

COLLECTIVE AGREEMENT

BETWEEN

REGENCY AUTO INVESTMENTS INC.

AND

TEAMSTERS LOCAL UNION No. 213

September 1st, 2006 to August 31st, 2009

**DON MCGILL
Secretary-Treasurer**

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- (c) It is mutually agreed that the operation of sub-section 2 and 3 of Section 50 of the Labour Relations Code is specifically excluded from operation in this agreement.

3. UNION SECURITY AND DISPATCH PROCEDURES

- (a) When employees are required, the Employer shall contact the Union for referrals. If the Union is unable to provide suitable applicants then the Employer may hire elsewhere.

When the Employer hires a qualified employee elsewhere, he shall have said employee fill out the necessary Union membership and death benefit cards prior to the employee commencing work. The Employer shall mail the completed cards to the Union forthwith.

- (b) All employees shall be required to be a member of the Union as a condition of employment with the Employer.

Should any employee covered by the bargaining unit cease, or refuse to become a member in good standing of the Union, the Employer shall upon notification from the Union, discharge such employee.

4. DEDUCTION OF DUES, ETC.

- (a) The Union shall each month mail to the Employer a checkoff form, in duplicate, setting out the name of each employee in the Union and the amounts of dues, etc. they owe. The Employer shall delete any names from such list of employees who have terminated since the previous list and shall also add the names of any new employees.
- (b) All employees shall be required to sign authorization for checkoff of Union dues and initiation fees which may be levied by the Union in accordance with the Constitution and/or By-Laws. Such checkoff shall be irrevocable.
- (c) The Employer shall deduct and pay over to the Secretary-Treasurer of the Union, any monthly dues and initiation fees levied in accordance with the Union's By-Laws, owing by said employees hereunder to the said Union. Monies deducted during any month shall be forwarded by the Employer to the Secretary-Treasurer of the Union not later than the tenth (10th) day of each following month, and one (1) copy of the checkoff list as above mentioned.

To enable the Union to properly police this provision, a Business Representative of the Union shall have access to the Company payroll records.

5. UNION ACTIVITIES OF EMPLOYEES AND LEAVE OF ABSENCE

- (a) The Employer shall allow time off work, without pay, except as otherwise stipulated in this Agreement, to any person who is serving as a Union delegate to any conference or function, provided the Union gives the Employer advance notice of one (1) week and such absence does not interfere with operational requirements.

- (b) During authorized leave of absence, an employee shall maintain and accumulate seniority.
- (c) When an employee suffers an injury, whether on the job or not, or suffers any illness preventing him from reporting to work, he will automatically be granted leave of absence, without pay, except as otherwise stipulated in this Agreement, until such time as he can properly return to work. Such absence shall not exceed one (1) year unless extended by mutual consent of the parties.
- (d) If an employee desires a leave of absence for reasons other than those referred to above, he must obtain permission, in writing, for the same from the Employer and the Employer will send a copy of same to the Union. However, no legitimate and reasonable request for a leave of absence will be denied.
- (e) When an employee suffers an injury or illness which requires his absence, he shall report the fact to the Employer. It is intended that this report be made prior to the employee's starting time if possible.
- (f) In case of death in the immediate family, the employee affected shall be granted compassionate leave of absence with full pay for three (3) days. Immediate family means: husband, wife, mother, father, children, sister and brother. For mother and father-in-law, sister and brother-in-law, grandparents, grandchildren and step-parents, a one (1) day leave of absence shall be granted.
- (g) All time lost by an employee due to necessary attendance on Jury Duty or any Court proceedings where subpoenaed as a witness shall be paid for at the rate of pay applicable to said employee. Once an employee is released from Jury or Witness Duty, he shall be returned to the job classification and pay rate he was on prior to such duty. All Jury Duty pay or witness payments received by the employee from the Courts or otherwise shall be reimbursed to the Employer by endorsement of Jury Duty cheque and/or witness fees to the Employer.
- (h) Employees will be allowed an unpaid leave of absence with no loss of seniority as per the Maternity and Paternal Leave Legislation within the Employment Standards Act of B.C.
- (i) Fathers shall be granted a leave of absence of two (2) working days, with pay, at the time of the birth or adoption of a child or a leave consistent with the Parental Leave legislation.

6. SHOP STEWARDS

- (a) There shall be a Shop Steward appointed, if the Union wishes, to see that the provisions of this Agreement are adhered to.

- (b) The Shop Steward shall have no authority to alter, amend, violate, or otherwise change any part of this Agreement.
- (c) The Employer will recognize the Shop Steward selected in accordance with the Union rules and regulations as the representative of the employees in the respective groups or departments for which they are chosen, and hereby recognizes that the power to appoint and removal thereof is solely vested with the Union. The number of Stewards will be consistent with the need.
- (d) The Union will advise the Employer of the identity of all Shop Stewards.
- (e) Shop Stewards shall be allowed to take up grievances during working hours, without loss of pay, with prior approval from the Employer. Such approval will not be unduly withheld.
- (f) Shop Stewards shall be allowed time off work, with pay, for one (1) day in each calendar year for the purpose of attending a labour relations oriented educational seminar conducted by the Union.
- (g) During negotiations the Union may have a negotiating committee not to exceed two (2) bargaining unit employees (one (1) from Lexus and one (1) from Toyota) in attendance and the wages will be paid on a straight time basis to a maximum of eight (8) hours in any one (1) normal working day by the Employer.

