

MEMORANDUM OF AGREEMENT

BETWEEN:

CONAGG QUARRIES LIMITED

(the "Employer")

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 115

(the "Union")

The terms and conditions of this Memorandum of Agreement shall apply to the following locations only: Watts Point (near Squamish, BC), and Gilley's Quarry (Port Coquitlam, BC), and shall cover all employees employed at the said locations, except for office, sales, supervision, quality control, and security.

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

It is agreed that the following terms and conditions shall amend the Road Building Industry Standard Agreement (Utility).

1) **ARTICLE 4: WAGES**

4.02 Vacation and General Holidays

July 1st (Canada Day), shall be observed on the actual day of the holiday except Saturday or Sunday where the following Monday will be observed.

Employees shall be paid earned vacation and general holiday pay on each payday.

4.04 Payment of Wages

Change any reference to a "cheque" in this article to read: "deposited to the employee's bank account by electronic transfer only".

Where subsistence allowance is paid, it shall be paid as a nontaxable allowance.

All other wording of the article remains in full force and effect.

2) **ARTICLE 6: HOURS OF LABOUR, SHIFTS AND CALL-OUT TIME**

6.05 (b) Upon mutual agreement, starting time of the shift may be varied by up to two (2) hours of normal starting time.

6.06 Call-Out Time:

Where an employee is called out and no work is performed, employees shall receive a minimum of two (2) hours' pay.

If work is performed, employees shall receive four (4) hours' pay. Any work performed beyond four (4) hours shall constitute a day's work.

3) **ARTICLE 7: OVERTIME**

7.01 All hours worked outside the regular scheduled shift, Monday to Friday shall be paid at one and one-half (1-1/2) times the employee's hourly rate up to eleven (11) hours.

Saturday shall be paid at time and one-half (1-1/2) for the first eleven (11) hours worked.

All work performed beyond eleven (11) hours per day Monday to Saturday, Sundays or General Holidays shall be paid at two (2) times the employee's hourly rate.

7.02 Provision of Meals on Overtime

Change "providing a meal(s)" to read: "an employee shall receive a meal allowance of fourteen dollars (\$14.00)."

All other wording of Article 7.02 remains in full force and effect.

4) **ARTICLE 8: TRANSPORTATION**

Delete this section.

5) **ARTICLE 9: WORKING CONDITIONS**

9.16 Special Conditions Underground

Delete Section 9.16 completely.

6) **ARTICLE 10: UNION SHOP**

10.01 Dispatch Offices

When the Employer places an order for a member with the dispatcher it shall be on a 50/50 basis. This would provide that an Employer could name request one employee and the next order would be open.

- 10.03 Should an employee at any time cease to be a member in good standing of the Union, under whose jurisdiction he is employed, the Employer shall, upon notification from the Union, discharge him forthwith.

The Union shall have the exclusive right to determine who is a member in good standing.

In the event the Company is requested by the Union to discharge employees pursuant to this article, the Union agrees to indemnify the Company in the event of subsequent proceedings being brought against the Company for such discharge.

Delete Sections 10.04, 10.05 and 10.06 in their entirety.

7) **SCHEDULE "A": SPECIAL PROVISIONS AND WAGES**

Delete Schedule "A" in its entirety and replace with the following.

a) Working Lead Hand

Where a Management Supervisor is absent for one or more shifts, such Supervisor shall be replaced by a Union employee Working Lead Hand.

A Working Lead Hand shall receive a premium of eight percent (8%) per hour over the hourly rate of the highest classification under his supervision.

b) Trainees

Where the Employer employs ten (10) or more employees on a shift, the Employer shall employ an Operating Engineers Trainee.

Trainees' hourly wage rates will be determined by the Operating Engineers Apprenticeship Plan.

c) Machine and Work Assignment

If an Operating Engineer is regularly assigned to a work assignment from Monday through Friday in a given week, and work is required after regular hours, or on the Saturday, Sunday and/or General Holiday of that week, such Operating Engineer will be assigned to such particular work assignment providing such Operating Engineer is available.

d) Equipment Assembly

It is agreed that the assembling and dismantling of the Employer's construction equipment described in Schedule "8" or falling within the jurisdiction of the Operating Engineers, will be performed by members of the Operating Engineers' Union.

e) First Aid

When an employee is designated as First Aid Man by the Company, he shall have his regular hourly rate increased by the following schedule:

Level 3:	\$1.00 per hour
Level 2:	\$0.90 per hour
Level 1 :	\$0.70 per hour

8) Enabling Clause

When in the opinion of both parties it is deemed beneficial to the Employer and the Union, the terms and conditions of the Collective Agreement may be modified for work coming under the Road Building (Utility) Agreement "Extent Clause". Such mutually agreed modifications to the Collective Agreement shall be by Letter of Understanding and may be for one project, for a type of work, for a specific area or for a specific period of time.

