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JUL 14 1997

COLLECTIVE AGREEMENT

BETWEEN

BEARSKIN LAKE AIR SERVICE LTD.

AND

INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS
LOCAL 2413

AGREEMENT #2

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NOVEMBER 28, 1996 - AUGUST 31, 2000

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PREAMBLE

This Agreement is made and entered into as of the 28th day of November, 1996 by and between Bearskin Lake Air Service Ltd., hereinafter referred to as the "Company", and the International Association of Machinists and Aerospace Workers, hereinafter referred to as the "Union", representing certain employees, as hereinafter defined, employed in the service of the Company.

In making this Agreement, the parties here to recognize that compliance with the terms of the Agreement and development of a spirit of cooperation are essential for mutual benefit and public service.

ARTICLE 1 - PURPOSE OF AGREEMENT

- 1.01 The purpose of this Agreement is in the mutual interest of the Company and the employees, to provide for the operation of the services of the Company under methods which will further, to the fullest extent possible, the safety of air transportation, the efficiency and economy of operations, the maintenance of a high degree of quality of maintenance and engineering work. It is recognized by this Agreement to be the duty of the Company, the Union and the employees to cooperate fully both individually and collectively, for the advancement of this purpose.
- 1.02 The Company and the Union agree that there will be no intimidation, discrimination, interference, restraint or coercion exercised or practiced by either of them or their representatives or members because of any employee's membership or non-membership in the Union, or because of his activity or lack of activity in the Union.
- 1.03 It is understood that wherever in this Agreement employees are referred to in the male gender, it shall be recognized as referring to both male and female employees.

ARTICLE 2 - SCOPE OF AGREEMENT

- 2.01 The Company recognizes the International Association of Machinists and Aerospace Workers as the sole collective bargaining agent for all Aircraft Maintenance Engineers and Aircraft Maintenance Apprentices in the employ of Bearskin Lake Air Service Ltd., excluding Quality Assurance Manager, Deputy Quality Assurance Manager, Senior Base Engineer and those above.
- 2.02 Management may perform bargaining unit work for the purpose of assisting bargaining unit members or for the purpose of instructing employees, inspection or checking out of equipment to remain current on aircraft or in situations which require immediate action to remain operational.

- 2.03** The Union and Company recognize that work done by bargaining unit members has also been contracted out in the past. The parties agree that nothing in this Agreement restricts the continuation of this past practice.
- 2.04** The Union acknowledges that it is the exclusive function of the Company:
- (a) to maintain order, discipline and efficiency, and
 - (b) to hire, retire, classify, direct, transfer, promote, demote, layoff or dismiss employees, provided that an employee who has completed the probationary period and who has not been dealt with concerning these matters for reasonable cause, may submit a grievance which shall be settled as hereinafter provided, and
 - (c) to manage the industrial enterprise in which it is engaged and without restricting the generality of the foregoing to determine the number and locations of plants, the kinds and locations of machines, tools and equipment to be used, the control of materials and parts, the schedules or production, and the extension, limitation, curtailment, or cessation of operations and to study and introduce new or improved methods, processes, materials and facilities, and to make and enforce and alter from time to time rules and regulations covering the operation of its business provided that said rules shall not be inconsistent with this Agreement.

The Company agrees that its exclusive functions provided by this Agreement shall be exercised in a manner consistent with all provisions of this Agreement.

ARTICLE 3 - STATUS OF AGREEMENT

- 3.01** This Agreement and any appendices or supplements thereto, supersede any and all Agreements now existing or previously executed between the Company and any Union or individual, affecting the employees covered by this Agreement.
- 3.02** Exceptions, local or side agreements, or modifications of this Agreement may not be made except by mutual agreement in writing between the Director of Human Resources or his designate, and a designated representative of the Union.
- 3.03** The only interpretation of this Agreement which shall be considered valid and binding are those agreed to in writing by the designated representative of the Union and the Director of Human Resources or his designate.
- 3.04** In case of a consolidation or merger affecting the rights of employees covered by this Agreement, the provisions of the Canada Labour Code Part I will apply.

3.05 During the life of this Agreement the Company shall not cause or engage in any lockout nor shall the Union call or authorize a strike or stoppage of work or slow-down, either complete or partial, until all the procedures provided for in this Agreement and in the Canada Labour Code for the adjustment and settlement of disputes or for the avoidance of interruption of work shall have been exhausted.

ARTICLE 4 - UNION MEMBERSHIP AND DEDUCTIONS

- 4.01** The Company agrees that all employees covered by this Agreement shall have their initiation and regular monthly dues deducted from their wages as a condition of employment. The dues collectible under the constitution and By-Laws of the Union, shall be deducted semi-monthly from the wages due each employee. The Company agrees to remit monthly to the Union, the dues deductions and a list of such deductions on or before the fourteenth day of each month, following the month in which they were deducted.
- 4.02** The Company shall deduct from each pay period, from wages due and payable to each employee coming within the scope of this Collective Agreement, an amount equivalent to 1/24th the annual Union dues, subject to the conditions and exceptions set forth hereunder.
- 4.03** Membership in the Union shall be available to any employee eligible under the Constitution of the Union on payment of the initiation or reinstatement fee uniformly required of all other applicants by the Union's Local Lodge. Membership shall not be denied for reason of sex, race, national origin, colour or religion.
- 4.04** New employees shall become members of the Union upon completion of the probationary period and shall maintain membership as a continuing condition of employment.
- 4.05** Deductions shall commence on the first (1st) pay period after date of employment in a position covered by this Agreement.
- 4.06** If the wages of an employee payable on the payroll of any pay period are insufficient to permit the deduction of the full amount of dues, no such deduction shall be made from the wages of such employee by the Company in any pay period. The Company shall not, because the employee did not have sufficient wages payable to him on the payroll, carry forward and deduct from any subsequent wages, the dues not deducted in an earlier pay period.
- 4.07** Only payroll deductions now or hereafter required by law, deduction of monies due or owing the Company and pension deductions shall be made from wages prior to the deduction of dues.

4.08 In the event of any action at law against the parties hereto, resulting from any deduction or deductions from payrolls made or to be made by the Company, pursuant to this Article, all parties shall **cooperate** fully in the defence of such action. The Union shall indemnify and save harmless the Company from any losses, damages, costs, liability or expenses suffered or sustained by it as a result of any such deduction or deductions from payrolls.

ARTICLE 5 - DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings, unless otherwise specified.

5.01 **"Company"** - Bearskin Lake Air Service Ltd.

5.02 **"Union"** - International Association of Machinists and Aerospace Workers, as represented by Local Lodge 2413.

5.03 **"Agreement."** - The Collective Agreement in effect, including amendments or interpretations thereto agreed upon and covered by letters or written amendments signed by authorized Company and Union Officers.

5.04 **"Employee"** - means persons who are employed by Bearskin Lake Air Service Ltd. and who are represented by the International Association of Machinists and Aerospace Workers.

5.05 **"Probationary Employee"**- An employee who has not completed a minimum of ninety (90) days worked with the Company.

5.06 **"Month"** - A calendar month.

5.07 **"Base"** - This term shall mean a geographical location where the Company regularly operates a scheduled maintenance facility.

5.08 **"Call-out"** - Means employees called out to work on a specific job assignment after leaving the premises of the Company following completion of a scheduled shift or on a scheduled day of rest.

5.09 **"Vacancy"** - Means a position determined by the Company to be vacant and filled at the Company's discretion.

5.10 **"Crew Chief"** - Assigns, directs and instructs employees in the duties and work requirements of the classifications of employees covered by the Agreement. Performs the work of his classification and is responsible to management to carry out all duties assigned.

