

LETTER OF UNDERSTANDING

BY AND BETWEEN: MAINLAND SAND & GRAVEL LTD.

AND: INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 115

As the result of a vote conducted March 8, 2006 at Cox Station by members of the IUOE Local 115 (voters list attached), the following amendments were agreed to unanimously.

The parties signatory to this letter agree to the following:

1. Except as specifically expressed in this Addendum, all other terms and conditions of the Road Building Industry Standard Agreement (Paving) dated March 1, 2006 to February 28, 2011 shall apply.

2. Hourly Wage Rates

All equipment operators, haul truck drivers, drillers, blasters, and belt mechanics will be paid according to the following formula:

Group 2 rates of pay and Group 3 rates of pay added together and divided in half, resulting in an average (blended) rate.

i.e. Mar 1, 2006 rates of pay

Group 2 = \$27.56

Group 3 = \$27.18

\$54.74 ÷ 2 = \$27.37 rate of pay

3. Coffee Breaks

Two ten (10) minute coffee breaks will be combined and taken at mid-shift.

i.e. seven (7) hours' and forty (40) minutes' work for eight (8) hours' pay.

4. It is agreed and understood that these Hourly Wage Rates shall be subject to renegotiation on March 1, 2011.

Signed this _____ day of _____, 2006.

MAINLAND SAND & GRAVEL LTD.

INTERNATIONAL UNION OF OPERATING
ENGINEERS - LOCAL 115
