

SPECIAL MATERIAL SUPPLY AND DELIVERY AGREEMENT

BETWEEN

CHALOR ENTERPRISES LTD.

AND

TEAMSTERS LOCAL UNION No. 213

July 1st, 2006 - June 30th, 2008

**DON McGILL
Secretary-Treasurer**

TABLE OF CONTENTS

CHALOR ENTERPRISES LTD.

SPECIAL MATERIAL SUPPLY AND DELIVERY AGREEMENT

ARTICLE	PAGE
DURATION:	<u>1</u>
ARTICLE 1 - INTERPRETATION.....	<u>1</u>
ARTICLE 2 - UNION SECURITY	<u>2</u>
ARTICLE 3 - NEW CLASSIFICATIONS	<u>4</u>
ARTICLE 4 - DISCHARGE OF EMPLOYEES.....	<u>5</u>
ARTICLE 5 - MANAGEMENT RIGHTS.....	<u>5</u>
ARTICLE 6 - WAGES AND WAGE STATEMENT.....	<u>5</u>
ARTICLE 7 - HOURS OF WORK AND OVERTIME.....	<u>5</u>
ARTICLE 8 - SENIORITY	<u>7</u>
ARTICLE 9 - GENERAL HOLIDAYS.....	<u>8</u>
ARTICLE 10 - ANNUAL VACATIONS.....	<u>8</u>
ARTICLE 11 - GENERAL WORKING CONDITIONS AND RULES.....	<u>9</u>
ARTICLE 12 - TRANSPORTATION	<u>12</u>
ARTICLE 13 - GRIEVANCE PROCEDURE	<u>13</u>
ARTICLE 14 - TEAMSTERS HEALTH AND WELFARE PLAN AND PENSION TRUST FUNDS	<u>14</u>
ARTICLE 15 - SAVINGS CLAUSE.....	<u>15</u>
SIGNATORY PAGE	<u>15</u>
APPENDIX "A"	<u>16</u>
APPENDIX "B"	<u>17</u>
APPENDIX "B-1"	<u>18</u>

1:03 This Agreement shall apply to all employees of the Company engaged in the classifications listed in the attached Appendix "A". This Agreement shall apply to all Owner Operators/Dependent Contractors in accordance with the attached Appendices "B" and "B-1".

1:04 This Agreement shall apply for the supply and delivery of sand and gravel and other aggregate materials to private and commercial construction projects including subdivisions and small paving projects and site services and for any backhaul away from such projects.

1:05 Exclusions from the scope of this Agreement shall be:

All work on or pertaining to any industrial construction, large commercial construction, roadbuilding and paving or pipeline construction, except the supply and delivery of sand and gravel, shall be done under the terms and conditions of the appropriate Teamsters Construction, Road Building or Pipeline collective agreement. The Company shall contact the Union prior to commencing work on these excluded projects.

ARTICLE 2 - UNION SECURITY

2:01 The Company recognizes the Union as the sole bargaining agent for those employees covered by the Certification and/or working at those classified occupations listed in Appendix "A", "B" and "B-1" and for such employees as may be assigned to new classifications coming under the Union's jurisdiction.

2:02 All employees covered by this Agreement must be, or become, members in good standing. Any employee who does not retain his membership in the Union, and who has been laid off for any reason, will not retain his seniority with the Company.

2:03 New employees shall be required to sign authorization cards for the deduction of initiation fees, dues and assessments, as required by the Union. Such deductions shall be forwarded to the Union not later than the last business day for the month in which these deductions were made. It is understood that dues are payable quarterly in advance and shall be deducted in the first month of the quarter.

Hiring

2:04 When employees are required the Company shall give the Union the first opportunity to refer a qualified candidate for employment. For work opportunities of less than forty-eight (48) hours or work of an emergency nature the Company may hire directly. In any event the Company will notify the Union of new employees.

2:05 When Union members are not available, then the Company may obtain employees elsewhere, it being understood that employees so hired shall meet Union qualifications.

Employees hired under this part shall have fourteen (14) days in which to make application for membership in the Union, or be replaced by a Union member when available.

2:06 Any employee who does not remain a member in good standing shall not be retained in the employment of the Company.

2:07 The Union reserves the right to render assistance to other labour organizations. Refusal on the part of Union members to work with non-Union workmen or workmen whose organization is not affiliated to the B.C. and Yukon Building Trades Council shall not be deemed a breach of this Agreement.

Unfair Jobs

2:08 It shall not be a violation of this Agreement or cause for dismissal for any employee to refuse to handle, receive, ship, or transport any materials or equipment considered unfair by the Building Trades Councils of B.C. and the Yukon, or to work with or to receive from any persons or firms who are considered unfair by any of the said Building Trades Councils, or this Local Union.

2:09 It shall not be considered a violation of this Agreement, or reason for discharge, if an employee refuses to deliver to a job or project which has been considered unfair by the British Columbia & Yukon Territory Building and Construction Trades Council or any of its area affiliates. Whenever the Union has information concerning any such unfair job, it shall notify the Island Equipment Owners Association of this Local Union.