5.11 **"Temporary Position."** - Shall be as historically used by the Company and shall not be operated in such a way as to undermine the bargaining unit.

- 5.12 "Temporary Employee" - An employee who fills a temporary position.
- 5.13 "A C A" - means persons who have the required licenses and endorsements and who have been given airline company approval to sign out all company operated aircraft.

ARTICLE 6 - SPECIFIC PERFORMANCE

- 6.01 The waiver of any of the provisions of this Agreement, or the breach of any of its provisions, by any of the parties, shall not constitute a precedent for further waiver of the enforcement of any further breach.

ARTICLE 7 - EMPLOYEE'S REPRESENTATIVE

- 7.01 The Company will recognize Union Representatives who shall be employees of the Company as follows:

	(1) Chief Steward	
(1) Shop Steward		(1) Shop Steward
for SIOUX LOOKOUT		for THUNDER BAY

The Union may name an alternate steward at each Base.

- 7.02 When the Local Union Representative makes a request to attend to matters relating to this Agreement or to other Union business, Union Representatives shall be granted time off without pay subject to the Company's operational requirements and shall be granted space available transportation on Company flights in accordance with Company policy for that purpose.
- 7.03 The Union shall name a Shop Committee of not more than three (3) members who shall be employees of the Company covered by this Agreement.
- 7.04 The Shop Committee and representatives of the Company may meet as required upon request by either party on mutually agreeable dates. The party requesting the meeting shall do so in writing with an agenda of the items to be discussed. Only Shop Committee members, a Business Representative or International Officer of the Union shall be present at the meeting. If the Business Representative is requested to attend by the Company or the Chief Steward, the Company will provide a space available pass over its routes.
- 7.05 When the Company makes the request to attend to matters relating to this Agreement or when Shop Stewards are required to participate in the resolution of complaints at the immediate supervisor level pursuant to Article 8, Union representatives will be granted time off with pay, subject to the Company's operational requirements. The Union recognizes and agrees that a member of the Shop Committee's primary function is to perform the duties of their classification for which they are employed by the Company.

- 7.06 The Union shall elect and the Company shall recognize the Chief Steward and two (2) members who are employees of the Company covered by this Agreement and shall constitute a Negotiating Committee. The function of such Committee shall be to meet with designated Company Representatives for the purpose of negotiating amendments to or a renewal of this Collective Agreement. Negotiating committee members will be granted time off with pay to attend at the negotiations up to but not including Conciliation.
- 7.07 No Union activity will be conducted on Company property or Company time other than as expressly provided for in this Agreement.

ARTICLE 8 - GRIEVANCE PROCEDURE

- 8.01 For the purpose of this Agreement, a grievance is defined as any difference between the Company and the Union and/or those parties on whose behalf this Agreement was entered into, concerning the interpretation, application, administration, or alleged violation of the Agreement.
- 8.02 If an employee feels he has suffered a grievance, he shall report the grievance in the manner provided herein. Pending possible settlement, the employee shall meanwhile perform the duties assigned by the Company if the Company so requests, otherwise, the Company may suspend the employee pending investigation.
- 8.03 (a) Prior to disciplinary or discharge action, the Company agrees to meet with the employee to discuss the matter. Any employee involved in any discussion with Management in which discipline may result, shall have the right to have a Shop Steward present. Failure of a Shop Steward to be present will not void the discipline and will not be the subject of a grievance. However, an employee who feels he has been unjustly disciplined or discharged may file a grievance at Step 2.
- (b) Where disciplinary or discharge action is considered necessary, such action will take place within ten (10) calendar days following the meeting between the Company and the employee.
- 8.04 Grievances of a policy nature may be initiated by the Union or the Company at Step Two.

8.05 STEP ONE

An employee who has a complaint shall first bring the issue verbally to the attention of his immediate supervisor either alone or with his shop steward if he so desires. Such complaint must be presented within five (5) calendar days of the occurrence or when the grievor should have reasonably become aware of the occurrence. The supervisor shall render his decision verbally within seven (7) calendar days of being presented with the complaint.

STEP TWO

Should the employee not receive a satisfactory answer from his immediate supervisor, he shall submit his grievance in writing within three (3) calendar days to the Director of Operations. Such grievance must be signed by the employee and shall list:

1. the nature of the grievance;
2. the provisions of the Collective Agreement alleged to have been violated;
3. the remedy requested.

The Director of Operations shall meet with the Shop Steward within five (5) calendar days to discuss the grievance and shall render his decision in writing within seven (7) calendar days thereafter.

STEP THREE

Should the Union not receive a satisfactory answer from the Director of Operations, the grievance shall be referred within ten (10) calendar days to the President or his designate, The President or his designate shall render his decision to the Union within ten (10) calendar days thereafter with a copy to the Chief Steward.

- 8.06 Written caution or reprimand notices shall be given to employees whenever, in the Company's opinion, a breach of discipline has occurred. A copy of such notice will be provided to the Shop Steward.
- 8.07 When the Company suspends for a specified period of time or dismisses or demotes an employee for cause, the Company shall give the employee notice in writing as to the reasons for his suspension, demotion or dismissal. A copy of such notice will be provided to the Shop Steward.
- 8.08 Written caution or reprimand notices placed in an employee's personal file will be removed two (2) years following the date of issuance of the most recent caution or reprimand notice.
- 8.09 The time limits outlined in this Article may be extended by mutual agreement between the Company and the Union.

ARTICLE 9 - ARBITRATION

9.01 The Company may, within twenty (20) calendar days following conclusion of Step Three of the Grievance Procedure, refer the grievance to Arbitration and shall notify, in writing, the other party of its intention to arbitrate. If written notice of intent to arbitrate is not forwarded within the twenty (20) calendar day period, the grievance is deemed to have been settled at the conclusion of Step Three of the Grievance Procedure. Such written notice shall contain the notifying parties' suggested arbitrators.

The Arbitrator shall be selected and the proceedings carried on in the following manner:

(a) Selection of the Arbitrator:

- (i) The party initiating arbitration proceedings shall notify the other party of its suggested appointee to act as Arbitrator within fifteen (15) calendar days following the above notification. The recipient of such notification shall respond in writing within ten (10) calendar days.
- (ii) In the event of a disagreement to the suggested appointee, the parties **shall** make an earnest effort to agree upon an acceptable Arbitrator. Failing such agreement within ten (10) calendar days, the parties **shall** then request the Minister of Labour to appoint an Arbitrator.

(b) Arbitration Proceedings:

- (i) The Arbitrator shall not have the power to alter, amend, substitute or give any decision inconsistent with the provisions of this Collective Agreement.
- (ii) The Arbitrator shall have jurisdiction in determining whether the grievance presents an arbitrable issue.
- (iii) In cases where the Company has disciplined **or** discharged an employee, the Arbitrator may uphold the Company's final decision, fully exonerate and order reinstatement of the employee with pay for all time lost, or render such other decision as he considers just and equitable.
- (iv) The decision of the Arbitrator shall be **final** and binding upon all parties and persons bound hereunder.

(c) Arbitration Expenses:

- (i) Each party shall pay its own costs, fees and expenses of witnesses called by it, and of its representatives.
- (ii) The fees and expenses of the arbitrator shall be shared equally between the parties.

NOTE: All time limits specified in this Article may be extended by mutual agreement, in writing, with copies to both parties.

ARTICLE 10 - SENIORITY

10.01 Upon successful completion of the probationary period an employee shall be credited with seniority as provided herein. Seniority is the length of continuous service in the employ of the Company, while employed in the bargaining unit.

