

THIS AGREEMENT ENTERED INTO THIS 23rd DAY OF AUGUST, 2000

BETWEEN:

MONARCH TRANSPORT LIMITED
Edmonton, AB
(hereinafter referred to as the "Company")
OF THE FIRST PART

AND:

GENERAL TEAMSTERS LOCAL UNION NO. 362
and
TEAMSTERS UNION LOCAL NO. 213
affiliated with the
INTERNATIONAL BROTHERHOOD OF TEAMSTERS
(hereinafter referred to as the "Union")
OF THE SECOND PART

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ARTICLE NO. 1 - UNION RECOGNITION and SCOPE

- 1.1 The Company recognizes the Union as the sole and exclusive bargaining agent for all of its employees and **Owner-Operators**, save and except supervisors, those above the rank of supervisor, office staff, janitors and security guards.
- 1.2 Every motor vehicle and every piece of mobile equipment used by the Company, categories of which are set out in this Agreement, whether owned or hired by the Company, or leased to or by the Company, or whosoever, shall be operated by members of the Union.
- 1.3 Except as otherwise herein provided, all storing and handling of merchandise or other goods or materials, (any loads that are to be loaded or unloaded by city people) shall be carried on by employees of the Company, members of the Union, where such work is under the control of the Company; provided however that Owner Operators shall be permitted to load or unload their own loads.
- 1.4 Appendices "A" "B" "C" and "D" form part of this Agreement.

ARTICLE NO. 2 - UNION SECURITY

2.1 Maintenance of Membership

Owner-Operators shall become and remain members in good standing of the Union, prior to being utilized by the Company. Employees shall, as a condition of employment, become and remain members in good standing of the Union. Wherever possible, employees shall become members in good standing of the Union prior to commencing employment with the Company. For the purposes of applying this clause, employees and Owner Operators shall become members of the Local Union which has jurisdiction over their home address.

2.2 Union Dues, Initiation Fees and/or Other Accessorial Charges

All employees and Owner Operators shall, as a condition of employment, authorize the Company to deduct from their earnings all Union Dues, Initiation Fees and/or Other Accessorial charges in amounts as prescribed by the Union. Authorization Cards shall be furnished by the Union, and shall be in accordance with applicable legislation.

The Company agrees to deduct and remit such monies to the Union together with the check-off list, prior to the fifteenth (15th) day of the month in which the deductions were made. The monthly Union dues are to be deducted in the month preceding the month to which they apply, providing there are sufficient funds to cover such deductions. The check-off list will state the date of employment or engagement, Social Insurance Number and location with the jurisdiction of each Local Union. Owner-Operators will be identified on the check-off list.

- 2.3 The Company will allow time off, without pay, to any member who is serving on a Union Committee, or as a delegate.
- 2.4 Authorized agents for the Union will request, and be granted, access to the Company's establishments for the purposes of investigating conditions related to Union contract clauses.
- 2.5 The Company will provide bulletin boards on which the Union may post necessary notices to its members.

- 2.6** The Union shall appoint or elect Shop Stewards, and shall notify the Company in writing of such appointment or election. The Company shall recognize Shop Stewards, and shall not discriminate against them for lawful Union activity.

ARTICLE NO. 3 • MANAGEMENT RIGHTS

- 3.1** The management, operation, and development, including the right to direct, plan and control operations, and introduce new or improved methods or facilities, is vested in the Company.
- 3.2** The direction of employees including the right to hire, promote, transfer, suspend, or discharge for just cause, is the function of management. Such function however, shall not be exercised in any way inconsistent with, or in violation of, any terms or provisions of this Agreement.
- 3.3** Nothing contained in this Agreement will be deemed to obligate the Company to continue to operate any of its terminals, properties or any of its parts thereto.
- 3.4** The Company shall establish rules and regulations governing employees, which may be changed from time to time, but which shall not be in any way inconsistent with, or in violation of, any of the terms or provisions of this Agreement. Further, nothing in the Company Rules and Regulations shall deprive an employee of the right to challenge a penalty through the Grievance Procedure, in accordance with Article No. 12 of this Agreement. The Company shall provide the employees and the Union with an up-to-date copy of all Company Rules and Regulations. All infractions of the Highway Traffic Act(s) and Municipal By-Laws shall be the responsibility of the driver(s), except those which are, by their nature, the responsibility of the Company.

