rate at the time of taking the vacation or 10% of gross earnings.
- Employees who do not complete the 1600 hours will qualify for the percentage of gross earnings only.

Section 2 - Vacation Shutdown

It is the present intention of the employer to continue to schedule a vacation shutdown over the Christmas season. This reflects the slow season in the industry. Employees are encouraged to take their vacation at this time, although consideration will be given for other requests, which if approved would mean the December vacation shutdown would be Leave without pay.

Section 3 - Other Vacation Requests

Request for vacations at times other than the vacation shutdown will be considered on the basis of seniority.

Section 4 - Vacations Scheduled

Once a vacation outside the annual vacation shutdown is approved, it cannot be changed except by mutual agreement of the parties.

ARTICLE 16 - GENERAL HOLIDAYS

Section 1 – Entitlement

Employees who worked fifteen (15) of the thirty (30) days immediately preceding a holiday will receive their normal day's pay on such holiday.

Section 2 – Recognized Holidays

The recognized holidays are as follows: New Years Day, Good Friday, Victoria Day, Dominion Day, BC Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day and Boxing Day.

Section 3 – Holiday falling on a Regular Day of Rest

If a holiday falls on an employee's regular day of rest they will receive the holiday pay for that day and may request another day off without pay at a mutually agreeable time.

Section 4 – Work on a General Holiday

If an employee works on any of the above-cited holidays, he/she shall be paid for all hours worked on the holiday at one and one-half (1 ½) times his/her straight time hourly rate of pay in addition to his/her holiday pay as herein provided. A minimum of four (4) hours pay at time and one-half (1 ½) will apply whether the employee is required to remain at work for four (4) hours or not.

ARTICLE 17 - HOURS OF WORK

Section 1 – Guarantee of Hours

All regular employees who have achieved the full PW1 rate will be guaranteed forty (40) hours of work in any week which they begin work. Regular employees with full PW1 status or better who are to be laid off will be given notice of such lay-off in the week preceding the lay-off. Other employees may be given lay-off notice the day before such lay-off is to begin.

Section 2 – Normal Work Day/Week (8 hour shifts)

The normal work day shall consist of eight (8) consecutive hours of work not including a meal period. The normal work week will consist of five (5) consecutive eight (8) hour days. The work week will commence at 12:01 am Monday and terminating at 12:00 midnight Sunday.

Section 3 – Normal Work Day/Week (10 hour shifts)

The normal work day shall consist of ten (10) consecutive hours of work not including a meal period. The normal work week will consist of four (4) consecutive ten (10) hour days paid at straight time followed by three (3) days of rest. The work week will commence at 12:01 am Monday and terminate at 12:00 midnight Sunday.

Section 4 – Shift Selection

For all classifications choice of shift and start time preference, seniority shall prevail.

Section 4 – Shift Premiums

Employees working regular hours on afternoon or night shift will be paid \$0.50 per hour for such hours.

Section 5 – Lunch Breaks

On both eight (8) and ten (10) hour shifts employees will receive a one-half (1/2) hour unpaid lunch period.

Section 6 – Rest Period

On eight (8) hour shifts employees will receive a one-half (1/2) hour paid rest break. Employees working ten (10) hour shifts employees will receive two paid twenty (20) minute breaks.

Section 7 – Clean-up Period

There will be a five (5) minute paid clean-up period at the end of the shift. The supervisor may allow additional time for specialty job functions.

Section 8 – Reporting Allowance

Unless employees have been previously notified not to report for work who report and no work is available will be paid a minimum of four (4) hours pay and maybe assigned any available work. This four (4) hour guarantee does not apply in the event of strikes, power failure or other acts outside of the employer's control.

Section 9 – Call Back Pay

If an employee is called into work after having left the employer's premises, he/she will receive a minimum of four (4) hours pay at his/her regular straight time rate or time and one half for all hours worked whichever is the greater.

ARTICLE 18 - OVERTIME

Section 1 – Authorization

Employees are not to work overtime unless authorization to do so is received from the supervisor.

Section 2 – Distribution

Overtime shall be allocated by seniority amongst those who normally perform the work.

Section 3 – Overtime on Eight Hour Shifts

Time and one half will be paid for all hours over eight (8) in a day and forty (40) in a week. Double time will be paid for all hours over eleven (11) in a day. For the first eight (8) hours of work on a sixth or seventh shift the rate of pay shall be one and one half (1 ½) the hourly rate. Hours in excess of eight (8) on a sixth or seventh shift will be paid at two times (2X) the hourly rate. There shall be a minimum of a four (4) hour guarantee for those that work a sixth or seventh shift.

Section 4 – Overtime on Ten (10) Hour Shifts

Time and one half will be paid for the first hour of daily overtime and double time after the eleventh hour. If an employee works on one of his/her days off, it will be paid at time and one half. If they work a second or third shift on days off they will be paid at double time.