Picket lines

2:10 It shall not be a violation of this Agreement or cause for discharge if an employee refuses to cross a picket line which has not been declared illegal by a competent Court of Jurisdiction.

Severance Pay

2:11 (a) In the event of the dismissal of an employee caused by disposal of equipment, the employee after completion of one year's service shall receive severance pay of one week's pay for each year of service up to and including eight (8) years.

(b) In the event of amalgamation, or permanent closure of a business or department thereof, or automation causing an employee to lose his/her employment with the Company, the employees affected shall receive severance pay in accordance with (a) above.

Contract & Hired Trucking

- 2:12 The Company agrees that cartage work presently performed by members of the bargaining unit will not be let out to contract or carried out by hired equipment if Company equipment suitable for this purpose is available and members of the bargaining unit would be laid off as a result.
- 2:13 Such additionally contracted, sub-contracted or hired outside equipment shall be obtained only from companies under agreement to this Local Union of the International Brotherhood of Teamsters and whose employees are members in good standing of this Local Union.
- 2:14 The contracting out of work, other than cartage, shall require the consent of the Union Local 213. Where the contracting out of work does not affect either the number of Union members on the active payroll, or the return to the active payroll of members on layoff, then consent to the contracting out shall not be withheld, providing such work is to be done within the scope of the B.C. and Yukon Building Trades Council.

Sub-Contractors

- 2:15 (a) The terms of this Agreement shall apply to all Sub-Contractors or sub-contracts let by the Company. The Company shall engage only those Sub-Contractors having an Agreement with the Teamsters Local Union No. 213 prior to commencing work. The Company signatory to this Agreement shall be responsible for enforcing the wages and conditions of the Agreement on the Sub-Contractor.
- (b) In the event a Sub-Contractor fails to make payment of wages, or benefits and conditions as contained in this Agreement, the Prime Contractor shall upon written notice by the Union of such payroll failure, be required to make the necessary payments. To be effective, such notice must be received within thirty (30) days of Substantial Completion of the applicable project.
- (c) **Owner Operators**
- When Owner Operators/Dependent Contractors are required, they shall be governed by the rates, classifications and conditions prescribed in Appendices "B" and "B-1" which shall be contained herein forming part of this Agreement.

ARTICLE 3 - NEW CLASSIFICATIONS

- 3:01 The Company shall notify the Union when any new classification coming under the jurisdiction of this Agreement is added. The Union and the Company shall negotiate on the rate to be established and that rate, once established, shall be retroactive to the introduction date of the new classification.

ARTICLE 4 - DISCHARGE OF EMPLOYEES

4:01 The Company has the right to discharge an employee for just cause. Employees shall be notified in writing the reasons for discharge, with a copy to the Union. The written reasons shall be given with their final pay cheque.

ARTICLE 5 - MANAGEMENT RIGHTS

Management:

5:01 The management and operation of and the direction and promotion of its working forces is vested exclusively in the Company, however, nothing in any of the provisions of this Clause shall in any way limit, void or affect the other provisions of this Agreement.

ARTICLE 6 - WAGES AND WAGE STATEMENT

Wages:

6:01 The Company shall pay wages to every employee covered by this Agreement at the hourly rates contained in Appendix "A", for the various occupational classifications listed therein. These rates are the minimum rates. Appendices "A", "B" and "B-1" shall be deemed to be contained in, and form part of this Agreement.

6:02 The Company shall provide every employee covered by this Agreement with a separate and detachable written or printed itemized statement in respect of all payments made to such employee by the Company. Such statement shall show the regular hours worked, the total overtime hours worked, the rate or rates applicable, the gross amounts of wages, holiday pay and pay for General Holidays, and all deductions made therefrom. Pay days to be every second Friday.

ARTICLE 7 - HOURS OF WORK AND OVERTIME

7:01 Where possible the work week for all employees covered by this Agreement shall consist of five (5) eight (8) hour days Monday to Friday. Where possible the work days shall commence not earlier than 7:00 a.m. and not later than 9:00 a.m.

7:02 The work day shall be eight (8) consecutive hours, excluding a one-half (½) hour break for a meal, midshift.

Call Out

7:03 Employees called in after their regular starting time shall receive pay from their call in start time prior to 9:00 a.m. Employees called in after 9:00 a.m. shall receive pay from 9:00 a.m. Employees so called shall be allowed up to one-half (½) hour with pay to report for work unless reasonable circumstances warrant a longer reporting time being allowed.