ARTICLE NO. 4 - SENIORITY

- 4.1** Seniority, as used herein, shall mean an employee's length of service since the last date of hire, in the classification of such hiring.
- 4.2** There shall be three **(3)** separate classifications for seniority purposes which shall be recognized as follows:
- Class 1 - Over-the-Road Drivers
Class 2 - City Drivers
Class 3 - Employees of Owner Operators
- 4.3** A Seniority List containing the name and starting date of employees will be prepared and posted every three **(3)** months. A Seniority List containing names and addresses of employees, as contained in the records of the Company, will be prepared and forwarded to the Local Union office annually, during September of each year. Seniority Lists shall be by classification.
- 4.4** The principle of seniority shall be maintained for the purpose of determining reduction or restoration of the working force in each work classification, providing the senior man is capable of performing the job requirements.
- 4.5** The Parties to this Agreement recognize that job opportunity and advancement should increase in accordance with seniority. An employee's right to a job shall be based upon his seniority, and ability to fulfil the job requirements, but there shall be no job bumping.

- 4.6 When the work force is reduced, employees shall be laid off in the reverse order of their seniority, commencing with the employee having the least seniority in that classification.
- 4.7 When the work force is increased, employees shall be returned to work in order of their seniority in their classification, commencing with the employee having the greatest seniority.
- 4.8 In the event an Owner-Operator's tractor is unavailable for any reason, he shall not use his seniority for any purpose.
- 4.9 Any employee wishing to protest his seniority must do so by formally reducing his protest ~~to~~ writing, and submitting his protest to his Supervisor and to the Union, within thirty (30) days of the posting of the Seniority List(s).
- 4.10 Return from Layoff - When an employee cannot be contacted personally, or is employed elsewhere, the Company will notify the employee, by Registered Mail to his last known address, to return to work, and he will be allowed no more than seven (7) consecutive days from the date of notification to report for duty.
- 4.11 An employee's employment and seniority rights shall be terminated, and the Company shall be under no further obligation to the employee, for any of the following reasons:
- a) if the employee voluntarily quits;
 - b) if the employee is discharged for proper cause;
 - c) if the employee fails to report for duty after a layoff in accordance with Section 4.10 of this Article;
 - d) if the employee is not recalled to duty after a layoff in excess of six (6) months; or
 - e) if the employee accepts gainful employment, other than that declared and mutually agreed upon by the Company and the Union, while on a leave of absence.
- 4.12 All newly hired employees shall be considered as probationary employees for the first thirty (30) calendar days from the date of employment. On completion of the probationary period, such employees shall be entitled to all rights and privileges of this Agreement, and seniority shall be computed from the last date of hire.

ARTICLE NO. 5 - LEAVE of ABSENCE

- 5.1 When the requirements of the Company's services will permit, any employee hereunder, upon written application to the Company with a copy of the said application to the Union, may, if approved by the Company, be granted a Leave of Absence for a period of thirty (30) days. Under such Leave of Absence, the employee shall retain and accrue seniority.
- 5.2 Such Leave of Absence may be extended for additional periods of thirty (30) days, upon approval of both the Company and the Union, and seniority will accrue during such extension.

ARTICLE NO. 6 - EQUIPMENT

- 6.1 The Company shall not require employees to operate, on the streets or highways, any equipment that is not in a safe operating condition, or equipped with safety appliances as required by law. It shall not be a violation of this Agreement, where an employee refuses to operate such equipment, unless such refusal is unjustified. The decision as to the condition of the equipment shall rest with the senior qualified Company representative on the premises. Such representative shall give his decision to the driver in writing. In the event the repairs cannot be effected, the equipment will be correctly identified and be kept out of service until repaired.