Section 5 – General Holiday

General holidays will be considered as time worked for the purpose of calculating weekly overtime.

ARTICLE 19 – HEALTH & WELFARE

Section 1 – Eligibility

Upon completion of one (1) year's employment, employees are eligible to join the Beachcomber Group Life and Health plan. Employees are eligible to join the BC Medical Plan upon successful completion of the probationary period.

Section 2 – Coverage

The employer agrees to maintain the levels of coverage as outlined in the benefit booklet and summarized below:

Life Insurance	\$25,000
ADD	\$25,000
Extended Health	\$25.00 – single deductible \$50.00 – family deductible 100% coverage
Dental Plan	100% - basic 50% - major 50% - orthodontics \$25.00 single and \$50.00 family deductible \$2,000 per calendar year maximum claim per person for basic and major \$2,000 life time maximum per person for orthodontics (dependent children only)
Weekly Indemnity	1-4-26 @ 75% of weekly earnings to \$435 per week maximum
Long Term Disability:	After 120 days 66 2/3 of first \$2500 per month, then 50% of remaining salary

Medical Services Plan – after completion of probation period

Section 3 – Premium Cost Sharing

	Employer	Employee
Date of Ratification	65	35
January 1/05	70	30
January 1/06	75	25
January 1/07	100	0

Section 4 – Coverage Ceases

Coverage ceases on the last day of employment except M.S.P. which terminates at the end of the month in which an employee terminates.

ARTICLE 20 - WAGES

Section 1 – Pay Day

Wages will be paid every second Friday.

Section 2 – Working in a Different Category

If an employee is temporarily transferred to work in a job being paid in a higher pay band, he/she will be paid the higher rate for the full shift. Employees temporarily assigned to a task in a lower pay band will continue to receive his/her regular rate.

Section 3 – Wage Rates

The wage rates effective January 1, 2004:

PW1	-	\$10.50
PW2	-	\$11.50
PW3	-	\$12.50
Maintenance Helper	-	\$11.25
Tub Repair Technician	-	\$20.00
Maintenance Technician	-	\$18.00
Process Improvement Technician	-	\$18.00
Certified Trades	-	\$28.00

All rates will increase .30¢ per hour on Jan/05, Jan/06 and Jan/07.

Job Band Descriptions are as follows:

Production Worker I
Production Process

- Roll 1&2
- Jetting
- Plumbing
- Skirt mount
- Final plumbing
- Skirt level & support
- Detailing – cleaning
- Wrapping/packaging
- Ozone sub-assembly
- Plumbing sub-assembly (pre-plumbing)
- Panel sub-assembly
- Kick sub-assembly
- Skirt sub-assembly
- PAK sub-assembly
- P2-PAK assembly
- Skin sub-assembly (sewing)
- Step assembly
- In-line skirt repair
- Inner sub-assembly
- Heatshield assembly
- Wrapping & storage
- ACSS sub assy
- Tub assembly

Production Worker 2

- Trimming
- Order picking/packing
- Stockroom
- Fiberglass mixing/roller
- Wood work specialist – ACSS, Protec Interface, P2 Door/Hutch
- Performance / water test
- Detailing – final inspection
- Drilling
- PAK testing
- ACSS/Accessory install

Production Worker 3

- Acrylic Repair/Tub Repair
- Shipping
- Receiving
- Receiving/Stocking
- Thermo-Forming
- Chop 1&2

- Quality Control Technician
- Tack foam
- Fill-cap foam
- Material Cutting
- Stockroom 2 – Safety/production materials coordinator
- Shipping Receiving Leadhand
- Inventory Control Leadhand
- Production Leadhand

Support Positions

- 1) Maintenance Helper
- 2) Tub repair technician
- 3) Maintenance Dept. Technician
- 4) Process improvement technician
- 5) Skilled trades technician (Electrician Maint. Foreman)
- 6) Quality Control Technician

Section 4 – Red Circle Rates

- (a) For the life of this collective agreement employees who are red circled will receive a monthly payment of \$50.00 while they are red circled.
- (b) At the end of the year red circled employees provided they are on the payroll at November 30 will receive a bonus of \$600 per year payable by January 30 of the following year.

Premiums

- (a) Environmental premium is \$.50 or employees working in chop 1 and chop 2 positions as well as Roll 1 and Roll 2 positions. Employees working in the stain areas will also receive this premium as do employees working in the Foaming area.
- (b) Lead Hands – Those designated as Lead Hands will receive \$2.00 per hour above their rate or above PW 3 rate, whichever is higher.

ARTICLE 21 - TERM OF AGREEMENT

Section 1 – Term of Agreement

This Agreement shall be for the period from January 1, 2004 up to and including December 31, 2007. Either Party to this Agreement may, within four months immediately preceding December 31, 2007 give to the other party written notice to commence collective bargaining.