- 7:04 Any employee starting prior to his regular starting time, and who has been paid premium rates, shall be paid from his regular starting time, as far as his guaranteed callout and daily guarantee is concerned.
- 7:05 Monday thru Friday - over eight (8) hours and up to and including ten (10) hours, one and one-half (1½) times the employee's regular rate of pay. Over ten (10) hours at two times (2x) the employee's regular rate of pay.
- Saturday - one and one-half (1½) times the employee's rate up to and including ten (10) hours, over ten (10) hours at two times (2x) the hourly rate of pay.
- Sundays and General Holidays - Two times (2x) the employee's hourly rate of pay for all hours worked.
- Overtime shall be distributed as evenly as possible, keeping seniority in mind.
- The overtime rate applies where the customer agrees to pay the rates.
- 7:06 The Company shall pay to every employee covered by this Agreement not less than four (4) hours wages when called out, except where, in the case of inclement weather the work is suspended by the Owner's Engineer, then a minimum of two (2) hours shall be paid if the man was called out for work and no work is performed.
- It is understood that a man starting work shall receive not less than four (4) hours pay whether or not the job is suspended due to inclement weather.
- Employees who work in excess of four (4) hours shall be paid for the hours worked.
- 7:07 Any employee called back after having worked that day shall receive an additional four (4) hours pay, at overtime rates.
- 7:08 Where overtime, over two and one-half (2½) hours, follows his normal shift, the employee shall be entitled to a meal at the Company's expense, time spent eating such meal (not to exceed 30 minutes) shall be considered as time worked. This provision shall apply each four (4) hours of continuous overtime thereafter.
- 7:09 Men shall be notified prior to finishing time the day previous if they are not required for duty, and then shall not report until recalled.
- 7:10 Eight (8) hours shall be the minimum break between an employee's finishing time and following starting time, otherwise overtime rates shall prevail.
- 7:11 If a man starts his day's work and is paid his regular rate, he shall not be paid less than his regular rate for the day. If an employee works at a classification of a higher rate for less than two (2) hours, he shall be paid a minimum of two (2) hours at the higher rate and if he works at a classification of a higher rate

for more than two (2) hours, he shall be paid the higher rate for the whole shift.

Shifts

- 7:12 (a) Where more than one shift is required and continued for three (3) or more consecutive days, seven (7) hours exclusive of lunch period shall constitute the second shift for which eight (8) hours shall be paid.
- (b) Additional shifts shall not commence more than one hour prior to the end of the previous shift.
- (c) In the event that additional shifts are not required for three (3) consecutive days, or more, overtime rates shall be paid.
- (d) Where an employee is requested to work through the regular established lunch period, such employee shall be paid the applicable overtime rate and shall be given one-half hour to consume his lunch before or after the regular lunch period, such time shall be paid for as part of the regular shift.
- 7:13 Where it is essential to establish two shifts to take advantage of daylight hours such as in gravel pits, etc., the first shift may be started between the hours of 4:00 a.m. to 8:00 a.m. and each shift shall be seven (7) hours duration, for which eight (8) hours pay shall be paid.
- 7:14 When continuous shifts are required, a two, three or four week swing shift shall be wherever possible established. The senior man shall have preference and first choice as to which shift he shall work at.

ARTICLE 8 - SENIORITY

- 8:01 The Company shall keep posted 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, and shall forward a copy of each list to the Union as soon as it is posted.
- 8:02 The Company, when laying employees off, shall lay them off in reverse order of seniority of employment with the Company, commencing with the most recently hired employee and proceeding in turn thereafter. When vacancies occur, the Company shall rehire laid off employees according to their seniority with the Company beginning with the most senior employee and proceeding in turn thereafter.

Job Posting

- 8:03 The Company shall post, and keep posted, for not less than seventy-two (72) hours, in a conspicuous place at each place of business maintained by the Company, notice of vacant positions, trucks, new positions, and promotions. Any employee of the Company covered by this Agreement may apply for any

such vacant or new position and the Company shall fill such position with the applicant employee who has the greatest overall seniority, provided, that such employee is reasonably competent to do the work.

Loss of Seniority

8:04 Any new employee who, in the twelve (12) month period from his first day of employment with the Company, is not employed for a greater period than six (6) months shall not be credited with seniority for the period worked and if rehired shall be considered as a new employee. All new employees shall have a probationary period of fourteen (14) days.

ARTICLE 9 - GENERAL HOLIDAYS

9:01 Vacation and General Holiday pay shall be accrued at the rate of ten percent (10%) of gross earnings calculated at five percent (5%) for Annual Vacations and five percent (5%) for General Holidays, and shall be paid to the employee upon termination of employment or when an employee takes annual vacation leave, if requested in advance by the employee. If requested in advance by the employee, Vacation and General Holiday pay shall also be paid on the last regular pay day in March, June, September, and prior to Christmas or on each regular pay day.

9:02 The recognized General Holidays are:

New Year's Day	Labour Day
Good Friday	Thanksgiving Day
Easter Monday	Remembrance Day
Victoria Day	Christmas Day
Canada Day	Boxing Day

and any other day as may be declared a public holiday by the Federal and/or Provincial Government. When a General Holiday falls on a Saturday or Sunday, the following Monday will be observed. No work will be done on Labour Day. In addition to the five percent (5%) payment for General Holidays, all work performed on General Holidays shall be paid at double time (2x) rates.

ARTICLE 10 - ANNUAL VACATIONS

Upon completion of one (1) year's service employees shall be entitled to three (3) weeks annual vacation leave.

10:01 Employees shall take their annual vacation within the year they are entitled to the said vacations.