7. WORK CLOTHES, UNION PRODUCTS AND SERVICES

- (a) The Employer shall provide and maintain for each employee, free of charge, with the following:
 - (i) When required the Employer shall provide to a maximum of five (5) coveralls per week for Mechanics and for the Partsmen and Tower Operator smocks will be supplied as required.
 - (ii) Such safety equipment as may be required by the Workers' Compensation Board, including safety boots, rubber clothes, rubber boots and gloves.
- (b) Each employee shall receive a boot allowance of up to one hundred dollars (\$100.00) upon production of a receipt. This allowance shall apply once each Agreement year. In addition, the Company has the right to verify that that boots purchased as above, are actually worn while at work.

8. UNION NOTICES

The Employer agrees to provide space that is readily accessible for Official Union notices and there shall be no interference by the Employer with said Notice Board.

The Employer shall be responsible for the posting of an up to date Seniority List.

9. CONFLICTING AGREEMENT

The Employer agrees not to enter into any agreement or a contract with employees covered by this Agreement, individually or collectively, which in any way conflicts with the terms and provisions of this Agreement, or any Statute of the Province of British Columbia or Canada.

The Employer agrees that before effecting any wage rate other than those set out in this Agreement, it shall first negotiate same with the Union Agent in accordance with the applicable section of this Agreement.

10. PROTECTION OF RIGHTS

- (a) The Employer shall not require any Union member to cross a legal picket line. The Employer shall not require any Union member to accept any products, goods or services from any person or employees of any person with whom a Union has a legal picket or placard line around or against, to handle or to deliver any product or goods to any person, or employees of any person with whom a Union has a legal picket or placard line around or against, unless the **non-use** or failure to handle such products prevents the Employer from continuation in business. The Employer will endeavour to find a substitute product in such a case.
- (b) All Union dues and other monies due from the Employer to the Union are to be trust monies and shall be paid to the party entitled thereto not later than the due date.

11. TRANSFER OF TITLE OR INTEREST

- (a) This Agreement shall be binding upon the parties hereto, their successors, administrators, executors, and assigns. In the event the entire operation or any part thereof is sold, leased, transferred, or taken over by sale, transfer, lease assignment, receivership, or bankruptcy proceeding, or another company, limited or otherwise, is set up to perform any of the functions previously performed by the Employer covered herein such operation shall continue to be subject to the terms and conditions of this Agreement for the life thereof.
- (b) The Employer shall give notice of the existence of this Agreement to any purchaser, transferee, lessee, or assignee of the operation covered by this Agreement or any part thereof. Such notice shall be in writing and a copy thereof shall be delivered to the Union immediately the Employer executes the contract of sale, lease or transfer. The Union shall also be informed of the nature of the transaction, not including financial details.

12. GRIEVANCE PROCEDURE

- (a) Any complaint, disagreement or difference of opinion between the Employer,

the Union or the employees covered by this Agreement, which concerns the interpretation or application of the terms and provisions of this Agreement shall be considered a grievance.

Any employee, the Union or the Employer may present a grievance. Any grievance which is not presented within fifteen (15) days following the event giving rise to such grievance shall be forfeited and waived. This provision shall not be used to deny any employee his or her rights under the Provincial Labour Statutes.

- (b) The Steps of the Grievance Procedure shall be as follows:

STEP I

The employee, with or without the Shop Steward, shall take his grievance up with the Foreman or Supervisor. The Employer shall take up his grievance with the employee concerned who shall have the right to have the Shop Steward present.

STEP II

Should a solution not be reached by Step I, then a Representative of the Union, accompanied by the employee and the Shop Steward, if the Union wishes, shall discuss the matter with Management.

If no solution is reached, then the grieving party shall submit in writing its contention on the dispute. The other party shall reply in writing within seven (7) days. Failure to respond or failing settlement of the dispute at this stage shall cause the matter to be submitted to Arbitration as set out herein.

Notwithstanding the above, if an authorized Agent of the Union claims a violation of this Agreement, he may invoke the Grievance Procedure at Step II as the grieving party on behalf of the Union or on behalf of any employee or employees concerned.

STEP III

The party desiring Arbitration shall appoint a member for the Board and shall notify the other party in writing of its appointment.

The party receiving the notice shall within seven (7) days thereafter, appoint a member for the Board and notify the other party of its appointment.

Failure to appoint their nominee, by either party, the other party who has appointed their nominee shall apply to the Minister of Labour to appoint a nominee on behalf of such party.

STEP IV

The Arbitrators so appointed shall confer to select a third person to be Chairman and failing for five (5) days from the appointment of the second of them to agree to a person willing to act, either of them may apply to the Minister of Labour.