ARTICLE NO. 7 - PAY and WORK CONDITIONS

- 7.1 **Hours** of work and rates of remuneration are outlined in the separate Appendices of this Agreement.
- 7.2 Pay time shall be computed from the time that the employee is ordered to report for duty, or registers in, whichever is the later, until he is released from duty.
- 7.3 The rates of remuneration as listed in this Agreement are considered as minimum rates, and shall not preclude payment of premium rates at the discretion of the Company.
- 7.4 No employee shall be asked to, nor shall he, enter into a separate written or verbal agreement with the Company covering hours of work, wages or conditions, during the term of this Agreement, where such agreement represents less by way of wages, working conditions, or other benefits than provided by this Agreement.
- 7.5 All payment of wages and subsistence to employees shall be made directly to such employee(s) by the Company, in a sealed envelope.
- 7.6 The interval between paydays shall be no longer than two **(2)** weeks. All exchange costs on cheques are to be paid for by the Company. At the time that an employee receives his paycheque, the Company shall not retain possession of more than twelve (12) days accrued wages.
- 7.7 The Company will provide a completely itemized statement to employees along with their paycheque on payday.

ARTICLE NO. 8 - VACATIONS

- 8.1 Vacations will be granted on the basis of calendar years of service with the Company. A calendar year will be from January **1** to December **31** of each year.
- i. Employees in the employ of the Company prior to January **1, 1981**, will have as their anniversary date for vacation purposes, January 1st of the year in which employment commenced.
 - ii. Employees commencing employment with the Company between the dates of January 1 and June **30** in **1981**, and between the dates of January 1 and June **30** each year thereafter, will have January **1** in the year in which employment commenced as their anniversary date for accumulating calendar years of service, for vacation entitlement purposes only.

- iii. Employees commencing employment with the Company between the dates of July 1 and December 31 in 1981, and between the dates of July 1 and December 31 each year thereafter, will have January 1 in the year following commencement of employment as their anniversary date for accumulating calendar years of service, for vacation entitlement purposes only.
 - iv. In the first year of employment, employees will be credited with one (1) day of vacation for each full month of employment to a maximum of ten (10) days during that calendar year. Such vacation is to be taken in the period between January 1 and December 31 of the calendar year following the commencement of employment. Vacation pay will be four percent (4%) of the wages paid that employee in the portion of the year worked.
- 8.2 All employees shall receive two (2) weeks vacation with pay after the completion of each calendar year of continuous service with the Company.
- Payment for such vacation shall be in the amount equal to four percent (4%) of the wages paid that employee during the year in which he qualifies for such vacation.
- 8.3 All employees who have completed three (3) calendar years of continuous service with the Company shall receive in the next succeeding year of employment and each year thereafter, three (3) weeks vacation, with pay in an amount equal to six percent (6%) of the wages paid that employee during the year in which he qualifies for such vacation.
- 8.4 All employees who have completed nine (9) calendar years of continuous service with the Company shall receive in the next succeeding year of employment and each year thereafter, four (4) weeks vacation, with pay in an amount equal to eight percent (8%) of the wages paid that employee during the year in which he qualifies for such vacation.
- 8.5 All employees who have completed fifteen (15) calendar years of continuous service with the Company shall receive in the next succeeding year, and each year thereafter, five (5) weeks vacation, with pay in an amount equal to ten percent (10%) of the wages paid that employee during the year in which he qualifies for such vacation.
- 8.6 All employees who have completed twenty-one (21) calendar years of continuous service with the Company, shall receive in the next succeeding year, and each year thereafter, six (6) weeks vacation, with pay in an amount equal to twelve percent (12%) of the wages paid that employee during the year in which he qualifies for such vacation.
- 8.7 The vacation period is to start on the completion of the employee's normal work week, and end on the first day of his normal work week on the completion of his vacation.
- 8.8 The time of vacation shall be fixed by the Company, consistent with the efficient operation of the business. Preference of vacation time shall be given to senior employees, in accordance with Article No. 9.03 B, below.
- 8.9 Vacation lists shall be posted on January 2 of each year, and employees shall designate their choice of vacation time before February 28th. If an employee fails to designate his choice of vacation on such listing while posted, vacation time shall be granted at the Company's discretion.
- The Company shall post the final vacation schedule by April 1st, and it shall remain posted for the balance of the year.