Employees shall be entitled to take their vacations in one (1) continuous period.

The Company shall work with the Union in an effort to increase the number of employees allowed off at any one (1) time for vacation.

10:02 Should the Company request employees who are on vacations to return to work during their vacation period, the Company shall pay the said employees' wages equivalent to those paid for working General Holidays.

10:03 The Company shall post a holiday calendar for the benefit of the employees.

Employees shall choose their time off for their annual vacations by seniority and shall complete their choice within seventy-two (72) hours of being notified to do so.

ARTICLE 11 - GENERAL WORKING CONDITIONS AND RULES

11:01 When an employee meets with a personal accident or injury while on the job, he shall be paid his full day's wages for the day of the accident.

Meal and Work Breaks

11:02 The Company shall not require any employee covered by this Agreement to work more than four and one-half (4½) consecutive hours at any time without one-half (½) hour off work.

11:03 Where possible the lunch period shall commence not earlier than 12:00 noon and shall be completed by 1:00 p.m. and will not exceed, nor be less than, one-half (½) hour. The lunch break must be taken. Any variation of the lunch period shall be made with the Shop Steward who shall check with the Union office.

11:04 Coffee breaks shall be allowed each employee of the Company as close to midway in the first half of the shift, and as close to midway in the second half of the shift, as possible. Time allowed for breaks shall be up to, but not more than, ten (10) minutes. Disciplinary action will follow any violation of the above.

Safety Equipment

11:05 The Company shall supply Workers' Compensation approved ear protection for all employees requesting such protection, safety vests and hard hats.

Strike & Lockout

11:06 During the term of this Agreement there shall be no lockout by the Company, and no strike, stoppage of work, or slowdown, either partial or general, authorized by the Union.

11:07 The Company shall establish or continue during the term of this Agreement a Labour Management Committee.

Shop Stewards

11:08 The Company shall remit two cents (2¢) for every hour an employee works to a Shop Steward Educational Fund (E.D.O.S.).

Foremen

11:09 Foremen shall act in a supervisory capacity only and will not work with the tools or equipment. Such foremen shall not come under the jurisdiction of the Union.

11:10 The changing of tires is to be done by qualified mechanics or tiremen. Driver to assist as required.

Vehicle Safety

11:11 Drivers or operators shall not be required to operate any vehicle which is loaded beyond its legal carrying capacity or in the operator's opinion violates safety requirements.

(a) It shall be the driver's responsibility to report in writing to the Management or Garage Foremen any vehicle considered unsafe. Such vehicle shall be tagged "OUT OF SERVICE" until properly repaired.

(b) The Company will supply all vehicles with flares and fire extinguishers.

11:12 Should an employee be charged for operating a vehicle, under instructions, by the Company that is not in serviceable condition or overweight, all fines and costs shall be borne by the Company.

Time Off Re: Accidents

11:13 Should an employee be involved in an accident while in the employ of the Company, or with a Company vehicle, he shall be allowed time off without loss of pay to go to Court or any other agency as may be required. The Company will supply representation for the employee if there is any possibility of the Company being involved in any action because of the accident. The above to apply if required to appear as a witness on behalf of any case or accident involving any Company personnel or equipment. Employees shall report all accidents to the Company.

Licences & Bonding

11:14 Should the Superintendent of Motor Vehicles require licences beyond a Classified Chauffeur's Licence, such as air tickets, or require an employee to be bonded, the Company will allow time off as required without loss of pay to the employee, and the Company shall be required to pay for any examinations, licences or bonds they require.

11:15 Members who are required to attend meetings at the call of the Union shall be allowed time off without pay by the Company. The Union agrees only a reasonable number of members would be asked to attend at any one time.

Jury Duty

11:16 The Company shall continue to pay any employee whose absence is due to serving Jury Duty, or in taking a physical examination at the request of the Company, provided, however, that all sums received by way of payment for Jury Duty shall be payable to the Company, to the end, that no employee shall receive both his regular applicable rate and Jury Duty pay. It is agreed that employees must make themselves available for work when not required to be in attendance as jurors.

Medical Examinations

11:17 If, following a Company requested medical examination, any employee is deemed to be physically incapable of carrying out his regularly assigned duties, the following procedure shall be applied.

- (a) The Company may assign the employee to other duties, if possible. In the event it is claimed that the employee is totally incapacitated, the Company shall notify the Union of the medical findings in respect of the employee. Should the Union or the employee disagree with the said findings, the employee, at his own expense, shall have the right to be examined by his personal physician.
- (b) Where there is no agreement between the two physicians on the condition of the employee, the two physicians shall select a medical consultant to examine the employee with respect to the dispute.
- (c) The findings of the consultant shall be final and binding.
- (d) The remuneration of the consultant shall be borne by the Company and the Union on an equal basis.
- (e) Should the consultant deem the employee to be capable of carrying out his regularly assigned duties, then the employee shall not suffer any loss of earnings caused by his having been removed from or temporarily suspended from his regularly assigned duties.