Subject to the provisions of this Agreement each employee shall have:

- (a) Company Service which will accrue and date from the most recent date of hire in the service of the Company.
- (b) Basic Classification Seniority which will accrue and date from the most recent date the employee commenced work in a specific classification and seniority unit covered by this Agreement, except as provided herein. The classifications are those listed in Appendix "A" herein.
- (c) The seniority units are:
 1. Thunder Bay
 2. Sioux Lookout
 3. Future Bases as defined herein.

- 10.02**
- (a) A new employee shall establish seniority as defined above upon completion of a probationary period of ninety (90) days worked and such seniority shall be effective from the date of employment.
 - (b) Grievances may be presented in connection with the discharge or lay-off of probationary employees but shall not be arbitrable.
 - (c) Temporary employees will not attain seniority.

- 10.03 (a) When an employee transfers from one Occupational classification to another, or one base to another, his seniority shall continue to pertain to his current classification and **base** for a period of thirty (30) calendar days, after which if the transfer remains in effect his total seniority shall be transferred to his new classification and base. Applicants requesting a transfer from one base to another will be given preference over new hires provided such transfer does not have the effect of understaffing the applicant's original base.
- (b) Employees promoted to Crew Chief shall continue to accrue seniority in their basic classification at the same time.

10.04 An employee shall lose all seniority and shall be deemed terminated if:

- 1. the employee voluntarily leaves the employ of the Company;
- 2. the employee **is** discharged and the discharge **is** not reversed through the grievance procedure;
- 3. the employee has been laid off and not been recalled to work for the lesser of:
 - (a) (i) a period equal to his seniority,
 - (ii) a maximum of one (1) year in the case of seniority of less than ten (10) years, or
 - (b) a maximum period of two (2) years in the case of seniority of ten (10) years or more,
- 4. the employee **is** retired,
- 5. after lay-off, the employee fails to notify the Company in writing of his intention to return to work within seven (7) calendar days after notice by registered mail has been sent by the Company,
- 6. fails to return to work and following the conclusion of an approved leave of absence pursuant to Article 12.04 (a) herein.

10.05 Each employee who **is** laid off will keep the Company informed of his current address, failing which the Company will not be responsible if notice of recall fails to reach such employee.

10.06 By mutual agreement of the parties hereto, seniority may be restored in whole or in part in any case arising out of 10.04 above if extenuating circumstances should warrant reinstatement. Such circumstances may be brought to the attention of the Company by the employee concerned or by the Shop Committee of the Union.

- 10.07** A seniority list shall be established for employees covered by this contract based upon each employee's last continuous period of employment. A copy of such list will be provided annually for employees on the active payroll of the Company as of December 31st, and will be posted by January 31st. The Union may request from the Company a list of new hires and employee terminations as may be available from time to time.
- 10.08** An employee with seniority who is transferred from an occupational classification covered by this Agreement to salaried employment shall retain his seniority while so employed. He shall be excluded from the coverage of this Agreement and from any and all its terms and conditions while so employed.

ARTICLE 11 - LAY-OFF AND RECALL

- 11.01** Lay-off and recall shall be accomplished by occupational classification according to seniority as defined in Article 10.01 in the affected classification at the seniority unit provided that the employee(s) who is retained or recalled can perform the available work without training.
- 11.02** Notice of lay-off will be in accordance with the provisions of the Canada Labour Code. The Company will meet with the Shop Committee prior to any lay-off, and the Shop Committee shall be notified of the number of employees in each occupational classification to be laid off. A copy of any notice of lay-off to an employee will be provided to the Shop Committee as soon as reasonably possible thereafter. No employee will be laid off without at least seven (7) calendar days notice prior to.
- 11.03** Classification seniority will accrue during the period of lay-off as set out in Article 10.04 (3).
- 11.04** The Chief Steward will be retained in the employ of the Company in his respective occupational classification during his respective term of office, notwithstanding his position in the seniority list. However, if work is no longer available in his respective occupational classification, he will be permitted to transfer or displace into another occupational classification provided he is qualified to perform the duties and willing to accept the appropriate rate of such classification.
- 11.05** When mutually agreed to by both parties, a seniority employee on lay-off may be recalled on a part-time basis for specific periods of not less than four (4) hours and not over five (5) working days and released at the completion of the work for

which he was recalled without reinstating lay-off procedures and provisions as outlined in this Article. Refusal to accept part-time recall shall not constitute a breach of contract or invalidate his right to recall to his occupational classification.

- 11.06** In the event of a difference of opinion on the administration of Article 11, the Shop Committee may request a meeting with the Company to discuss same.
- 11.07** When the Company recalls an employee even for a specific period of not less than four (4) hours, the Shop Committee shall be supplied with a copy of the Recall Letter as soon as reasonably possible thereafter.
- 11.08** The Company has the right to lay-off employees to the extent it determines necessary. In the event of a lay-off the following procedure will be followed:
- (i) Subject to Article 10 and Article 11.01 above, the least senior employee in the affected occupational classification at the affected seniority unit shall be declared redundant in that job.
 - (ii) Any such employee who has worked for the Company in a previous classification at his current seniority unit or another unit shall have the right to resume a position in the former classification and shall be entitled to accumulate classification seniority therein once again.
 - (iii) If, as a result of exercising this right to resume employment in a previous classification covered by this Agreement in which he has previously worked for the Company, there is a surplus of staff in that classification; then the least senior employee in that classification shall be redundant. This process shall continue so long as there are redundant employees who have seniority in classifications within the seniority unit.
 - (iv) Such employee(s) may also elect to be laid-off at his current seniority unit and await recall.
 - (v) In the event that an employee who is redundant in any classification has no previous seniority in any other classification, he shall be laid off with recall rights in accordance with this Agreement.

ARTICLE 12 - LEAVE OF ABSENCE

- Preamble** The Company, may or may not, at its discretion grant leave of absence without pay to any employee requesting same.
- 12.01** Employees requesting leave of absence must do so in writing at least two (2) weeks prior to the commencement of such leave unless the situation is sufficiently emergent that such notice is impractical.
- 12.02** For leaves of absence without pay granted for a period not exceeding thirty (30) days there shall be no loss of seniority incurred. For leaves of absence in excess of thirty (30) days the employee concerned may not retain and accrue his seniority unless written approval of the Union is submitted along with the request for leave of absence.
- 12.03** On request from the Local Lodge the Company may grant leave of absence without pay to officials of the Local Lodge or their delegates for the transactions of Union business and attending Trade Union conventions. Subject to service requirements the number of employees granted leave of absence, also the number of days granted, is to be mutually agreed upon.
- 12.04**
- a) Any employee unable to work because of illness or injury on furnishing proof thereof, satisfactory to the Company, shall be granted sick leave without pay for a maximum of one (1) year without loss of seniority.
 - b) The Company will require evidence of the employee's fitness to resume his previous occupation.

ARTICLE 13 - POSTING NOTICES

- 13.01** The Union shall have the privilege of posting approved notices at specified places on the Company's premises. The Company shall be furnished copies of all such notices prior to their posting and shall require the Union to refrain from posting any notice which it considers to be objectionable.

ARTICLE 14 - TRANSFERS

- 14.01** It is the desire of the Company to advance employees to more highly rated jobs when it is operationally practicable to do so. The Company will consider an employee's request to transfer from one occupational classification to another and/or one seniority unit to another, but the Company maintains the right to select and/or hire persons to fill labour vacancies as per Article 15.

14.02 The Company shall post a notice of labour vacancies for a period of ten (10) calendar days at all seniority units.

ARTICLE 15 - PROMOTIONS

15.01 Without prejudice to the rights reserved under Article 2 of this Agreement, in the selection of employees for promotions the decision shall rest with the Company provided that in the case of employees with equal skill, ability, experience and qualifications to do the work required, the employee possessing the greater seniority shall receive preference.