8.10 During the Company's prime season, June 1 to September 30, the Company will use the following formula for determination of the number of employees allowed on vacation at any one time, at each Company terminal location.

Twenty percent (20%) in each classification, to the nearest employee up or down, with a minimum of one (1) employee in each classification, and a maximum of ten (10) employees in each classification.

The number of employees in each group for application of the allocation of the vacation formula will be the number employed as of March 1 of each year.

8.11 An employee laid off or leaving the Company before completion of a full year of service, shall be entitled to a pro-rated vacation, with pay computed on the same percentage of wages paid that employee during the portion of the year worked.

8.12 An employee who accepts gainful employment while on vacation may be terminated.

ARTICLE NO. 9 - GENERAL HOLIDAYS

9.1 All employees who have completed their probationary period of thirty (30) calendar days, and have qualified as regular employees, shall be entitled to nine (9) General Holidays.

The said General Holidays are:

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

In addition to the foregoing, employees shall be entitled to one (1) province-wide or territorial-wide Holiday, declared by civic governments, and recognized at the date thereof.

In no event, shall any employee be entitled to more than ten (10) paid General Holidays, annually.

9.2 Regular hourly rated employees will receive eight (8) hours pay at their regular hourly rate, and line drivers shall receive ten (10) hours pay at the regular hourly rate for the General Holidays.

9.3 In the event a regular employee is requested to work on a General Holiday, he shall receive the rate of pay as stipulated in the Agreement, in addition to the rate of pay as prescribed for the General Holiday.

ARTICLE NO. 10 - OTHER UNION CONTROVERSY

10.1 During the life of this Agreement, there shall be no lockout by the Company, or any strike, sitdown, work stoppage, or suspension of work either complete or partial, by the employees.

10.2 It shall not be a violation of this Agreement, or cause for discharge or discipline, for any employee in the performance of his duties to refuse to cross a picket line recognized by the Union.

ARTICLE NO. 11 - VALIDITY of ARTICLES

11.1 If any Article or Section of this Agreement, or any Appendix hereto attached, should be held invalid by operation of law, or by any 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 and any Appendix attached hereto, or the application of such Article or Section to persons or circumstances other than those to which it has been held invalid, or to which compliance with the enforcement of has been restrained, shall not be affected thereby.

ARTICLE NO. 12 - GRIEVANCE PROCEDURE

12.1 All questions, disputes and controversies arising under this Agreement, any Appendix hereby attached, or Company Rules and Regulations shall be adjusted and settled within the terms and conditions a set forth in this Agreement, in the manner provided by this Article, unless otherwise expressly provided in this Agreement. The procedures for such adjustment and settlement shall be as follows:

12.2 **STEP 1:** Any grievance of an employee shall first be taken up between such employee and his immediate Supervisor.

Time limit to institute a grievance -

- a) termination or layoff - five (5) days from date of termination or layoff
- b) all others - thirty (30) days from the date the grievance arose.

STEP 2: Failing settlement under Step 1, such grievance, and any question, dispute or controversy that is not of the kind that is subject to Step 1, shall be reduced to writing, and it will be referred to and taken up between the Secretary-Treasurer, or other bargaining representative, of the Union and the Company representative authorized by the General Manager of the Company. Such written notice must be made within the time limitation as indicated under Step 1.

STEP 3: Failing settlement under Step 2, the matter will be referred to an agreed upon neutral Arbitrator who will meet to hear both sides of the case. The Arbitrator's decision will be final and binding.