- (c) Notwithstanding the foregoing provisions respecting the establishment and jurisdiction of an Arbitration Board, if the parties agree, a Sole Arbitrator shall be chosen to act in the same capacity and having the same powers as a Board of Arbitration.
- (d) If the Arbitration Board finds that an employee has been suspended or discharged without proper cause or improperly laid off, that employee shall be reinstated by the Employer without loss of pay and with all his rights, benefits and privileges which he would have enjoyed if the discharge, suspension or improper layoff had not taken place. If an Arbitration Board finds circumstances which in the opinion of the Arbitration Board makes it just and equitable may order the Employer to pay less than the full amount of wages lost.

The Board of Arbitration shall not have any jurisdiction or authority to alter or change any of the provisions of this Agreement, or to give any decision inconsistent with the terms of this Agreement, except where there is a dispute between the parties regarding the rate of pay for a newly established or altered classification not provided for herein, or a dispute under 24 (b) herein, or a dispute under the Welfare Plan, the Board of Arbitration or Sole Arbitrator shall have the power to deal with such matters and bring down a final and binding award.

Each of the parties hereto will bear the expenses of their nominee and the parties will equally bear the expenses of the Chairman.

- (e) Any discharged or suspended employee, within seventy-two (72) hours of his discharge or suspension, shall be given by the Employer, in writing, the reasons for his discharge or suspension, with a copy to be sent to the Union. In the event of any dispute or difference as to whether or not there was proper cause for the discharge or suspension of an employee, only the reasons so set forth in writing shall constitute cause to be argued before an Arbitration Board. Time shall be of the essence and the seventy-two (72) hours to be exclusive of Saturdays, Sundays or General Holidays.
- (f) The Employer agrees that if any grievance proceeds to Arbitration and the Arbitration Board finds in favour of the Union or any employee, the Employer shall pay for all time lost by any employee as a result of such employee being called on to appear as a witness.
- (g) If any statement is to be put into an employee's personnel file, a copy of same shall be given to the employee with a copy to the Union within thirty (30) days of the event giving rise to the statement. In imposing any discipline upon an employee, the Employer will not take into account any prior infraction or statements upon the employee's file which occurred more than eighteen (18) months previously.

13. JOB POSTING, ETC.

- (a) In the event that a classified job becomes vacant or a job classification is created, the Employer shall post a notice on the Bulletin Board notifying that a vacancy, job or classification exists, giving the details of the job, rates of pay, etc. Employees desiring such job shall then apply, in writing, within three (3) working days of such posting, excluding weekends, except that employees on vacation for a period up to three (3) weeks at such time shall have the privilege of applying when they return. The senior employee applying who has the ability to do the job shall receive such job. If there is a dispute as to whether any employee has the ability to perform the job in question, he shall be placed on such job to determine whether or not he has the ability.

It is understood that employees may apply for lower paid jobs as well as higher paid jobs.

Any employee posting into a different classification within the unit shall be allowed a reasonable period of trial, up to ten (10) working days at the job, and if unsatisfactory shall be returned to his former position without loss of seniority. The foregoing does not apply to the apprentice programs.

- (b) If the Employer wishes to institute a new job or classification for which there is no wage rate contained in this Agreement, the parties shall negotiate wage rates, conditions, etc. for such job or classification. Failure of the parties to agree shall cause the matter to be submitted to Arbitration.
- (c) Wherever there is a permanent significant change in job content or working conditions, the parties shall discuss the appropriateness of a rate revision. If agreement cannot be reached, the matter may be processed through the Grievance Procedure, to a final conclusion.

14. TECHNOLOGICAL CHANGE AND RETRAINING

- (a) The Employer shall not introduce or implement any technological change which causes the displacement of any employee until and unless:
 - (i) The Employer has given one (1) month's notice in writing to the Union of its intention to introduce a technological change;
 - (ii) The Employer has given first opportunity to the employees then on the payroll through the Job Posting Procedure, to receive training required by such technological change;
 - (iii) The parties agree to an appropriate rate of pay for the job affected by such technological change. If the parties do not agree, the matter shall be settled by Arbitration.
- (b) If employees are required to take courses to update their skills or refresher courses, the cost of such courses shall be reimbursed to the employee upon completion of the course by the Employer. The Company shall make its employees available to take courses when available to employees.

15. SEVERANCE PAY

- (a) Employees with one (1) year or more of service, whose employment is terminated as a result of technological change, or of closure of the whole or any part of the operation or loss of business shall receive termination pay of one (1) week's pay for each year of service with the Employer, at the rate of pay the employee was receiving on the date of termination.

The above shall not apply when an employee resigns, retires or is discharged.

- (b) The above severance pay will not be applicable in the event of layoff of an employee unless the layoff without recall exceeds a period of twelve (12) months.