Coveralls

11:18 Upon request, coveralls shall be supplied to all drivers, mechanics and maintenance men. Such coveralls shall be Union made, bear a Union Label and be maintained and delivered by a Company under agreement to a Local Union of the Teamsters. Gloves shall be supplied on an exchange basis and only when requested.

Lunch & Washrooms

11:19 The Company agrees to maintain in its terminals and depots adequate, clean, sanitary washrooms, having hot and cold running water and with toilet facilities. In addition, there shall be provided adequate lunch rooms.

These facilities must be approved by the Union. The Company shall provide first aid provisions in accordance with the Workers' Compensation Act.

Bereavement Leave

11:20 In the event of a death in the immediate family of the employee, the Company will grant him three (3) days leave of absence with pay. Immediate family shall be defined to include a wife, husband, son, daughter, mother, father, brother, sister, mother-in-law, and father-in-law. In addition, if an employee is notified of the death while he is working, he will be excused from, and paid for, the balance of that working shift, and such time shall not be charged against the three days of leave.

Leave of Absence

- 11:21
- (a) Leaves of absence without pay may be granted at the discretion of the Company and will require the consent of the Union. All applications for leaves of absence must be made in writing. All applications will be replied to in writing, with a copy forwarded to the Union. Leaves of absence shall not be unreasonably withheld.
 - (b) If an employee suffers a revocation of his/her driver's licence and no other work is available, the employee shall be entitled to receive a leave of absence to a maximum of six (6) months, additional leave shall be at the sole discretion of the Company. Employees on leave of absence under this provision shall be entitled to seek employment elsewhere for the duration of their leave only.
 - (c) Any employee on leave of absence who engages in gainful employment without prior written permission from both the Company and the Union shall forfeit his/her seniority and will no longer be considered as an employee of the Company.

ARTICLE 12 - TRANSPORTATION

12:01 When employees are required to start work at a place other than their normal starting place, they shall be paid travelling time to and from their normal starting place at the employee's regular hourly rate of pay at straight time, providing the employee is not driving the type of Company vehicle he normally operates during the course of work.

ARTICLE 13 - GRIEVANCE PROCEDURE

Qualifying Period:

13:01 If, during the term of this Agreement, there should arise any difference between the Parties bound by this Agreement concerning its interpretation, application, operation, or any violations thereof, an endeavour shall be made to settle the difference by negotiations between representatives of the Company and the Union. Where a grievance refers to a particular occurrence or incident, no consideration shall be given by either party unless such grievance is submitted within thirty (30) days from the date of the alleged occurrence or incident.

In the event that the said representatives fail to reach a satisfactory settlement within seven (7) days after the difference was submitted to them or within such longer time as the Parties agree to, then it shall be referred to an Arbitration Board of three persons as follows:

- (a) The Party desiring arbitration shall appoint a Member for the Board and shall notify the other Party, in writing, of its appointment and particulars of the matter in dispute.
- (b) The Party receiving the notice shall, within five (5) days thereafter, appoint a member for the Board and notify the other Party of its appointment.
- (c) 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 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 appointment of the Chairman, provided the time may be extended by agreement of the Parties.

If the Arbitration Board finds (or if at an 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 with all his rights, benefits and privileges which he would have enjoyed if the suspension or discharge had not taken place, 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 power to determine whether a particular issue is arbitrable under this Agreement.

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 Clause.

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.

ARTICLE 14 - TEAMSTERS HEALTH AND WELFARE PLAN AND PENSION TRUST FUNDS

Teamsters Health and Welfare Plan and Trust Fund

14:01 Employees shall be covered by the Teamsters Local 213 Health and Welfare Plan and Trust Fund as follows:

Effective July 1st, 2006, the Company shall make contributions at the rate of two dollars and five cents (\$2.05) per hour, based on the total hours for which the employee receives remuneration.

Effective July 1st, 2007, the Company shall make contributions at the rate of two dollars and ten cents (\$2.10) per hour, based on the total hours for which the employee receives remuneration.

Teamsters Pension Trust Fund

14:02 All employees shall be covered by the Teamsters Local 213 Pension Trust Fund. The Company shall make contributions to the Pension Trust Fund as follows:

Effective July 1st, 2006 the Company shall make contributions at the rate of two dollars and thirty-five cents (\$2.35) per hour, based on the total hours for which the employee receives remuneration.

Effective July 1st, 2007 the Company shall make contributions at the rate of two dollars and forty-five cents (\$2.45) per hour, based on the total hours for which the employee receives remuneration.

The contributions referred to shall be remitted monthly by the fifteenth (15th) day of the month following that to which they refer, together with a form supplied to the Company by the Union, which shall provide full instructions.

Training Trust Fund

14:03 Effective July 1st, 2006, the Company shall make contributions at the rate of twenty cents (20¢) per hour, based on the total hours for which the employee receives remuneration. Applies to Owner Operators/Dependent Contractors.

14:04 In the event a Company fails to remit contributions to these Plans, 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.