12.3 Failing to agree upon a neutral Arbitrator, the appropriate Minister of Labour will be requested to appoint a neutral Arbitrator whose decision will be final and binding.

12.4 The Arbitrator shall not have the authority or power to add to, delete from, or amend any term of this Agreement.

12.5 The cost of the Arbitrator shall be borne equally by the Union and the Company.

ARTICLE NO. 13 - GENERAL

13.1 It is understood and agreed that the Company is in the truckload business, and that it is the intent that the Company not erode any of the business of Byers Transport Limited.

13.2 The use of the terminal facilities of Byers Transport Limited shall be permitted provided the employees of Byers Transport Limited at the terminal shall perform any loading, unloading, transferring or shifting a load to make it legal, and/or any maintenance work required.

ARTICLE NO. 14 - OWNER-OPERATORS

14.1 It is hereby agreed that wherever an Owner-Operator is mentioned in this Agreement, it shall mean an independent contractor who drives his own equipment. It is also agreed that there shall be not more than one (1) Owner-Operator on a truck.

14.2 The mileage rate to be paid for the equipment shall include the driver's pay, contractual and statutory benefits, and all other monetary terms and conditions of this Agreement including licensing, fuel, maintenance, insurance and all other operating expenses.

The Company agrees to negotiate, in good faith with the Owner-Operator, an agreed upon equipment rental as mentioned in Section 14.1 above.

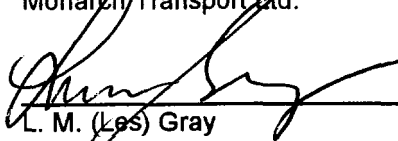
14.3 Employees of Owner-Operators shall be paid equivalent wages and benefits as provided herein. It shall be the responsibility of the Owner-Operator and the Company to make known to such employee(s) the terms and conditions of this Agreement. If there should be any deficiency to the employee, it shall be his responsibility to advise the Company in writing, within thirty (30) days of the pay period on which the deficiency took place. The Company shall then take action to rectify the situation, and pay such balance as may be properly due and owing to such employee, from the Owner-Operator's account.

ARTICLE NO. 15 - DURATION


15.1 The term of this Agreement shall be from January 1, 2000 to December 31, 2001. This Agreement shall be binding upon the parties hereto, their successors, administrators, executors and assigns.

Signed this 3 day of November, 2000

ON BEHALF OF THE COMPANY:
Monarch Transport Ltd.




L. M. (Les) Gray
General Manager



B. L. (Brad) Bettke
Operations Manager

ON BEHALF OF THE UNION:



Al Porter, Business Agent
General Teamsters, Local Union No. 362



Eugene Wirch, Business Agent
Teamsters Local Union No. 213

APPENDIX "A"

OVER-THE-ROAD OPERATION - COMPANY DRIVERS

SECTION 1 -GENERAL

- a) This Appendix covers all employees engaged in Over-the-Road operations. Local warehouse work and city pick-up and deliver service are not subject to the terms and conditions of this Appendix, but are subject to Appendix "B".

SECTION 2 - LINE DRIVERS CALL and GUARANTEE TIME

- a) Employees shall be given at least two **(2)** hours notice when ordered to report to duty at both the employee's domicile area and at the end of the run where he has been effectively released from duty by the Company.
- b) When an employee has been called for duty, and has begun his trip, he shall be guaranteed a minimum of eight **(8)** hours work and/or pay, at the hourly work time rate, for the trip or any portion thereof.
- c) When an employee reports to work after being called, and no work is available, he shall receive a minimum of four **(4)** hours pay, at the work time rate.
- d) All employees who are off duty at their home domicile, and who have not been contacted previously, will be contacted by the Company between the hours of 1700 and 1900 if they are to report for duty between the hours of 1900 and 0700. If the employee will not be at his normal residence, he will notify the duty dispatcher of an alternate contact number.

SECTION 3 -WORK TIME

- a) Work time shall mean loading and unloading, repair of equipment, and time spent on ferries and boats, and such duties shall be paid at the applicable work time hourly rate of pay.