16. PAY DAY AND PAY STATEMENTS, ETC.

- (a) All employees covered by this Agreement shall be paid not less frequently than on a semi-monthly basis, all wages earned by such employees to a day not more than four (4) days prior to the day of payment.
- (b) The Employer shall provide every employee covered by this Agreement on each pay day with an itemized statement in respect of all wage payments. Such statement shall set forth the total hours worked including overtime, the rate of wages applicable and all deductions made from the gross amount of wages and accrued vacation pay.
- (c) Where there is an error on a pay cheque, this shall be corrected and any monies owing be paid not later than two (2) working days from the date the Employer's payroll official is notified of the error, or a five percent (5%) penalty on the amount owing will be paid to the employee involved for each day the error is not corrected.
- (d) Whenever Canada Savings Bonds are issued for sale, the Employer shall make same available to its employees who desire same and make such deductions as are necessary, provided three (3) or more employees request same.
- (e) The Employer shall record on each employee's T-4 slip the total Union dues deducted and submitted on behalf of that employee.

17. ANNUAL VACATIONS

- (a) No later than February 1st of each year, the Employer shall post a Vacation list on the Bulletin Board, and each employee in order of seniority shall apply for his or her vacations on such list at a time same is desired, and such request must be completed by April 15th of each year. Once such list is completed, vacations shall not be altered except by mutual consent of the employee and the Employer.

Vacations shall be taken in one (1) unbroken period unless requested by the

employee who shall have the right to decide whether their vacations shall be in one (1) period or split. However, the employees shall be limited to taking a maximum of three (3) weeks vacation at any one (1) time outside of the May 15th through September 1st period. If employees so choose their vacations must be given between May 15th and September 1st each year but such vacation time shall be limited to a maximum of two (2) weeks.

- (b) An employee's anniversary date of original hiring shall be used as the date to calculate an employee's vacation entitlement and payment.
- (c) Employees who complete one (1) year and up to two (2) years as an employee shall receive two (2) consecutive weeks' vacation each year with eighty (80) hours' pay at the rate they were receiving at the date of taking their vacation, or four percent (4%) of their annual gross earnings for the year for which they are receiving their vacation, whichever is the greater.
- (d) Employees who have completed two (2) years and up to eight (8) years as an employee shall receive three (3) weeks' vacation each year with one hundred and twenty (120) hours' pay at the rate they were receiving at the date of taking their vacation, or six percent (6%) of their annual gross earnings for the year for which they are receiving their vacation, whichever is the greater.
- (e) Employees who have completed eight (8) years and up to fifteen (15) years as an employee shall receive four (4) weeks' vacation each year with one hundred and sixty (160) hours' pay at the rate they were receiving at the date of taking their vacation, or eight percent (8%) of their annual gross earnings for the year for which they are receiving their vacation, whichever is the greater.
- (f) Employees who have completed fifteen (15) years as an employee and thereafter shall receive five (5) weeks' vacation each year with two hundred (200) hours' pay at the rate they were receiving at the date of taking their vacation, or ten percent (10%) of their annual gross earnings for the year for which they are receiving their vacation, whichever is the greater.
- (g) Absence due to any illness or injury will be deemed to be time paid for the purpose of vacation entitlement.
- (h) When an employee has been paid a minimum of twelve hundred and fifty (1,250) hours in his calendar year, running from anniversary date to anniversary date, he shall be eligible for vacations with pay as above set forth. If less than twelve hundred and fifty (1,250) hours have been paid, the employee shall be entitled to vacations as above set forth, however, the applicable percentage rate only shall apply.
- (i) In the event that an employee leaves the employ of the Employer before he is entitled to two (2) weeks' vacation, he shall receive four percent (4%) of the gross earnings he received while in the employ of the Employer.

- (j) In the event of an employee leaving the employ of the Employer after he had his vacation he earned for the previous year, and has not been paid over twelve hundred and fifty (1,250) hours, he shall only receive four percent (4%), six percent (6%), eight percent (8%), or ten percent (10%), as the case may be, of his pay for the year in which he ends his employment for which no vacation has been paid.
- (k) Prior to an employee going on his vacation, the Employer shall furnish the employee with a statement showing the period for which the employee is receiving his or her vacation pay, how the vacation pay was calculated (i.e. on a percentage basis or weekly wages), and shall include all overtime payment, commissions or anything of a monetary value received from the Employer on which the employee has to pay income tax, and also a cheque for the appropriate vacation pay the employee is entitled to.

18. GENERAL HOLIDAYS

- (a) All employees who maintain seniority shall be entitled to the following General Holidays with pay, based on eight (8) hours at their applicable rate at the time of taking such holiday, plus any shift premiums he would normally be entitled to:

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

- (b) If during the life of this Agreement the Federal or Provincial Government declare or proclaim any other day than those listed herein as a Holiday, then employees shall receive such day off with pay as set out herein in (a) above.
- (c) Employees who are required to work a shift which commences at any time during the General Holiday, or a shift which carries over into a General Holiday for at least two (2) hours, shall in addition to their regular Holiday pay, receive double their hourly rate for all hours worked during that shift.
- (d) It is agreed that the General Holidays shall take place on the day and date designated as a Holiday by the Federal or Provincial Government. However, the Employer and employees may agree to observe a given General Holiday on another day if mutually agreed.
- (e) An employee shall be paid for each General Holiday even if it falls on his weekly days off, Annual Vacation, Jury Duty, Bereavement Leave, Compensation and Sick Leave. The employee shall be given a day off with pay in such circumstances at a time mutually agreed.