ARTICLE 16 - HOURS OF WORK

16.01 The normal work week will be of forty (40) hours and the normal working day will be eight (8) consecutive hours, exclusive of meal periods, in a single twenty-four (24) hour period except where a modified work week has been or will be implemented in accordance with the Canada Labour Code.

16.02 The Company shall take reasonable steps to give the employees advance notice of any change or cancellation of regular working hours. Any employee not so notified who reports to work at his regular starting time and is not required to work on that shift, shall be paid eight (8) hours, at his regular rate, unless any such change or cancellation of regular working hours, or lack of work, is due to circumstances beyond the control of the Company. By agreement of the Company the employee may be allowed to return home and receive no pay for the shift.

16.03 a) Where practicable, meal periods will be granted between the fourth (4th) and fifth (5th) hour of the normal working day. The meal period shall be one-half (1/2) hour unpaid.

At the Company's discretion, if an employee does not have *his* meal during the hours noted above, he will either receive his meal at a later time or be let off early or be compensated for working the meal period.

b) Two (2) fifteen (15) minute paid coffee breaks will normally be granted between the second (2nd) and third (3rd) hours of each half (1/2) of the employees shift except for situations where requirements of service otherwise dictate.

ARTICLE 17 - TIME CARDS

- 17.01** Every employee shall complete a work or job card at the completion of each work assignment. If the work assignment is not completed at the end of each shift, the employee will complete a work or job card for the particular assignment for that day prior to leaving the premises.
- 17.02** All work or job cards will be turned in to the maintenance office at the end of each shift or upon completion of each work assignment when *so* directed.

ARTICLE 18 - OVERTIME

- 18.01** Employees will be compensated for overtime worked as follows:
- a) Authorized time worked in excess of eight hours in any one shift shall **be** paid for at the rate of time and one-half the regular rate exclusive of any premiums for all hours worked or parts thereof. An unpaid lunch break and a lunch per diem subject to **20.02 (b)** will be provided to an employee after four (4) hours of daily overtime has been worked in excess of the normal daily shift. When an employee works four (4) hours or more on a day off he shall receive one (1) lunch per diem.
 - b) Authorized time worked on a statutory holiday observed by the Company as set out in **Article 22**, shall be paid in accordance with the Canada Labour Code.
 - c) Management will attempt to be consistent with the accepted procedures of high quality workmanship when assigning overtime and where possible will give preference to the crew previously assigned to the job requiring the overtime.
- 18.02** Call-in Pay
- An employee who has completed his shift and left the premises and is called back to work shall be paid a minimum of three (3) hours at the rate of time and one-half (1/2) of the regular rate exclusive of any premiums for all hours worked. Employees called in to work may, subject to immediate service requirements to keep aircraft operational, remain to complete such work as may be required.
- 18.03** Employees who are sent out on field or emergency work, shall be paid in accordance with **Article 18.01** with regard to overtime and **20.02 (a)** with regard to travel time.

ARTICLE 19 - PAYMENT OF WAGES

- 19.01 (a) The Company agrees that wages shall be paid semi-monthly on/or about the thirteenth (13th) and twenty-eight (28th) day of each month. If such date falls on a weekend pay day will be the Friday before. When the date is interfered with by the occurrence of a paid holiday the regular pay day may be delayed.
- The employees will be paid by direct deposit or by cheque during working hours where practicable.
- (b) All changes to payroll will become effective at the beginning of the next nearest payroll period (ie. 1st or 16th of the month).

ARTICLE 20 - SPECIAL ALLOWANCES

- 20.01 Employees working on other than the regular day shift will receive for time worked on such shifts, off-shift premium pay of thirty-five cents (\$0.35) per hour for the afternoon shift (effective December 1, 1996 forty-five cents (\$0.45) per hour) and forty-five cents (\$0.45) per hour for the night shift (effective December 1, 1996 fifty-five cents (\$0.55) per hour) in addition to their regular pay, providing that the majority of the allocated working hours fall outside the limits of the regular day shift.

Shift premiums will not form part of the employee's straight time hourly rate and will not form part of the calculations for the purposes of overtime.

It is understood that some employees are working a modified work week, and shift differential will only apply to those hours worked between 1700 hours and 0800 hours.

- 20.02 a) Travel Pay

Employees required to travel on Company business excluding training courses shall, while travelling to and from their temporary place of duty, be paid their regular rates of pay at straight time up to a maximum of sixteen hours in a twenty-four hour period for all time spend on travelling. Such time spent while travelling shall not be taken into consideration when computing overtime.

Travel time starts when actual travelling begins and the subsequent twenty-four hour period **is** considered and each subsequent defined twenty-four hour period **is** considered until a permanent, intermediate, or temporary destination **is** reached. When an employee is enroute to or from a special job, waiting time due to delay beyond control of the employee concerned will be paid a straight time rates for eight hours per day, but not in the excess of 56 hours per week, including all other straight time worked in the particular week concerned.

b) Living Allowance/Car Mileage Allowance

- 1) A per diem allowance of thirty dollars (\$30.00) per day exclusive of lodging will be allowed when approved by the Company as follows:

	Sept.1/97	Sept. 1/98
Breakfast: \$ 7.50	\$ 8.00	\$ 9.00
Lunch: \$ 8.50	\$ 9.00	\$ 10.00
Dinner: \$ 14.00	\$ 15.00	\$ 16.00
	<u>\$ 30.00</u>	<u>\$ 35.00</u>

- 2) A transportation auto allowance of twenty cents (\$0.20) per kilometre will be paid to the employee when his own car **is** used for prior approved Company travel.

20.03 Bereavement Leave

In accordance with the terms and conditions of the Canada Labour Code, when bereavement occurs in the immediate family of an employee, the employee shall be allowed up to three (3) days leave immediately following the day of death. An employee's immediate family shall mean spouse, parent, child, sister, brother, father-in-law, mother-in-law.

An employee shall be allowed up to three (3) days leave of absence without pay to attend at the funeral of the employee's grandparent.

ARTICLE 21 - BENEFITS

- 21.01 Each employee shall be covered by the Company's Group Insurance and other benefit plans in effect as of the date of ratification of this Agreement, according to the terms and applicable cost sharing arrangements of those plans.

- A) Group Insurance Plan
- B) Accident & Sickness Plan
- C) Extended Health Benefits
- D) Dental Plan
- E) Deluxe Travel Plan

The benefits provided under the above plans will not be amended without prior consultation with the Union. Insurance carriers may be changed at the discretion of the Company provided benefits are maintained.

The Company will not be responsible for picking up those benefits which may be suspended by the Government or the carriers during the term of this Agreement.

21.02

Employees will be allowed to bank five (5) Statutory Holidays plus the additional day in L.O.U. #5 (Thunder Bay), excluding Christmas Day, Boxing Day and New Year's Day as follows:

- a) it is understood that the primary use of such banked days is for the replacement of income that may be lost due to illness while awaiting for weekly indemnity insurance to activate;
- b) otherwise, the scheduling of banked days will be by mutual agreement between the employee and the Company;
- c) the employee may use the days banked for vacation; such use will not take precedence over regular vacation and the scheduling of the additional days will be at the Company's approval.
- d) the employee must notify the Company three (3) weeks prior to the Statutory Holiday of their intention to bank the day;
- e) the number of days eligible for banking in any calendar year is five (5) in total;
- f) unused days at December 31st in any calendar year will be paid out at the earned rate of pay when such day was banked.

Employees may utilize banked days prior to actual accrual beginning January 1 of the calendar year subject to the proviso that, if an employee leaves the employ of the Company and has been paid for stats not yet accrued, the employer shall be entitled to recoup a number of days equal to nine (9) (ten (10) in Thunder Bay) less the number of stats that have occurred.