SECTION 4 - DEADHEAD

- a) Every employee covered under this Agreement, when required to travel by any other mode of transportation than Company equipment, shall be paid for the first eight **(8)** hours in any twenty-four **(24)** hour period at his hourly work time rate as provided in this Agreement.
- b) Each employee who is covered by this Agreement, and who is required by the Company to ride in Company equipment in a deadhead manner, will be paid the regular work time rate for all hours spent riding in such equipment.

SECTION 5 -WAIT TIME

- a) **For** all time spent waiting to load and unload, waiting for equipment to be repaired, and waiting for roads to be cleared as stipulated in this Agreement, employees shall be paid a maximum of eight **(8)** hours wait time pay in each twenty (20) hour period.

Wait time is clarified as follows:

Wait time is not accumulative. For the purpose of determining wait time pay, each stop will be considered a separate waiting period.

In no event shall wait time pay exceed eight (8) hours for each stop in each twenty (20) hour period. When an employee is held for more than one (1) day, he shall receive pay for the first eight (8) hours of each twenty (20) hour period.

- b) All time lost due to delays as a result of overloads or certification violations involving Federal, State, Provincial or City regulations, shall be paid for at the regular applicable wait time rate in this Agreement. It shall be the duty of the employee to ascertain that he is not hauling an overload, and to ascertain that he has all the necessary and required licences, certificates, and permits before leaving the Company terminal, provided however, that the Company shall arrange for all permits to be made available to its employees.

SECTION 6 - LAYOVER

- a) In the event that an employee is required to layover, during any one (1) roundtrip or tour, away from his domicile area, he shall be compensated for layover time as follows:

For the first twelve (12) hours of each layover - no pay

For the next eight (8) hours, rates as stipulated in this Agreement

For the next twelve (12) hours - no pay

For the next eight (8) hours, rates as stipulated in this Agreement, and continuing on the same basis for each twenty (20) hour period of continuing layover.

It is understood that the above applies to layovers on such roundtrip or tour, save and except in the case of accident or breakdown whereby the layover point may be extended to a point beyond the original designated layover point.

SECTION 7 - BOBTAIL

- a) Driving of a tractor without a trailer shall be paid for on the same basis as driving tractor-trailer (\$).

SECTION 8 - MILEAGE RATES

- a) Mileage rates are laid out by areas, and will be paid for as such, They are composite mileage rates to compensate for duties performed in normal operations, which include driving, checking equipment and reports, fuelling, hook-up and/or unhooking at the origin and/or destination points.
- b) The official State, Provincial and/or Territorial mileage will be used as a guide to determine the number of miles driven. The authority to determine the number of miles driven shall be the Department of Highways of the various States, Provinces and/or Territories.

SECTION 9 - MILES and HOURS

- a) All runs or trips shall be paid for at the mileage rate for miles driven, except that the hourly rate shall apply in the event that the amount earned under the applicable mileage rate provides less than the hourly rate for the total driving time on a particular trip. The onus is upon the employee to question the rate of pay by marking his Trip and Pay Report accordingly.
- b) Runs which include both highway miles and off-line bush miles, will be paid for in the following manner:

Mileage rates for main highway miles, and
Hourly rates for bush miles.

SECTION 10 - SINGLE MAN OPERATIONS

- a) For definition purposes, the word "trip" will be used when referring to single man operations. A single man trip is considered from point of dispatch to point of rest, layover or book-off.
- b) The regular hours of work for employees engaged in single man operations shall be ten (10) hours per trip. The Company shall pay for all time driving and working in excess of the regular hours at the overtime rate as specified hereafter, and shall continue at the overtime rate until a rest period of eight (8) hours is provided. This rate does not apply to the layover and wait time, but is calculated on the driving and work time only, at one-half (½) the work time rate of pay.
- c) No single man shall be called for dispatch until he has been off duty eight (8) hours, excluding the two (2) hour call time, after completing a trip.