Employees laid off within fourteen (14) days prior to a General Holiday or recalled to work within fourteen (14) days of a General Holiday shall receive General Holiday pay.

- (f) In the case of absence due to injury or illness on a General Holiday where the employee is receiving payment of either Compensation Board payments or Weekly Indemnity payments under the appropriate Welfare Plan provision, then the Employer shall pay the difference between the regular gross earnings of such employee and what he is receiving from the other source for such General Holiday.

19. SEPARATION OF EMPLOYMENT

- (a) If an employee is discharged he shall be paid in full for all monies owing him on the date of his discharge.

If an employee quits the Employer may withhold payment for five (5) calendar days.

- (b) The Employer shall give a Record of Employment Certificate to any employee who separates from employment for at least seven (7) days for any reason within five (5) days of the last day worked, or terminates.

20. SENIORITY

- (a) There shall be a Seniority List setting out the name and date of employment of all employees. Such list must be kept current, and a copy must be supplied to the Union every two (2) months, and one (1) copy posted on the Bulletin Board.
- (b) Seniority shall be length of service with the Companies (Kingsway Lexus Toyota Inc. and 335481 B.C. Ltd.) Employment elsewhere with the Employer shall be credited only for calculation of vacation entitlement and pay.
- (c) Layoff and recall shall be based on seniority, that is, the last hired shall be the first laid off and the last laid off shall be the first recalled, provided the employee is qualified to do the work.

The short term layoffs shall be based on a rotating system starting with the most junior mechanic/apprentice to the most senior mechanic/apprentice. Where there is a planned layoff of two (2) weeks or more, then layoffs shall be based on the application of the paragraph above.

- (d) Seniority shall be lost if an employee:
 - (i) Voluntarily leaves the employ of the Employer, or
 - (ii) Is discharged for cause, or
 - (iii) After a layoff, fails to report for work for five (5) working days after being recalled by telephone and registered letter, or
 - (iv) If absent without leave for five (5) working days without legitimate reason, or
- (v) Is on continuous layoff for twelve (12) months.

21. DAYS AND HOURS OF WORK AND OVERTIME

- (a) The work week shall be Monday to Friday or Tuesday to Saturday between the hours of 6:00 A.M. and 6:00 P.M. Each employee shall be guaranteed the following hours work each day, provided he commences work at the start of his shift:

0 to 4 hours - 4 hour guarantee
over 4 hours
up to 6 hours - 6 hour guarantee
over 6 hours - 8 hour guarantee.

- (b) Any time worked in excess of eight (8) hours per day Monday to Friday or Tuesday to Saturday inclusive shall be paid at one and one-half for the first two (2) hours and double time thereafter.
- (c) All time worked on the sixth (6th) day shall be paid at the rate of time and one-half for the first four (4) hours and double time thereafter, and all time worked on the seventh (7th) day shall be paid at the rate of double time, with a minimum of four (4) hours' guarantee.
- (d) Any employee called back to work after his scheduled shift has been completed, and he has left the premises, shall be paid a minimum of three (3) hours' pay at the rate of double (2X) time.
- (e) All daily shifts shall be scheduled in advance and a schedule posted on the Notice Board showing the hours of work and the established rest breaks and no split shifts shall be allowed at any time.
- (f) The Employer agrees that if it becomes necessary to work overtime, such overtime will be distributed equally amongst those employees concerned who normally perform such work.
- (g) Prior to the Employer establishing an off shift - afternoon or graveyard - the Employer will negotiate the hours for such shifts and the shift premium(s) with the Union.
- (h) All employees working with tools shall be allowed sufficient time during working hours to return tools, parts, etc. to the Stores or Crib before the end of each shift.
- (i) Employees may refuse to work overtime individually. However, if all employees refuse overtime the Employer may appoint as required by qualification in reverse order of seniority.
- (j) Employees who may be displaced for work as a result of closure for inventory shall receive their normal pay for that day.
- (k) Employees may have to work on inventory day and will get paid full wages.

An employee may choose to take the day off and not get paid.

22. LUNCH AND REST PERIODS

- (a) No employee shall be worked longer than four (4) hours without an uninterrupted lunch break of one-half (1/2) hour during the regular daily shift, exclusive of rest breaks.
- (b) Each employee shall receive an uninterrupted ten (10) minute break in each half of his daily shift. The time for said breaks to be determined by Management.

23. COMPENSATION COVERAGE

When an employee goes on Compensation, he shall, when the Compensation Board signifies that he may go to work, be returned to the payroll at his previous job and applicable rate of pay.