9) **SCHEDULE "B" - UTILITY RATES AND BENEFITS**

Schedule of Employee/Employer Contributions

	<u>Mar.1, 2006</u>	<u>Mar.1, 2007</u>	<u>Mar.1, 2008</u>	<u>Mar.1, 2009</u>	<u>Mar.1, 2010</u>
Benefits Plan	\$2.05	\$2.05	\$2.10	\$2.10	\$2.10*
Pension Plan	3.85	3.95	4.00	4.10	4.20*
Apprenticeship Plan	0.43	0.43	0.43	0.43	0.43
Working Dues	0.52	0.55	0.57	0.60	0.63
OE Advancement Fund	0.155	0.155	0.155	0.155	0.155
Rehabilitation Fund	0.02	0.02	0.02	0.02	0.02
Tool Allowance Fund	0.08	0.08	0.08	0.08	0.08
TOTAL	\$7.105	\$7.235	\$7.355	\$7.485	\$7.615

* TBA: Increase may be allocated to Pension or Benefits.

Contributions to the Plans shall be for each hour wages are payable, in other words, on overtime, hourly contributions shall be at straight time.

Effective February 1, 2011 contributions shall be based on hours earned. For clarification "hours earned means one and one-half (1-1/2) or two (2) times the contribution rate for overtime hours."

Hourly Wage Rates

	<u>Mar. 1, 2006</u>	<u>Mar. 1, 2007</u>	<u>Mar. 1, 2008</u>	<u>Mar. 1, 2009</u>	<u>Mar. 1, 2010</u>
Trades	\$28.81	\$30.25	\$31.77	\$33.35	\$35.02
Group 1	26.71	28.05	29.45	30.92	32.47
Group 2	26.43	27.75	29.14	30.59	32.12
Group 3	26.05	27.35	28.72	30.16	31.66
Group 4	25.48	26.76	28.10	29.50	30.98
Compactor and Labourer	23.22	24.38	25.60	26.87	28.22

The percentages as outlined shall be applied to individual classifications. Each trade may distribute/allocate amounts to various plans and/or programs from such calculation.

CLASSIFICATIONS / GROUPS

TRADES

	Mar. 1, 2006	Mar. 1, 2007	Mar. 1, 2008	Mar. 1, 2009	Mar. 1, 2010
Hourly Wage	\$28.81	\$30.25	\$31.77	\$33.35	\$35.02
Benefits	2.05	2.05	2.10	2.10	2.10*
Pension	3.85	3.95	4.00	4.10	4.20*
Holiday Pay 12.5%	3.60	3.78	3.97	4.17	4.38
Metro Travel	0.80	0.80	0.80	0.80	1.00
TOTAL	\$39.11	\$40.83	\$42.64	\$44.52	\$46.70

Trades: Classifications

Heavy Duty Mechanic
Welder
Millwright

The percentages as outlined shall be applied to individual classifications. Each trade may distribute/allocate amounts to various plans and/or programs from such calculation.

* TBA: Increase may be allocated to Pension or Benefits.

GROUP 1

	Mar. 1, 2006	Mar. 1, 2007	Mar. 1, 2008	Mar. 1, 2009	Mar. 1, 2010
Hourly Wage	\$26.71	\$28.05	\$29.45	\$30.92	\$32.47
Benefits	2.05	2.05	2.10	2.10	2.10*
Pension	3.85	3.95	4.00	4.10	4.20*
Holiday Pay 12.5%	3.34	3.51	3.68	3.87	4.06
Metro Travel	0.80	0.80	0.80	0.80	1.00
TOTAL	\$36.75	\$38.36	\$40.03	\$41.79	\$43.83

Group 1: Classifications

All excavators, all attachments (5 yards up to 7 yards)
Front End Loaders all types (over 7 yards up to and including 15 yards)
Grader Operator

The percentages as outlined shall be applied to individual classifications. Each trade may distribute/allocate amounts to various plans and/or programs from such calculation.

* TBA: Increase may be allocated to Pension or Benefits.

GROUP 2

	Mar. 1, 2006	Mar. 1, 2007	Mar. 1, 2008	Mar. 1, 2009	Mar. 1, 2010
Hourly Wage	\$26.43	\$27.75	\$29.14	\$30.59	\$32.12
Benefits	2.05	2.05	2.10	2.10	2.10*
Pension	3.85	3.95	4.00	4.10	4.20*
Holiday Pay 12.5%	3.30	3.47	3.64	3.82	4.02
Metro Travel	0.80	0.80	0.80	0.80	1.00
TOTAL	\$36.43	\$38.02	\$39.68	\$41.41	\$43.44

Group 2: Classifications

Excavators, all attachments (3 yds up to 5 yds)
Front end Loaders (5 yds up to 7 yds)
Multi plant operator
Crushing/Screening & Washing Plants - over 75 yds per hour

The percentages as outlined shall be applied to individual classifications. Each trade may distribute/allocate amounts to various plans and/or programs from such calculation.