SECTION 11 - SLEEPER-CAB OPERATIONS

- a) For definition purposes, the word "tour" will be used when referring to sleeper-cab operations.
- b) Sleeper-cab operation shall be performed by two (2) drivers. The Company shall designate the domicile area of each driver team, and they shall be paid for driving one-half (½) of the mileage the vehicle travelled in making the tour.
- c) Only two (2) men shall be permitted in sleeper-cab equipment at any time, except in cases of emergency, or where new type of equipment is put into operation. In no event shall a driver supervisor, or other authorized personnel, be in the cab, in addition to the two (2) drivers, for more than three hundred (300) miles.
- d) No employee under this Agreement shall be placed on layover if routed on any tour with outbound mileage under five hundred (500) miles.
- e) Except in cases of emergency, sleeper-cab drivers shall be entitled to have a minimum of four (4) hours off duty excluding call time, after completion of their tour.

No sleeper-cab driver shall be allowed to take a solo trip of more than four (4) hours until he has had eight (8) hours rest since he was last on duty.

SECTION 12 - TRANSFERRING OVER-THE-ROAD DRIVERS

- a) When a branch, terminal, division or operation is closed or partially closed, together with the work of the branch, terminal, division or operation in whole or in part, an employee at the closed or partially closed down branch, terminal, division, or operations shall have the right to transfer to the branch, terminal, division, or operation into which the work was transferred, if work is available there.
- b) Such employee(s) will be dove-tailed into the Seniority List as of the date they first became employees in their classification.
- c) Whenever a man is transferred at the request of the Company, his reasonable moving expenses shall be borne by the Company.
- d) For the purpose of this Section, "expenses" is defined to mean the moving expenses of normal household goods and chattel.

APPENDIX "B" - CITY OPERATIONS and HOURLY RATED WORK

SECTION 1 - GENERAL

- a) This Appendix covers all employees engaged in City Operations, and hourly rated work, within the area of the cities in which the Company maintains terminal offices.

SECTION 2 - HOURS of WORK, and CALL-IN

- a) Daily maximum is eight (8) hours per day, or forty (40) hours per week, for any five (5) consecutive days.
- b) All hours worked in excess of daily or weekly maximum will be deemed overtime, and paid for at the rate of one and one-half (1½) times the hourly rate of pay.

For all hours worked on the employee's designated day of rest, or on a General Holiday, the rate of pay will be one and one-half (1½) times the employee's regular hourly rate of pay.

- c) When an hourly rated employee is called, and reports for duty, on his regular scheduled work day, he shall be guaranteed a minimum of eight (8) hours work and/or pay.
- d) Regular hourly rated employees reporting for duty on a call-out or call-back basis, inconsistent with their regular scheduled work day, or shift, shall be guaranteed a minimum of four (4) hours work, but after the completion of the duty he was called for, he may book off work with a minimum of two (2) hours pay.
- e) There shall be no "split shifts", and hourly paid employee's work week must be designated to him on the last day of the preceding week.
- f) Hourly paid employees shall, except by mutual agreement between the parties hereto, take at least one (1) continuous period for meals, of not less than thirty (30) minutes, nor more than one (1) hour on any one (1) day.
- g) No hourly paid employee shall be compelled to take more than one (1) continuous hour during such period, nor compelled to take any part of such continuous hour before he has been on duty for four (4) hours, or after he has been on duty for six (6) hours.
- h) When an employee meets with a personal injury while on duty, which prevents him from completing his shift, he will be paid for only the hours actually worked, provided however if a doctor confirms by way of a report or certificate, that the injury is such as to prevent the employee from completing his shift, then he will be paid for the entire shift, providing further that he is not in receipt of Workers' Compensation for that day.

SECTION 3 - RATES of PAY

	JAN 1 1999
A. P&D drivers	19.00
Dockmen	18.90

APPENDIX "C"

OVER THE ROAD OPERATIONS - OWNER OPERATORS

SECTION 1 - GENERAL

- a) This Appendix covers all Owner-Operators engaged in over the road operation. Local warehouse work and city pick-up and delivery service are not subject to the terms and conditions of this Appendix, but are subject to Appendix "B".