24. SAVINGS CLAUSE

- (a) If any Article or Section of this Agreement should be held invalid by operation of law or by a tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Section should be restrained by such tribunal, pending a final determination as to its validity, the remainder of this Agreement or the application of such Article or Section to persons or circumstances other than those as to which it has been held invalid or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.
- (b) In the event that any Article or Section is held invalid or enforcement of or compliance with which has been restrained, as above set forth, the parties affected thereby shall enter into immediate collective bargaining negotiations, upon the request of the Union, for the purpose of arriving at a mutually satisfactory replacement for such Article or Section during the period of invalidity or restraint. If such parties do not agree on a mutually satisfactory replacement, they may submit the dispute to the Grievance Procedure as in Article 12 herein.

25. INSPECTION PRIVILEGES

An authorized Agent of the Union shall have access to all areas of the Employer's establishment for which they are certified during working hours.

26. SANITARY FACILITIES, ETC.

- (a) The Employer agrees to maintain clean, sanitary washrooms having hot and cold running water and proper hand cleanser and towels in sufficient quantity, with toilet facilities, and employees shall observe the simple rules of cleanliness and good housekeeping in these facilities.

- (b) Clothes closets or lockers of a suitable size for the protection of employees' clothes and personal belongings shall also be provided.
- (c) The Warehouse and Office shall be adequately heated and ventilated.

27. SAFETY AND HEALTH

- (a) The Employer shall make reasonable provisions for the safety and health of its employees during the hours of their employment and proper First-Aid kits, including a proper First-Aid kit in each vehicle.
- (b) Any employee who considers that any equipment or practice being carried on within the premises is unsafe shall immediately notify management of the existence of such conditions or practice. An employee may refuse to work with such equipment or under the conditions complained of until such time as the Workers' Compensation Board has declared such equipment, condition or practice to be in accord with its standard and requirements.
- (c) In the event of an employee becoming ill during his shift, the employee shall report directly to his Supervisor or Foreman, and if the employee wishes to go home or to a doctor permission to do so will be granted.
- (d) If an employee has a First-Aid Certificate the Employer shall pay him a twenty-five cent (25¢) premium per hour. The employee's Certificate must be current.

28. BONDING

If the Employer requires any employee to be bonded, the Employer shall request the employee to fill in a bonding form and a copy will be sent to the Union. The cost of such bonding shall be paid for by the Employer.

29. MANAGEMENT

- (a) The Union agrees that the Employer has the exclusive right and power to manage the Employer's operation, to direct the working forces and to hire, promote as set out in this Agreement, demote and/or discharge for just cause, or layoff employees, to assign to jobs, and to increase and decrease the working forces, to determine the products to be handled, produced or manufactured, the schedule of products and the methods of processing and means of production and handling, to make rules and regulations which are reasonable.

Provided however, that the Employer agrees that any exercising of these rights and powers in conflict with any provisions of this Agreement shall be subject to the provisions of the Grievance Procedure.

- (b) No employee shall undertake any work outside the Company premises which could be construed in any way as competitive with the Company. Violations of this clause shall be subject to discipline by the Company. Following investigation, violators may be warned, suspended or terminated. Repeated

violations shall result in dismissal from the job.

30. HEALTH AND WELFARE PLAN

(a) The Employer shall provide to each employee as detailed in the "Great West Life Assurance Company Plan No.'s 340991 and 341089 and the Empire Life Insurance Company (Empire Life) Policy No G9389-004. Group Insurance Plan Booklet effective date August 1, 1987" the following:

1. Group Life Insurance
 2. Accidental Death and Dismemberment Insurance
 3. Weekly Indemnity
 4. Group Loss of Earnings (Long Term Disability)
 5. Extended Health Care
 6. Dental Care
 7. Medical Services Plan of B.C.
- (and in addition to the above:)

The benefit levels as detailed in the Insurance Plan Booklet for the above items shall remain in effect for the term of this Agreement with the exception of the Dental Plan. If cost necessitates, a review and change in the benefit level may be made with the consent of the employees covered by the Dental Plan.

The Employer shall pay 60% and the employee 40% of the premium cost of the Plan.

Eligibility as per Plan.

(b) Sick Leave

The Employer shall pay, on an accepted Weekly Indemnity claim for illness, the 4th through the 7th day of the waiting period based on one-seventh (1/7th) of Weekly Indemnity benefit. Each employee with five (5) or more years of service shall receive two (2) paid sick days per year. Sick days shall not accumulate from year to year.

(c) Employees off work due to illness, injury or layoff shall have coverage under the Health and Welfare provisions listed in Section (a) for one (1) month following the month in which the employee is off work.

If the absence continues beyond this period coverage for the following benefits; Medical Services Plan, Life Insurance and Extended Health will be provided through the Employer based on the employee and Employer making arrangements for the total premiums to be paid for by the employee.

Upon return to work after an extended absence as detailed above, the total Health and Welfare Plan listed in Section (a) items 1 through 7 shall become effective on the first of the month following return to work.

31. ARTICLE HEADINGS

The Article Headings shall be used for purposes of reference only and may not be used as an aid in the interpretation of this Agreement.

32. TRANSPORTATION

No employee shall use his car on Employer business.