21.03 Bargaining Unit Employees shall be provided with short term leave as follows:

During a calendar year, any Engineer may build up a sick bank of three (3) working days earned from the previous year. Each continuous period free of absence of four (4) months in the previous year shall result in one (1) day being credited to an Engineer's sick bank.

These days are non-cumulative from year to year, the maximum being three (3) days at January 1.

This provision has no effect on the current Wage Indemnity Plan which shall remain in full force and effect.

In 1997, the above accumulation will not be diminished by the use of one (1) of the employees entitlement banked days in Article 21.02.

Effective January 1, 1998 the above days must be utilized prior to any of the banked days in Article 21.02.

ARTICLE 22 - HOLIDAYS

22.01 In accordance with the provisions of the Canada Labour Code, the Company recognizes the following paid holidays:

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

22.02 The parties agree the Company may substitute or designate another day for any of the Statutory Holidays mentioned above in accordance with service requirements.

ARTICLE 23 - VACATION WITH PAY

23.01 The holiday year will be considered as commencing on the employee's Anniversary date in any calendar year and continuing through to the employee's next Anniversary date.

23.02 Every employee who, at his vacation time has been in the continuous service of the Company:

- a) for eleven (11) years or more of completed service shall accrue four (4) weeks vacation pay equal to eight percent (8%) of his total earnings with the Company during the previous year ending the day prior to his Anniversary date; or

- b) for six (6) years or more of completed service shall accrue three (3) weeks vacation pay equal to six percent (6%) of his total earnings with the Company during the previous year ending the day prior to his Anniversary date; or
- c) for one (1) year or more of completed service shall accrue two (2) weeks vacation pay equal to four percent (4%) of his total earnings with the Company during the previous year ending the day prior to his Anniversary date.

23.03 Vacations are not cumulative and must be taken within the 12 months after the year in which the entitlement was earned. All unused vacation remaining at the employee's next Anniversary date (one year following being earned) will be paid out on the next pay period.

23.04 It is recognized that it is not possible to establish standard formula for vacations which would be applicable to all departments since peak work loads do not necessarily occur at the same time of year. The only logical and equitable manner is to have the Company establish vacation schedules on the basis of local conditions at any given base.

NOTE: An employee who voluntarily relocates from one base to another will be able to complete unused vacation entitlement earned by selecting unassigned vacation periods in his classification in order of Classification Seniority. In the event there are no such periods available, the Company may assign the required vacation period.

23.05 The Company shall establish and post available vacation periods and the number of personnel of each classification allowed annual vacation leave each month during the year.

23.06 The Company shall confirm vacation dates and the number of weeks to be taken at one time for employees within such period of time as is practicable in accordance with requirements of service.

23.07 In the event of unforeseen work load occurring by reason of emergency, the Company reserves the right to alter employee preference dates in accordance with seniority and its service requirements.

23.08 Vacations, once awarded, may only be altered by an employee with the written concurrence of both the Company and any employee affected by the alteration.

23.09 Vacation pay shall be paid in accordance with established Company policy.

ARTICLE 24 - OCCUPATIONAL CLASSIFICATIONS

- 24.01 Every employee covered by this Agreement shall be classified under a job title and job description appropriate to the work normally and regularly assigned to him. The occupational classifications in which employees may be classified are those listed by job title and wage rates in Appendix "A" attached hereto.
- 24.02 To provide appropriately for new work or for substantial change in work normally and regularly assigned, the Company, as per Article 2, may revise any occupational classification affected or prepare a new occupational classification. The rates of pay thereof shall be subject to the Union's agreement.

ARTICLE 25 - RATES OF PAY

- 25.01 Rates of pay shall be as set down in Appendix "A" attached hereto.

ARTICLE 26 - CLOTHING

- 26.01 Full Time employees will be supplied with uniforms as outlined in this article.
- 26.02 Employees shall wear uniforms in such manner as prescribed in Company regulations at all times while the uniform is worn.
- 26.03 Uniform items and accessories supplied by the Company at no cost to the employee shall remain the property of the Company and must be surrendered on request.
- 26.04 Rain gear shall be made available on a sign-out basis to employees requiring same in the course of their duties.
- 26.05 The Company shall clean and repair those uniform items which it supplies.
- 26.06 a) Employees shall be issued the following uniform items as per 26.01 above:
- | | |
|-----------|---|
| Shirts | 4 |
| Pants | 4 |
| Coveralls | 4 |
- Above effective December 1, 1996.
- b) Upon receipt of proof of purchase of C.S.A. approved footwear, an employee shall be reimbursed up to a maximum of \$25.00 per calendar year

- c) New Pilots Parkas will be supplied at no cost to employees who have completed their probationary period. Such parkas will be issued by December 31, 1996 and to new employees who complete their probationary period, within thirty (30) days thereafter. The parkas will belong to the Company during the first year after issue and if an employee leaves the employ of the Company during that period, the parka must be returned. After the first year the parka shall then belong to the employee.

ARTICLE 27 - HEALTH & SAFETY

PREAMBLE

The Company agrees to abide by Part II of the Canada Labour Code in matters of Safety and Health.

- 27.01 In order to eliminate as far as possible accidents and illness, a safety committee shall be established composed of an equal number of Union and Company representatives. The Committee will meet as required, will monitor all practices needed to enable the health and safety of employees and will consider, all situations involving hazardous conditions and practices brought to its attention.
- 27.02 The Safety Committee shall consist of one (1) representative for the Company and the Union at each base as per present practice.
- 27.03 a) The Company will make available ear protectors to be signed out to employees when working in Noise Hazard areas.
- b) The Company shall be responsible for the repair and maintenance of Company owned ear protectors and the employee shall be responsible for the replacement of any lost ear protectors or those damaged from abuse.

ARTICLE 28 - TRAINING

- 28.01 a) After ratification the Shop Committee will discuss with the Company to see if it can be worked out to have apprentices get their "practical" training to prepare them for their MOT tests.
- b) For all training made available to employees, classification seniority in shop, crew, or work area: by mutual agreement, will be used to establish the order of offering. Failure to mutually agree to the method of offering, classification, seniority, at the base will be used.

ARTICLE 29 - WAGES/TERM

- 29.01 Wages and classifications shall be as stated in Appendix "A" attached hereto and as follows:
- a) All employees hired and licensed prior to June 30, 1992 will progress automatically along the scale providing they have the required endorsements to sign out Company aircraft;
 - b) Apprentices hired prior to June 30, 1996 will be allowed to automatically progress when they become licensed to the Engineers Scale but not to ACA;
 - c) New employees hired after the date of ratification (November 28, 1996) and the remaining current employees hired after December 31, 1992 will not progress along the scale automatically;
 - d) ACA classified employees will sign out aircraft and receive pay as per scale;
 - e) Employees in the Engineer classification will not sign out aircraft unless required by the Company. These employees will receive a \$0.50 per hour premium when required by the Company to sign out aircraft;
 - f) Red circled employees will not receive an increase until they fall within the established scales of their classifications.
- 29.02 A signing bonus of \$450.00 per person for employees actively on the Company payroll at date of ratification will be paid subject to any applicable statutory deductions.
- 29.03 Effective December 1, 1996 increases will occur on the employee's classification Anniversary date which completes his service requirements in the classification in accordance with the scales herein.
- 29.04 Effective January 1, 1997 those employees with two (2) or more years of service with the Company and working on a continuous fulltime basis at the Sioux Lookout base will receive a Northern Service Allowance of \$200.00 on January 1, May 1, and September 1 for 1997 and 1998 and January 1 and May 1 of 1999.