* TBA: Increase may be allocated to Pension or Benefits.

GROUP 3

	Mar. 1, 2006	Mar. 1, 2007	Mar. 1, 2008	Mar. 1, 2009	Mar. 1, 2010
Hourly Wage	\$26.05	\$27.35	\$28.72	\$30.16	\$31.66
Benefits	2.05	2.05	2.10	2.10	2.10*
Pension	3.85	3.95	4.00	4.10	4.20*
Holiday Pay 12.5%	3.26	3.42	3.59	3.77	3.96
Metro Travel	0.80	0.80	0.80	0.80	1.00
TOTAL	\$36.01	\$37.57	\$39.21	\$40.93	\$42.92

Group 3: Classifications

Haul Truck
Articulated Trucks
Dump Trucks
Excavators (under 3 yds)
All Crawler Tractors
Tractor Loader Backhoes (all)
Front end Loaders (1 yd to 5 yds)
Crushing/Screening Wash plant under 75 yds. per hour
Hiabs and similar equipment under 10 ton
Forklifts and similar equipment
Hydraulic Backhoes (Tractor Mounted) (All)

The percentages as outlined shall be applied to individual classifications. Each trade may distribute/allocate amounts to various plans and/or programs from such calculation.

* TBA: Increase may be allocated to Pension or Benefits.

GROUP 4

	Mar. 1, 2006	Mar. 1, 2007	Mar. 1, 2008	Mar. 1, 2009	Mar. 1, 2010
Hourly Wage	\$25.48	\$26.76	\$28.10	\$29.50	\$30.98
Benefits	2.05	2.05	2.10	2.10	2.10*
Pension	3.85	3.95	4.00	4.10	4.20*
Holiday Pay 12.5%	3.19	3.35	3.51	3.69	3.87
Metro Travel	0.80	0.80	0.80	0.80	1.00
TOTAL	\$35.37	\$36.91	\$38.51	\$40.19	\$42.15

Group 4: Classifications

Skid Steer

The percentages as outlined shall be applied to individual classifications. Each trade may distribute/allocate amounts to various plans and/or programs from such calculation.

* TBA: Increase may be allocated to Pension or Benefits.

COMPACTORS AND LABOURERS

	Mar. 1, 2006	Mar. 1, 2007	Mar. 1, 2008	Mar. 1, 2009	Mar. 1, 2010
Hourly Wage	\$23.22	\$24.38	\$25.60	\$26.87	\$28.22
Benefits	2.05	2.05	2.10	2.10	2.10*
Pension	3.85	3.95	4.00	4.10	4.20*
Holiday Pay 12.5%	2.90	3.05	3.20	3.36	3.53
Metro Travel	0.80	0.80	0.80	0.80	1.00
TOTAL	\$32.82	\$34.23	\$35.70	\$37.23	\$39.05

* The percentages as outlined shall be applied to individual classifications. Each trade may distribute/allocate amounts to various plans and/or programs from such calculation.

* TBA: Increase may be allocated to Pension or Benefits.

Classification/Group Realignment

A representative of the Utility Group and the Union shall meet and review the current classifications and groupings. They shall make any and all adjustments to reflect those classifications utilized in the industry and rates of pay commensurate to the work performed.

Apprentices and Trainees

Hourly wage rates for trainees/apprentices will be as determined by the Operating Engineers Apprenticeship Plan.

Rated Capacity

Rated capacities for various equipment referred to in Schedule "An are maximum manufacturer's factory rating for struck capacity of the machine. The rate of pay for other classifications involving bucket sizes shall be determined by the manufacturer's factory rating or bucket size, whichever is greater.

New Classifications

For any equipment not listed in the foregoing groups or trade classifications, the Company and the Union shall within thirty (30) days after the equipment's utilization meet to establish an appropriate rate of pay. In the event the parties are unable to reach a satisfactory resolution, the matter shall be referred to arbitration, as provided for elsewhere in this agreement.

10) DURATION OF MEMORANDUM OF AGREEMENT

This agreement shall be in full force and effect from and including March 1, 2006, to and including February 28, 2011 and shall continue in full force and effect from year to year thereafter subject to the right of either party to this Agreement within four (4) months immediately preceding the date February 28, 2011, or immediately preceding the anniversary date in any year thereafter, by written notice to the other party, require the other party to commence collective bargaining with a view to the conclusion of a renewal or revision of this Collective Agreement or a new Collective Agreement.

Should either party give written notice to the other party pursuant hereto, this Agreement shall thereafter continue in full force and effect until the Union shall strike, or the Employer lockout, or the parties shall conclude a renewal or revision of this Agreement or a new Collective Agreement.

The operation of Section 50 (2) and (3) of the Labour Relations Code of British Columbia is hereby excluded.

Signed this _____ day of _____, 2007.

CONAGG QUARRIES LIMITED

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

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