33. MEDICAL EXAMINATIONS

- (a) Any medical examination requested by the Employer shall be complied with, provided however, that the Employer, shall pay for all such examinations. The Employer reserves the right to select its own medical examiner or physician and the Union may, if in its opinion, it thinks an injustice has been done an employee, have said employee re-examined at the Union's expense.

When a medical examination is required by the Employer, the following condition shall apply:

If an employee takes a medical examination, he shall be paid for the time involved at his regular rate of pay.

- (b) If, following an Employer requested medical examination, any employee is deemed to be physically incapable of carrying out his regularly assigned duties, the following procedure shall be followed:
 - (i) The Employer shall notify the Union of the Medical findings in respect to the employee. Should the Union or the employee disagree with said findings, the employee at his own expense shall have the right to be examined by his personal physician.
 - (ii) Where there is no agreement between the Employer appointed physician and the employee's physician on the condition of the employee, the two (2) physicians shall select a medical consultant to examine the employee with respect to the dispute.
 - (iii) The findings of the consultant shall be final and binding upon all parties.
 - (iv) The remuneration of the consultant shall be borne equally by the Employer and the Union.
 - (v) Should the consultant deem the employee to be capable of carrying on his 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.
- (c) Where any employee drives a motor vehicle in the course of his employment is required to take a medical examination to verify his right to drive such motor vehicle or to obtain an Air Ticket, the Employer shall, where same is

not paid by any part of the Welfare Plan, pay for such medical examinations.

34. TRUCK MAINTENANCE AND SAFETY

- (a) The maintenance of equipment in a sound operating condition is not only a function, but a responsibility of the Employer.
- (b) The Employer shall not require employees to operate any vehicle that is not in safe operating condition or equipped with the safety appliances or stickers prescribed by law. It shall not be a violation of this Agreement where employees refuse to operate such equipment.
- (c) No driver shall be required to service or maintain trucks or equipment.
- (d) A form shall be supplied the driver on which to report defects in equipment with sufficient copies so that the driver may retain a copy. Such trucks shall not be operated until the defect has been rectified.
- (e) The Employer shall not require any employee to operate a vehicle in a manner which contravenes any Statutes, Regulations or By-Laws.
- (f) If a driver is charged for a violation of traffic laws while working and is found not guilty in Court, the Employer shall pay that employee's legal fees and loss of wages.

35. CLASSIFICATIONS AND WAGE RATES, ETC.

- (a) The classifications and wage rates for the effective period of this Agreement shall be those as set out in Appendix "A" attached hereto and forming part of this Agreement.
- (b) Time shall be computed from the time the employee commences his day's work until his shift is finalized.
- (c) When an employee meets with an accident at work, he shall be paid a full day's wages for the day of the accident.
- (d) If an employee is required to take time off during working hours in regards to any compensable injury or illness, he shall be paid for such time off in a manner that will ensure him a minimum of eight (8) hours' pay for that day.
- (e) When an employee is temporarily removed from his regular work he shall be paid his regular rate of pay or the rate of the other work, whichever is the greater, for all time employed on such work, and no employee's rate may be reduced below his regular rate.

36. PAID ELECTION TIME OFF

The Employer shall not alter the regular or normal starting times of shifts of any employee on any Election Day.

37. GENDER

Wherever the use of the male gender is used herein, it shall also apply to the female gender.

38. TOOL INSURANCE

The Employer shall provide, at no cost to the employee, tool insurance as follows:

- (a) Maximum coverage - \$20,000.00.
- (b) Deductible - \$100.00.
- (c) Insurance shall cover loss of fire, or theft, upon evidence provided as per normal insurance regulations. Insurance shall cover tools on the premises of the Employer, or, while being used by the employee outside the premises under the direction of the Employer.
- (d) Coverage to be effective subject to the employee providing the Employer with an up to date inventory of tools owned.

39. LOSS OF BENEFITS

No employee who, prior to the date of this Agreement, was receiving more than the rate of wages in this Schedule or working less hours than stipulated in this Agreement, or any other benefits shall suffer a reduction of wages or increase in hours worked per week or loss of benefits because of the adoption of this Agreement. This does not apply to Manufacture and/or Dealer Incentive/ Bonus Programs.

40. MINIMUM STANDARDS

- (a) It is intended that the provisions contained in the Employment Standards Act and Regulations (Act), presently in effect and from time to time amended are minimum requirements only.
- (b) In the event this collective agreement does not contain a provision which is contained in the Act such provision shall be deemed to be incorporated in the collective agreement as part of its terms.
- (c) In the event this collective agreement contains a provision which is a lesser requirement than a similar or related provision contained in the Act, then the provision contained in the Act shall prevail, and shall be deemed to be incorporated in the collective agreement as part of its terms.
- (d) In the event a dispute arises respecting the application or interpretation of any provision of the Act which is deemed to be part of the terms of this collective agreement, including Arbitration if necessary, shall apply for resolution of the dispute.

41. RETROACTIVE PAY

The Employer agrees that the wage rates and benefits with the exception of the Health and Welfare Plan, effective as of September 1st, 2006, shall be paid retroactively to each person from that date for all hours paid subsequent to August 31st, 2006.