ARTICLE 30 - ADDITIONAL COMPENSATION

- 30.01 Crew Chief Premium - Effective December 1, 1996 Crew Chief's will receive their regular rate of pay plus a one (1) dollar premium but in any case their rate of pay plus the Crew Chief premium with not equal less than the top rate of the ACA scale.

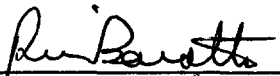
ARTICLE 31 - DURATION OF AGREEMENT

- 31.01 This Agreement shall be effective on the date of ratification November 28, 1996 and shall continue in full force and effect ~~until August 31, 2000~~ with the exception of the economic items taking effect on December 1, 1996.
- 31.02 This Agreement shall renew itself without change on that date of each succeeding year, unless notification of termination of the Agreement, or of intended change to the Agreement, is served in writing by either party hereto, such notification to be served not more than ninety (90) days prior to expiry date.

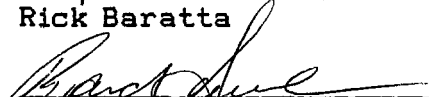
IN WITNESS WHEREOF the parties hereto have signed this Agreement at
 Thunder Bay, Ontario this 10th day of JUNE, 1997.

BEARSKIN AIRLINES

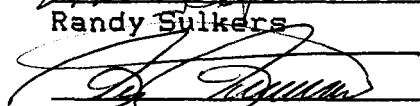
**INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS**



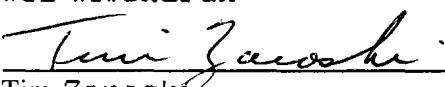
 Rick Baratta



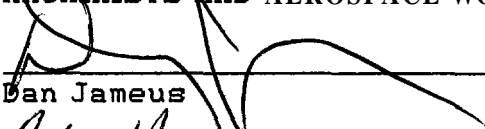
 Randy Sulkers




 Wes Wivcharuk



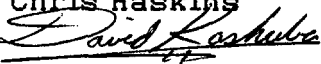
 Tim Zaroski



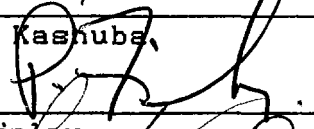
 Dan Jameus



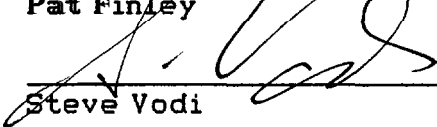
 Chris Haskins



 David Kashuba,



 Pat Finley



 Steve Vodi

APPENDIX "A"

WAGE SCALE

	DEC. 1, 1996	SEPT. 1, 1997	SEPT. 1, 1998	SEPT. 1, 1999
ACA				
5+ YEARS	19.90	20.25	20.60	20.96
4 YEARS	19.38	19.72	20.06	20.42
3 YEARS	18.78	19.11	19.44	19.78
2 YEARS	18.18	18.50	18.82	19.15
1 YEAR	17.58	17.89	18.20	18.52
START	16.97	17.27	17.57	17.88
ENGINEER				
4+ YEARS	16.37	16.66	16.95	17.24
3 YEARS	15.69	15.96	16.24	16.53
2 YEARS	15.01	15.27	15.54	15.81
1 YEAR	14.32	14.57	14.83	15.09
START	13.79	14.03	14.28	14.53
APPRENTICE				
24+ MONTHS	11.94	12.15	12.36	12.58
18 MONTHS	11.26	11.46	11.66	11.86
12 MONTHS	10.59	10.78	10.96	11.16
6 MONTHS	9.92	10.09	10.27	10.45
START	9.25	9.41	9.58	9.74

Letter of Understanding #1

Between

Bearskin Lake Air Service Ltd.

and

International Association of Machinists
and Aerospace Workers - Local Lodge # 2413


In order to prevent misunderstandings with respect to the use of students and the working relationship between students and employees in the maintenance department, the parties agree to the following:

- 1) The Company, as part of its commitment to educational institutions, shall employ students to perform the duties of any unlicensed classification covered by this Agreement where such employment is for a term necessary to assist such student with the requirements of their educational program.
- 2) The Company shall employ students for vacation, holiday, sick or summer relief of such duration as is required for the period identified in any unlicensed classification covered by this Agreement.
- 3) The Company shall employ students on a casual basis working less than twenty (20) hours per week in any unlicensed classification covered by this Agreement.
- 4) Students will not become members of the Association and shall not attain any rights or privileges under the Agreement.
- 5) The employment of students will not be used in such manner as to undermine the bargaining unit.

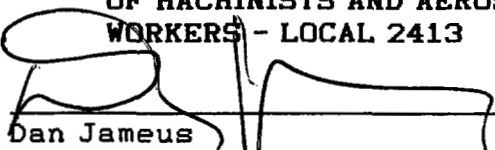
Dated at Thunder Bay, Ontario this 10th day of June 1997.

For: BEARSKIN LAKE AIR SERVICE LTD.

For: INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS - LOCAL 2413



Rick Baratta



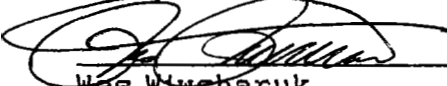
Dan Jameus



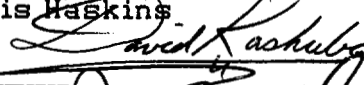
Randy Salkers



Chris Haskins



Wes Wiweharuk



David Kashuba



Tim Zaroski



Pat Finley



Steve Vodi

Letter of Understanding #2

Between

Bearskin Lake Air Service Ltd.

and

International Association of Machinists
and Aerospace Workers - Local Lodge # 2413

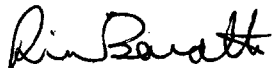
The Company and the Union agree to form a joint committee to explore the possibilities for cost sharing and/or employee purchase of uniform items subject to Company regulations as follows:

- 1) The committee will consist of two (2) representatives of the Union and two (2) representatives from the Company.
- 2) The committee will investigate the above noted arrangements with regard to parkas, jackets and other uniform items and make a recommendation to management.
- 3) Any arrangements agreed between the Company and the Union will pertain to full time employees only.

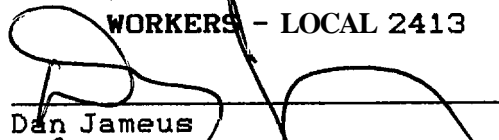
Dated at Thunder Bay, Ontario this 10th day of June 1997.

For: BEARSKIN LAKE AIR
SERVICE LTD.

For: INTERNATIONAL ASSOCIATION
OF MACHINISTS AND AEROSPACE
WORKERS - LOCAL 2413



Rick Baratta



Dan James



Randy Sulkers



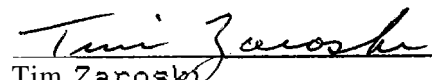
Chris Haskins



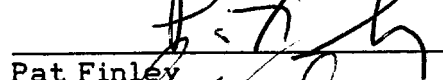
Wes Wiweharuk



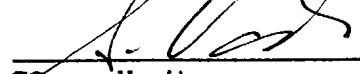
David Kashuba



Tim Zaroski



Pat Finley



Steve Vodi

Letter of Understanding #3

Between

Bearskin Lake Air Service Ltd.

and

International Association of Machinists and Aerospace Workers - Local 2413


In order to prevent misunderstandings with respect to the pension plan the parties agree to the following:

- 1) The Company will continue to provide a Defined Contribution Plan for all full time employees.
- 2) All employees will be eligible to join the plan after twenty-four (24) months of continuous service with the Company subject to the requirements of the plan.
- 3) Eligible employees will contribute an amount equal to three percent (3%) of their earnings excluding overtime, bonuses etc.
- 4) The Company will contribute, for eligible employees, an amount equal to three (3%) of the employees' earning excluding overtime, bonuses etc.
- 5) All other terms of reference shall be as contained in the master contract and in accordance with any Government regulations covering such plans.
- 6) The above terms will be effective 7th of September, 1993.