Plans Auditor

14:05 The Plans Auditor shall be permitted to inspect and audit the Company's record of time worked by employees and contributions made to the Plans and shall be allowed the time necessary to complete the audit. The Plans Auditor shall also be permitted to inspect and audit the Company's records of hours worked by Owner Operators/Dependent Contractors, contributions and/or deductions and truck rates paid.

The auditor shall notify the Company of his intentions to audit and to make the necessary arrangements for the time and place.

Rehabilitation Fund

14:06 Effective July 1st, 2006, the Company shall remit two cents (2¢) per hour, based on the total hours for which the employee receives remuneration.

ARTICLE 15 - SAVINGS CLAUSE

15:01 Should negotiations extend beyond the expiration date of the Agreement, the Company shall be required to pay all retroactive pay to past and present employees. Retroactive pay to be paid within thirty (30) days of the signing date.

DATED AT _____, B.C. THIS DAY OF _____, 2006

ON BEHALF OF THE COMPANY

ON BEHALF OF THE UNION

APPENDIX "A"

WAGES

The classifications and hourly applicable wage rates below are herein annexed to and form part of this Agreement.

RATES PER HOUR

CLASSIFICATIONS	EFFECTIVE JULY 1, 2006	EFFECTIVE JULY 1, 2007
Truck Drivers	\$22.50 per hour	\$23.00 per hour

APPLICATION

It is mutually agreed by the Parties hereto that when work is performed on construction, by contract, sub-contract or others, the terms and conditions of the Standard B.C. Road Building and/or the Teamsters B.C. Construction Agreement will be applicable.

APPENDIX "B"

DEPENDENT CONTRACTOR

The Appendix "B" and the following "B-1" are hereby annexed to and form part of this Collective Agreement as a whole.

The terms and conditions of this Agreement are applicable to Owner Operators/Dependent Contractors employed, with the following exceptions:

1. Articles: 2:02, 2:03, 2:05, 2:11, and 2:13
2. Article: (III) New Classifications
3. Article: (IV) Discharge of Employees
4. Article: (VI) Wages and Wage Statement
5. Article: (VII) Hours of Work
6. Article: (VIII) Seniority
7. Article: (IX) General Holidays
8. Article: (X) Annual Vacations
9. Article: (XI) General Working Conditions and Rules
11:01, 11:05, 11:06, 11:07, 11:08, 11:09,
11:10, 11:11, 11:12, 11:13, 11:14, 11:15,
11:16, 11:17, 11:18, and 11:20
10. Article: (XII) Transportation
11. Article: (XIV) Health and Welfare
12. Article: (XV) Savings Clause
13. Appendix "A" - Wages
14. (III) "Proof of Membership shall be a Union clearance. The Company shall obtain clearance by telephone, telegram, fax, or in writing from the Union Dispatch office."

APPENDIX "B-1"

OWNER OPERATORS/DEPENDENT CONTRACTORS

1. **Definition:** For the purposes of this collective agreement an Owner Operator/Dependent Contractor is a person who owns his/her own gravel truck and ancillary equipment only.
2. The minimum truck rates, contributions and deductions, terms and conditions are hereby set out hereunder and are applicable to all Owner Operators/Dependent Contractors hired.
3. Owner Operators must be members in good standing of this Local Union and be required to supply proof of membership upon being hired. Proof of membership shall be a Union clearance. The Company shall obtain clearance by telephone, facsimile or in writing from the Union Dispatch Office.

4. **Dispatch**

It is hereby agreed and understood that in the event the Union introduces a Dispatch System for Owner Operators, a representative from the Union shall meet with the Company to examine and explain the rules and regulations governing the Dispatch System. After the Union has developed a Dispatch System, upon sixty (60) days notice, the Company shall hire all Owner Operators through the Dispatch System.

5. **Payment of Contributions and Deductions**

- (a) **Training Plan Trust Fund**

The Company shall make contributions to the Teamsters Joint Training School Trust Fund at the rate of twenty-four cents (24¢) per hour for each hour an Owner Operator is hired.

When an Owner Operator is hired on a Flat Rate or Ton Mile Rate, the Company shall make contributions at the rate of two dollars and forty cents (\$2.40) per day. Such contributions shall not be deducted from the Owner Operator and shall be submitted to the Teamsters Training Trust Fund by the fifteenth (15th) day of the month following that to which they refer.

(b) **Advancement Fund**

The Company shall make contributions to the Teamsters Local 213 Advancement Fund at the rate of two cents (2¢) per ton hour for which wages are payable hereunder for each Owner Operator/Dependent Contractor covered by this Agreement.

e.g. 15 tons = 30¢ per ton hour 34 tons = 68¢ per ton hour
16 tons = 32¢ per ton hour 35 tons = 70¢ per ton hour

When Owner Operators/Dependent Contractors are working on a Flat Rate or Ton Mile Rate, the Company shall make contributions at the rate of their net load.

e.g. 15 tons = \$3.00 per day 34 tons = \$6.80 per day
16 tons = \$3.20 per day 35 tons = \$7.00 per day

Contributions shall be submitted to the Union by the fifteenth (15th) day of the month following that to which they refer in accordance with Clause XIV.

(Clause applicable to Owner Operators/Dependent Contractors.)