APPENDIX "A"
TEAMSTERS LOCAL NO. 31 UNION/INDUSTRY ADVANCEMENT FUND

The Employer shall contribute five cents (\$.05) per straight time hour worked by employees into this fund.

Payment of said funds shall be made to the Teamsters Local No. 31 Union/Industry Advancement Fund by the 15th of the month following that to which they refer.

This payment will be independent and separate from any other payment made to Teamsters Local Union No. 31.

APPENDIX "B"

TEAMSTERS NATIONAL PENSION PLAN

Section 1

The Teamsters National Pension Plan is designed to supplement other forms of pension an employee may have.

The Company together with other companies signing a Collective Agreement that is the same or substantially the same as the B.C. Master Freight and Cartage Agreement on the one Part, and the General Truck Drivers and Helpers Union, Local 31 on the other Part, have together established a pension plan to be known and described as:

“Teamsters National Pension Plan

- The Plan will operate under the supervision and guidance of 5 trustees appointed by the Companies and 5 trustees appointed by the Union.
- The Plan and the activities of the Trustees will be governed by a trust agreement aforesaid.

The following eligibility conditions shall apply to the Plan:

- (a) Any member of the Union who is a regular employee in the employ of Beachcomber Hot Tubs Inc. and who has completed fifteen hundred (1500) hours of work.

Section 2

The Trustees shall establish benefits from time to time in conformity with the sound financial applications of the negotiated contributions.

Section 3

The cost of the Plan shall be borne by the Companies.

The Company shall contribute in respect of each employee at a rate of contribution for each hour worked as follows:

1. All straight time hour worked by (or paid for) an eligible regular employee, not to exceed 40 hours per week or 168 hours per month, except:
 - (a) Any employee working a four day work week shall be entitled to 40 hours per week provided the employee works each day of the stipulated work week.

2. All hours, but no more than 168 hours per month for an employee within the regular bargaining unit on leave of absence by reason of their being appointed or elected to a part-time or full-time position in the Union. (These contributions shall be paid by the Union).
3. The following shall be deemed to be periods of work for which contributions are required to be paid by the Company:
 - Jury Duty
 - Bereavement Leave
 - Vacation Pay
 - Statutory Holiday Pay

No contributions are required to be paid for:

- Change in shift penalty
- Call time - where a call involves a four hour minimum embodying call time and hours worked, only hours worked are contributed for.
- Severance allowance

The following rate of contribution shall apply:

Effective Date	Cents Per Hour
January 1/07	30¢ - for all employees who have completed two years of service.

Contributions shall be made on a calendar month basis for each regular employee and the companies shall submit the total contribution to the Trust aforesaid, not later than the thirtieth (30th) day of the following calendar month.

In addition, the Company agrees to pay interest on all such contributions which are not postmarked or deposited within thirty (30) days of the last day of the contribution period at the Bank of Canada Prime Rate in effect on January 1st and July 1st of each year from the last day of the contribution period

MEMORANDUM OF AGREEMENT**For the Canadian Joint Grievance Panel Inc.
Schedule 1 and Schedule 2**

BETWEEN: BEACHCOMBER HOT TUBS INC.

(The Company)

AND: TEAMSTERS LOCAL UNION NO. 31

(The Union)

WHEREAS the Company and the Union have agreed to a grievance procedure, as provided in Article 7 of the Collective Agreement, and;

WHEREAS the Company and the Union wish to institute an additional procedure for the resolution of grievances;

THEREFORE, the Company and the Union agree as follows:

1. Prior to proceeding to arbitration, the grieving party can request, and if mutually agreed, that the grievance be referred to the Canadian Joint Grievance Panel Inc., established for this purpose by the Company and the Union. The grieving party will advise the other party in writing of its intention to proceed to the Canadian Joint Grievance Panel Inc. within fourteen (14) days after the completion of Step 3 of the Grievance Procedure.
2. The Canadian Joint Grievance Panel Inc. shall be composed of four (4) persons, two (2) of whom shall be selected by the Company and two (2) by the Union. In the event that four (4) persons are not available, the Canadian Joint Grievance Panel Inc. shall be composed of two (2) persons, one (1) of whom shall be selected from the Company and one (1) from the Union. The Company shall not select a representative from the Company involved nor will the Union select a representative from the Local involved.
3. The Canadian Joint Grievance Panel Inc. shall meet to hear and determine the grievance and render a decision after hearing the matter brought before it.
4. The majority decision of the Canadian Joint Grievance Panel Inc. on the disposition of a grievance shall be final and binding upon the parties and shall have the same effect as a decision rendered by an Arbitrator. Decisions of the Canadian Joint Grievance Panel Inc. shall not be used as precedents.
5. If the Canadian Joint Grievance Panel Inc. is unable to reach a majority decision as outlined in Schedule 1 pursuant to paragraph (3) above, the grieving party may proceed to Schedule 2 of the Canadian Joint Grievance Panel Inc. or an Outside