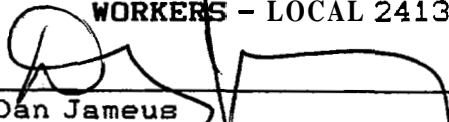
Dated at Thunder Bay, Ontario this 10th day of June 1997.

For: BEARSKIN LAKE AIR SERVICE LTD.

For: INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS - LOCAL 2413




Rick Baratta



Dan Jameus



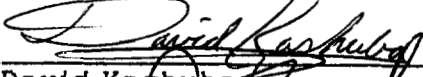
Randy Sulkers



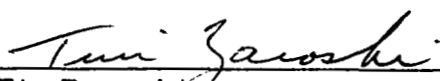
Chris Haskins




Wes Wivcharuk



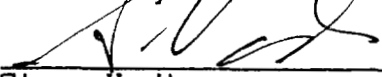
David Kashuba



Tim Zaroski



Pat Finley



Steve Vodi

Letter of Understanding #4

Between

Bearskin Lake Air Service Ltd.

and

**International Association of Machinists
and Aerospace Workers - Local Lodge #2413**

Training and Training Courses

The parties agree that this letter is to recognize Training Courses and Agreements consistent with the principle that operational requirements are paramount to the continued efficient operations of the company. Training, when necessary and applicable as decided by the company, will be carried out in a fair and equitable manner.

- 1) The Company shall identify the training programs available, and the appropriate Union Steward at each base will be available to the company to discuss training issues.
- 2) The selection of employees to attend training courses will be in accordance with Article 28 of the Collective Agreement.
- 3) The Company will pay meal per diems as per current policy and practice for training when employees are sent out of town to attend the course.
- 4) When having to travel to the United States, the Company will pay meal per diems in equivalent U.S. dollars.
i.e. \$1 CDN = \$1 U.S.
- 5) The Company will not be responsible to pay for travel time needed for the employee to get to and from the training destination.
- 6) "In-house" training will be provided at the discretion of the company subject to being required by law, for such things as De-icing and WHMIS.
- 7) Training identified by the Company as voluntary will be scheduled at the discretion of the Company. Employees who elect to attend will do **so** on their own time and at their own expense.
- 8) "Voluntary" will be taken to mean training not required by an employee to pass any M.O.T. exam or Company certification requirement, but training that may provide supplemental information to any employee **so** interested.
- 9) Training identified by the Company as requiring mandatory attendance will be scheduled at the discretion of the Company, but shall normally take place during regular working hours and paid at straight time rates.


- 10) When mandatory training is conducted prior to the start of an employee's normal daily shift or extending beyond the normal daily shift or during an employees scheduled time off and requiring the employee to come in to work, the Company will pay the employee who is required to attend such training session over time at the rate of time and one-half(1 1/2x) for actual time spent in attendance.
- 11) Except for "In-house" training under \$400.00 per employee, employees will be required to sign training agreements in the form attached as a condition precedent to participating in any mandatory training program. For those employees in item C of the training agreement, the agreement will set out a promise to pay an amount of training costs (excluding wages) estimated to a predetermined value and shall be enforceable as specified in the agreement, should the employee fail to complete the defined service period when he/she returns from the training.
- 12) The value of the training agreement excluding employee's wages will be adjusted upon return of the employee from the training to more accurately reflect the cost and actual amount of expenses (excluding any subsidies) incurred by the Company on behalf of the employee (ie, course fees, transportation, accommodation, meals etc.) and shall be verified by actual billings for the courses.
- 13) The Company will continue the payment of wages to the employee while on the training program.
- 14) The Union agrees that within one (1) year of the operation of this letter, if the company has been disadvantaged by employees leaving after being provided with training the one (1) year period will be increased to two (2) years.
- 15) Within the first year of signing this letter by the parties, where an employee who is licensed for less than one (1) year is provided training and the first anniversary of that training course extends beyond the first year herein should that employee voluntarily leave the employ of the company the training contract for that employee will be extended to the second anniversary. This provision shall cease to be operative after one (1) year of the signing of this letter.
- 16) If the Company is unable to provide the necessary time on type(s), then the employee will not be prejudiced by extending the time frame in item C of the training agreement.
- 17) Mr. Bill Uren will be excluded from the requirement to sign a training agreement.

Those individuals requiring other than an M2 and M4 license (example E,S) will be required to sign training agreements on the basis of the service requirements defined in C and D of the training agreement as identified herein.

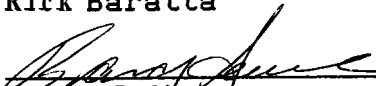
18) In the event of a dispute under this agreement, such dispute may be addressed through Section 9 after a meeting between the parties to discuss the issue(s) first.

Dated at Thunder Bay, Ontario this 10th day of JUNE 1997.

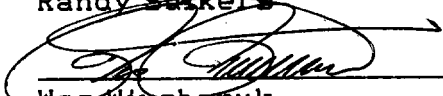
For: BEARSKIN LAKE AIR SERVICE LTD.



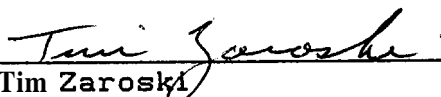
Rick Baratta



Randy Suikers




Wes Wiwcharuk




Tim Zaroski

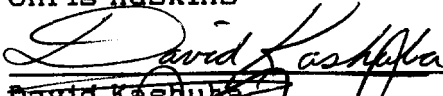
For: INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS - LOCAL 2413



Dan Jameus



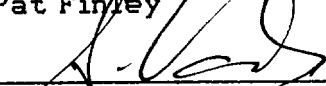
Chris Haskins



David Kashuba



Pat Finley



Steve Vodi

**BEARSKIN LAKE AIR SERVICE LTD.
EDUCATION AND TRAINING COURSE(S) AGREEMENT**

DATE: _____ 19_____

Between: Bearskin Lake Air Service Ltd.
1475 West Walsh Street
Thunder Bay, Ontario
P7E 4X6

(Hereafter Called
Bearskin Airlines)

AND _____

_____ (Hereafter Called
the Employee)

THIS AGREEMENT BETWEEN BEARSKIN AIRLINES AND IT'S EMPLOYEES HAS BEEN IMPLEMENTED TO FULFIL AN EMPLOYEE EDUCATION AND TRAINING COURSE(S) REQUIREMENT.

PROVISIOES

- A) Bearskin Airlines, a commercial air carrier utilizing the services of accounting staff, baggage handlers, counter staff, maintenance staff and pilots to carry on it's daily operation.
- B) The employees wish to enroll in education and training course(s) as specified in this agreement.
- C) Bearskin Airlines will provide payment for education and training course(s) on successful completion of said education and training course(s) for employees on the basis and understanding that employees with less than one (1) year of service with Bearskin Airlines as a licenced AME (M2 and M4) will make their services available continuously to Bearskin Airlines, full time, for a period of at least one (1) year.
- D) For employees with less than the one (1) year of service in "C" above, Bearskin Airlines is entitled to be compensated for the actual cost of the education and training courses if the employee fails to make and keep his/her service available for one (1) year he/she would be required to pay Bearskin Airlines for the education and training course(s) pursuant to this agreement.

THEREFORE, IN CONSIDERATION OF THE PROVISIOES AND AGREEMENT WHICH FOLLOW, BEARSKIN AIRLINES AGREE AS FOLLOWS:

1. The education and training course(s) consist of:

Department _____

DATE	ITEM	TERM	PARTICULARS	VALUE CDN.	ANN. INIT. DATE
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TOTAL

TOTAL: NOT TO EXCEED \$ _____ Cdn.