(c) **Dues Supplement**

Forty-five cents (45¢) per hour dues supplement shall be deducted from each Owner Operator/Dependent Contractor covered by this Agreement for each hour an Owner Operator/Dependent Contractor is used, whether hired by the hour, ton mile, contract, sub-contract, or otherwise and remitted to the Union not later than the fifteenth (15th) day of each month following the month in which deductions were made.

Owner Operators/Dependent Contractors shall be deducted four dollars and fifty cents (\$4.50) per day when working on a Flat Rate or Ton Mile Rate.

Remittances shall be made in accordance with the forms provided by the Union.

Should the Union, during the term of this Agreement, request a change in the hourly rate of the dues supplement, the altered rate shall be deducted and remitted as above.

The Company shall be given sixty (60) days notice in writing of the change in the amount of deductions to be made.

(Clause applicable to Dependent Contractors.)

(d) **Teamsters Local Union 213 Building, Recreational & Legal Fund**

The Company shall deduct five cents (5¢) per hour from each employee and Owner Operator and remit to the Teamsters Local 213 Building, Recreational

and Legal Fund (however, this shall not be compounded on overtime) for each employee covered by this Agreement to the Teamsters Local 213 Advancement, Educational, Building, Recreational and Legal Fund and payable by the fifteenth (15th) day of the month following that to which they refer.

(Clause applicable to Dependent Contractors.)

- (e) The foregoing contributions and deductions, 5. (a), (b), (c), and (d), shall be recorded on a standard remittance form provided by the Union and remitted on or before the fifteenth (15th) day of the month following the month for which the contributions are to be made.

If, within forty-eight (48) hours of receipt of notification, exclusive of Saturdays, Sundays and Holidays, the Company has failed to pay delinquent contributions/deductions due and payable in accordance with this Agreement are in arrears and subject to a delinquency charge of two percent (2%) per month of the total amounts of the unpaid Trust Fund in arrears and will attach to those unpaid Trust Funds and become due and payable as damages to cover costs of collections and loss of earnings suffered by the Trust.

This is not to be construed that the above charges relieve the Company of any further liabilities which may occur because of his failure to report and pay contributions/deductions as provided.

6. HOUR RATE RATES

Hourly rates are based on Legal Load (G.V.W. - TARE = LEGAL LOAD).

All additional tonnage to be paid at the appropriate rate.

On all jobs situated within eighty (80) kilometres or fifty (50) road miles, Owner Operators/Dependent Contractors shall be paid the following rates.

(i) **Tandems** **Effective May 1, 2006**
Per Ton Hour

14,000 kgs and not including 15,000 kgs	\$74.00
15,000 kgs and not including 16,000 kgs	
16,000 kgs and not including 17,000 kgs	

(ii) **Combination Units** **Effective May 1, 2006**
Per Ton Hour

27,000 kgs and not including 28,000 kgs	\$98.00
28,000 kgs and not including 29,000 kgs	
29,000 kgs and not including 30,000 kgs	

(iv) **Low Production Rate**

Where loading and/or unloading time exceeds twenty (20) minutes per load on asphalt patching, curb and gutter, sidewalk, sewer excavation, and cleanup work, the rates for tandem and single axle trucks shall be reduced by ten percent (10%). The low production rate will apply only when the above condition is met for the major portion of the shift. The Dependent Contractor and Teamsters Local Union No. 213 must be advised and agree on this rate for work under this provision.

7. Owner Operators Pulling Company Owned Trailers

(a) When pulling a Company owned trailer the legal load rate of the combination unit will be reduced by fifteen percent (15%).

i.e. 30 tons and up to but not including 31 tons
\$71.70 less 15% = \$60.94

(b) Providing a Company employee does not lose hours of work or pay as a result, an Owner Operator/Dependent Contractor may be employed to pull a Company owned tilt trailer.

8. OUT OF TOWN PROJECTS - TRAVEL ALLOWANCE

Where an Owner Operator/Dependent Contractor is hired by the Contractor and travels to a project or job more than eight (80) kms (fifty (50) road miles) from the centre of any city, town or village in which the Owner Operator/Dependent Contractor resides, or travels from his previous job location to a project or job the following shall apply:

A Travel Allowance shall be paid at thirty-one cents (31¢) per km (fifty cents (50¢) per mile) for each km or mile travelled to the project only. In order to qualify for the above, the Owner Operator/Dependent Contractor must remain on the job or project for fifteen (15) calendar days.

However, in the event the Owner Operator/Dependent Contractor is laid off for lack of work when having been on the job less than fifteen (15) days, the Travel Allowance to the project shall be paid. If the Contractor fails to provide work and requires an Owner Operator/Dependent Contractor to stand-by for more than two (2) consecutive days, the Owner Operator/Dependent Contractor, at his option, shall be deemed to have been laid off.

9. Room and Board

On jobs outside the eighty (80) km (fifty (50) mile) limits as defined above, where a contractor provides camp facilities, room and board will be provided to the Owner Operator/Dependent Contractor at no cost including overtime meals when necessary.