APPENDIX "A"

WAGE RATES

RATES PER HOUR

CLASSIFICATIONS	EFFECTIVE SEPT.1/06	EFFECTIVE SEPT.1/07	EFFECTIVE SEPT.1/08
JOURNEYMAN AUTO MECHANIC (LICENCED)	\$30.09	\$30.84	\$31.61

NOTE:

Any Journeyman/Auto Mechanic (licensed) who holds a master certificate will receive an additional one dollar (\$1.00) per hour premium on his regular rate.

APPRENTICES

Apprentices may be employed at the trade in the ratio of one (1) Apprentice to every two (2) Journeymen or as prescribed by the Apprentice Board.

1st six months	50% of Journeyman's rate
2nd six months	55% of Journeyman's rate
3rd six months	60% of Journeyman's rate
4th six months	65% of Journeyman's rate
5th six months	70% of Journeyman's rate
6th six months	75% of Journeyman's rate
7th six months	85% of Journeyman's rate
8th six months	95% of Journeyman's rate

NOTE:

All Journeymen employed prior to September 1st, 1988, will be recognized as Journeymen for the purpose of seniority and classification and wage application. (See Letter of Understanding attached.)

DISPATCHER (CONTROL TOWER OPERATOR)	\$25.56	\$26.20	\$26.86
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NOTE:

Control Tower Operator to be used when nine (9) or more Journeymen Mechanics are working on a regular forty (40) hour week basis.

SERVICE ADVISOR	\$28.62	\$29.34	\$30.07
LUBRICATION AND GENERAL SERVICEMEN	\$18.25	\$18.71	\$19.18

NOTE:

Lubrication and General Serviceman cannot work on any hybrid cars (PDI's)

LEAD HAND

(A Lead Hand is an employee to whom the Company assigns authority to direct and supervise the work of others.)

In addition to regular rate will receive 25¢ per hour.

APPENDIX "A" - CONTINUED

RATES PER HOUR

	EFFECTIVE SEPT.1/06	EFFECTIVE SEPT.1/07	EFFECTIVE SEPT.1/08
PARTSMEN	\$27.59	\$28.28	\$28.99

PARTSMEN APPRENTICES

1st six months	50% of Partsman's rate
2nd six months	55% of Partsman's rate
3rd six months	60% of Partsman's rate
4th six months	65% of Partsman's rate
5th six months	70% of Partsman's rate
6th six months	75% of Partsman's rate
7th six months	85% of Partsman's rate
8th six months	95% of Partsman's rate
Thereafter	Partsman's rate

PARTS DRIVERS	\$16.25	\$16.66	\$17.08
WARRANTY/CLERK SERVICE ADVISOR	\$29.58	\$30.32	\$31.08

SERVICE ADVISOR APPRENTICES

1st six months	50% of Service Advisor's Rate
2nd six months	55% of Service Advisor's Rate
3rd six months	60% of Service Advisor's Rate
4th six months	65% of Service Advisor's Rate
5th six months	70% of Service Advisor's Rate
6th six months	75% of Service Advisor's Rate
7th six months	85% of Service Advisor's Rate
8th six months	95% of Service Advisor's Rate
Thereafter	Service Advisor's Rate

WARRANTY/SERVICE CLERK RATE	\$19.00	\$19.48	\$19.96
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WARRANTY SERVICE

CLERK STARTING RATE	\$13.07	\$13.40	\$13.74
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NOTE:

Warranty Service Clerk will start at the starting rate with increases every six (6) months until they achieve full rate (within two (2) years).

SHIPPER/RECEIVER	\$19.00	\$19.48	\$19.97
SHUTTLE DRIVER	\$16.25	\$16.66	\$17.08
Lexus SERVICE	\$13.24	\$13.57	\$13.91
LUBEMAN	\$13.24	\$13.57	\$13.91
LOT PERSON	\$12.54	\$12.85	\$13.17

APPENDIX "A" - CONTINUED

NOTE:

Lot Person cannot work on any mechanical or recall work, but can work in Shuttle/Driver and detail work. When a lot person is required to fill in for the Shuttle Driver he/she shall receive the higher rate for all hours worked. If the employee returns back into his/her posting during that day he/she will receive their posted rate for the remainder of that day. However, if the Employer returns that employee back into the Shuttle/Driver position for a second time that employee will receive the higher rate of pay for the entire day. The Employer must use that same employee for which they started with that day.

NOTE:

Any employee when picking up or delivering vehicles shall not be held liable for the insurance deductible if involved in an accident.

NOTE:

When new employees are hired and do not have Toyota experience they shall be paid at 95% of the classified rate or the Apprentice Board evaluated rate for the first six (6) months of employment.

NOTE:

Ms. Jessy Gill will receive \$27.64 for the first year, \$28.34 for the second year and \$29.04 for the third year of this agreement.

NOTE:

Mr. Movin Razak will receive \$15.74 for the first year, \$16.14 for the second year and \$16.54 for the third year of this agreement.