2. Except for employees with more than one (1) year of service with BEARSKIN AIRLINES as a licenced AME (M2 and M4), the Employee agrees to make his/her service available to BEARSKIN AIRLINES full time for a period of NOT LESS THAN ONE (1) YEAR following the completion of this document and receipt of said education and training course(s).
3. BEARSKIN AIRLINES and the EMPLOYEE agree that the amount set out in paragraph 1 will be reduced by 1/12th of that sum for each complete month the EMPLOYEE makes his/her services available on a full time basis to BEARSKIN AIRLINES after completion of the education and training course(s).
4. The Employee authorizes and directs Bearskin Airlines to recover any and all training compensation amounts owing the Company for training if the employee fails to commit to the guaranteed time frame as specified herein. This cost recovery will be by, but not limited to, the use of Payroll deductions.
5. The Employee and Bearskin Airlines specifically agree **it is** contemplated by both parties, and specifically agreed by both, that in the event the Employee does not perform his obligations, and specifically his obligations with regard to length of employment after training, Bearskin Airlines shall have the right to deduct from any wages, benefits, vacation pay or other monies otherwise owing to the Employee an amount **or** amounts **as** necessary to satisfy the amount owing to Bearskin by the Employee. It **is** further specifically and explicitly agreed that this **is** a right of legal and equitable set-off, and **it is** the intention of the parties that there be found an intention between them, both expressly and by implication **for** Bearskin Airlines to take full advantage of this equitable right.

- 6. Bearskin Airlines may, at its option, allow the Employee should the employee terminate employment, prior to completing the said one (1) year of service to repay Bearskin Airlines 1/12th of that sum for each month left, payable at the time of termination or three (3) equal monthly payments by post dated cheques; such to be provided prior to employee receiving any wages owed Bearskin Airlines.

IN WITNESS WHEREOF BEARSKIN AIRLINES AND THE EMPLOYEE HAVE EXECUTED THIS AGREEMENT:

BEARSKIN AIRLINES

DATE INITIALS WITNESS _____

EMPLOYEE

DATE INITIALS WITNESS _____

PROMISSORY NOTE

(\$ _____)

FOR VALUE RECEIVED, I, _____ promise to pay to the order of Bearskin Lake Air Service Ltd., the sum of \$ _____ on demand plus interest at the rate of _____ (_____ %) percent from the date of this Promissory Note.

DATED at Thunder Bay, Ontario, this _____ day 19____.

SIGNED, SEALED AND DELIVERED)

)
in the presence of)

)
)
)

)

)
)

Letter of Understanding #5

Between

Bearskin Lake Air Service Ltd.

and

International Association of Machinists
and Aerospace Workers - Local Lodge #2413

This letter of understanding dealing with modified work schedules for the Thunder Bay Base is appended to the Collective Agreement to be applicable to all employees during the period for which this Collective Agreement is in effect.

1. HOURS OF WORK

It is understood the hours of work per pay period will fluctuate and payroll will reflect the actual hours of work within each pay period. The hours of work will be either an eight (8) hour, ten (10) hour or an eleven and one-half (11 1/2) hour shift. During a four (4) week shift rotation; each employee will be scheduled to work 160 hours for the ten (10) hour schedule and 160 hours for the eleven and one-half hour schedule. For administrative purposes such as Workers' Compensation Reports, Insurance Reports, etc. the regular work week for Aircraft Maintenance Engineers will be forty (40) hours.

2. ADDITIONAL DAY

In consideration of the total time to be worked by the engineers in a one (1) year period, the Company agrees to provide one (1) additional paid day off to employees working on the eleven and one-half (11 1/2) hour schedule after one full year of time has been worked. This additional day may be scheduled to be taken by mutual agreement of the parties following the period in which it was earned.

3. BREAK PERIODS

(a) For Engineers working eight (8) and ten (10) hour schedules break periods will be as defined under Article 16.03 of the Collective Agreement.

(b) For Engineers working eleven and one-half (11 1/2) hour schedules an unpaid lunch break of one-half (1/2) hour will be granted between the fifth (5th) and sixth (6th) hour of working day.

Two (2) fifteen minute paid coffee breaks will normally be granted between the third (3rd) and fourth (4th) hours of each half (1/2) of the employees shift except for situations where requirements of service otherwise dictate.

4. SICK LEAVE

If an employee is absent due to illness he will be reduced in pay the equivalent of those hours he had been scheduled to work. The waiting period to qualify for weekly indemnity will be in accordance with the Met Life Short Term Disability Insurance Plan.

5. STATUTORY HOLIDAYS

(a) Employees working either eight (8) hour, ten (10) hour or eleven and one-half (11 1/2) hour schedules will receive Statutory Holidays and pay as per Article 22 of the Collective Agreement.

The Company may substitute another day for any of the holidays listed in accordance with service requirements.

The banking of statutory holidays will be as per Article 21.02 of the Collective Agreement.

6. VACATION

Vacation entitlement will be converted to forty (40) hour weeks and scheduled off accordingly. Each scheduled shift taken as a vacation day will reduce the vacation entitlement by the amount of hours the employee would have been scheduled to work. (i.e. 8 hours, 10 hours, 11 1/2 hours)

7. OVERTIME

(a) Notwithstanding Article 18.01 of the Collective Agreement, when Aircraft Maintenance Engineers work in excess of the regular scheduled shift and in excess of forty (40) hours per week averaged over a four (4) week period, will be paid overtime on the basis of time and one-half of the employee's regular rate of pay for the job classification exclusive of any premiums for all hours worked.

(b) Lunch meal per diems as per Article 18.01 will only be provided to an employee after four (4) hours of overtime has been worked in excess of the normal daily shift.

For Example:

- 8 hour shifts - per diem after 4 additional hours worked as overtime.
- 10 hour shifts - per diem after 4 additional hours worked as overtime.
- 11.5 hour shifts - per diem after 4 additional hour8 worked as overtime.

8. SHIFT PREMIUMS

Aircraft Maintenance Engineers working either eight (8) hour, ten (10) hour or eleven and one-half (11 1/2) hour shifts shall be paid shift premiums in accordance with Article 20.01 of the Collective Agreement when such hours fall between 1700 and 0800 hours. For the purpose of calculating entitlement to premiums as specified herein, night shift will begin at midnight.

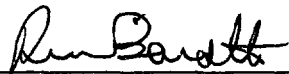
9. It is understood that all employees at the Thunder Bay Base covered by the Collective Agreement shall be required to work the modified schedules. The scheduling of employees shall be at the discretion of the Company.

10. Except as otherwise specified in this letter of understanding, all other working conditions are as contained in the Collective Agreement.

11. If either party wishes to terminate this agreement during the term of the Collective Agreement, they may do so simply by notifying the other party, in writing, of such termination at least one (1) week in advance. In this event, no retroactive adjustment in wages, wage rates, hours of work, etc. would be made by the Company.

Dated at Thunder Bay, Ontario this 10th day of JUNE, 1997.

For: BEARSKIN LAKE AIR SERVICE LTD.



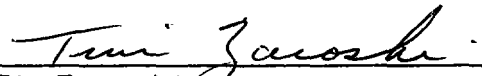
Rick Baratta



Randy Sulkers




Wes Wincharuk

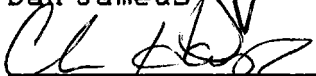


Tim Zaroski

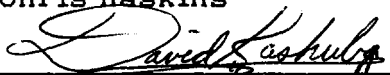
For: INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS - LOCAL 2413



Dan Jameus



Chris Haskins



David Kashuba



Pat Finley



Steve Vodi