10. Living Out Allowance (L.O.A.)

Where camp facilities are not available, an Owner Operator shall be paid a daily L.O.A. in addition to hourly truck rates payable.

L.O.A. shall be not less than any L.O.A. paid to Company employees on the same project. The L.O.A. amount shall be negotiated with the Union prior to commencement of the project.

This additional allowance is to supplement mobilization, fuel costs, room and board, and such other expenses incurred.

If the Owner Operator/Dependent Contractor is available for work on a normal work day and no work is supplied by the Company he shall receive the above allowance.

When the Company does not schedule work on Saturday and the Owner Operator/Dependent Contractor is available for work, he shall receive the above allowance.

11. FLAT RATE & TON MILE RATE

The right is reserved to negotiate a rock haul rate, a ton mile rate, or a load rate where no scales are available, providing the rate is not less than the legal load rate.

When an Owner Operator/Dependent Contractor works on a project his average haul rate shall not be less than his hourly rate as contained in the Agreement and based on the following formula. On jobs less than 45 days the average will be taken for the duration of the project. On jobs more than 45 days duration, an averaging will be done in each calendar month, at no cost to the Owner Operator/Dependent Contractor or the Union. If there is a shortage, it is to be adjusted by the fifteenth (15th) day following the month worked, this adjustment shall be paid on a separate cheque. A Union representative shall be present at these negotiations. However, if a representative is not available, the rates established shall be submitted to the Union within five (5) working days.

12. OVERTIME

Eight dollars (\$8.00) per hour shall be paid for each hour worked in excess of seven and one-half (7½) hours per shift and each hour worked on Saturdays, Sundays and General Holidays.

13. CALL-OUT/STAND-BY

When an Owner Operator/Dependent Contractor reports for work as instructed and no work is provided, he shall receive one (1) hour's pay.

When an Owner Operator/Dependent Contractor is required to stand-by in excess of the call-out time, he shall be paid at the rate of hire for the first hour and at one-half (½) the rate of hire for each hour or portion thereafter.

14. WORKING CONDITIONS

Owner Operators/Dependent Contractors will be allowed two (2) breaks per shift of ten (10) minutes each in the same manner as employees with no deductions taken for such time.

15. **JOB STEWARD**

Where there is no Teamster Job Steward on a project in the employ of the Contractor, an Owner Operator/Dependent Contractor may be appointed as Job Steward by the Business Representative and such Job Steward shall be recognized and shall not be discriminated against. The Company shall be notified in writing as to the name of the Steward. In the event of a lay-off or reduction in the work force, the Job Steward shall be given preference of continued employment. Should the type of equipment or ability of the Owner Operator/Dependent Contractor be such that the preference of continued employment cannot be given and the Job Steward must be laid off, then the Business Representative must be notified of the reasons for the layoff within twenty-four (24) hours.

The Union shall be notified in writing within forty-eight (48) hours if a Job Steward is discharged for cause and such cause shall be stated in the reasons.

Grievances concerning the discharge of Job Stewards may be submitted and are subject to the provisions of Article 13 of the Agreement.

16. **FOREMAN**

Where it is agreed between the Company and the Business Agent of the Local Union because of Specific Conditions existing on a job or project that no Teamster Foreman is required, a Working Foreman may be required. When an Owner Operator/Dependent Contractor is designated as a Working Foreman, his all found rate shall be increased by the appropriate Foreman's increase.

17. **SAFETY**

Each Owner Operator/Dependent Contractor shall as a condition of employment be registered with the Workers' Compensation Board of B.C., either as an employer or as an independent operator and shall furnish proof of good standing with the Board with respect to current assessments. Each Owner Operator/Dependent Contractor shall be responsible for the safe operating conditions of his equipment.

18. **HOLD BACK**

The Contractor may hold back an amount not to exceed five percent (5%) of the gross amount earned by the Owner Operator/Dependent Contractor in the first sixty (60) days of employment.

Upon completion of employment, satisfactory proof must be furnished to the Contractor that all indebtedness and/or obligations incurred by the Owner Operator/Dependent Contractor in connection with the project on which he is engaged have been discharge.

Such holdback will be paid within twenty (20) days of the required proof being given.
(Association to provide format of form for reimbursement.)

19. **METHOD OF PAYMENT**

Payment for work carried out each month shall be made by the last day of the following month.

Upon request, the Owner Operator/Dependent Contractor shall be entitled to an advance payable by the end of the first month of hire. This advance shall be in the amount of seventy percent (70%) of the value of work carried out between the date of hire and the thirtieth (30th) of the month.

These advances shall be deducted from the month end payments.

In the event that the Owner Operator/Dependent Contractor has not received payment for the previous month's billing as described above, interest of one and one-half percent (1½%) per month shall be applied to the overdue amounts.

20. **DUES SUPPLEMENT**

Dues Supplement shall be deducted in accordance with Article 5(c) Dues Supplement of the Agreement.

21. **DAILY TIME REPORTS**

These reports will be submitted to the contractor on the Standard Teamster report form or on a comparable form supplied by the Contractor.