SECTION 2 - LINE DRIVERS CALL and GUARANTEE TIME

- a) Employees shall be given at least two (2) hours notice when ordered to report to duty at both the employee's domicile area and at the end of the run where he has been effectively released from duty by the Company.
- b) All employees who are off duty at their home domicile, and who have not been contacted previously, will be contacted by the Company between the hours of 1700 and 1900 if they are to report for duty between the hours of 1900 and 0700. If the employee will not be at his normal residence, he will notify the duty dispatcher of an alternate contact number.

SECTION 3 - WORK TIME

- a) Work time shall mean loading and unloading, repair of equipment, and time spent on ferries and boats, and such duties shall be paid at the applicable work time hourly rate of pay.
- b) Such pay for work, wait, loading and unloading shall occur after two (2) free hours of such work time, wait time, loading and/or unloading. To be eligible for payment, the Bill of Lading must be signed legibly by the Shipper or Receiver, indicating the additional time that was required.
- c) There shall be only one pick-up or drop-off per load. Any additional pick-ups or drop-offs after the initial one, shall be paid at the rate indicated in Section 13 of this Appendix.

SECTION 4 - DEADHEAD

- a) Every employee covered under this Agreement, when required to travel by any other mode of transportation than Company equipment, shall be paid for the first eight (8) hours in any twenty-four (24) hour period at his hourly work time rate as provided in this Agreement.
- b) Each employee who is covered by this Agreement, and who is required by the Company to ride in Company equipment in a deadhead manner, will be paid the regular work time rate for all hours spent riding in such equipment.

SECTION 5 - BOBTAIL

- a) Driving of a tractor without a trailer shall be paid for on the same basis as driving tractor-trailer(s).

SECTION 6 - MILEAGE RATES

- a) Mileage rates are laid out by areas, and will be paid for as such. They are composite mileage rates to compensate for duties performed in normal operations, which include driving, checking equipment and reports, fuelling, hook-up and/or unhooking at the origin and/or destination points.

- b) The official State, Provincial and/or Territorial mileage will be used as a guide to determine the number of miles driven. The authority to determine the number of miles driven shall be the Department of Highways of the various States, Provinces and/or Territories.

SECTION 7 - MILES and HOURS

- a) All runs or trips shall be paid for at the mileage rate for miles driven, except that the hourly rate shall apply in the event that the amount earned under the applicable mileage rate provides less than the hourly rate for the total driving time on a particular trip. The onus is upon the employee to question the rate of pay by marking his Trip and Pay Report accordingly.
- b) Runs which include both highway miles and off-line bush miles, will be paid for in the following manner:

Mileage rates for main highway miles, and
Hourly rates for bush miles.

SECTION 8 - SINGLE MAN OPERATIONS

- a) For definition purposes, the word "trip" will be used when referring to single man operations. A single man trip is considered from point of dispatch to point of rest, layover or book-off.

SECTION 9 - SLEEPER CAB OPERATIONS

- a) For definition purposes, the word "tour" will be used when referring to sleeper-cab operations.
- b) Sleeper-cab operation shall be performed by two (2) drivers. The Company shall designate the domicile area of each driver team, and they shall be paid for driving one-half ($\frac{1}{2}$) of the mileage the vehicle travelled in making the tour.
- c) Only two (2) men shall be permitted in sleeper-cab equipment at any time, except in cases of emergency, or where new type of equipment is put into operation. In no event shall a driver supervisor, or other authorized personnel, be in the cab, in addition to the two (2) drivers, for more than three hundred (300) miles.
- d) No employee under this Agreement shall be placed on layover if routed on any tour with outbound mileage under five hundred (500) miles.
- e) Except in cases of emergency, sleeper-cab drivers shall be entitled to have a minimum of four (4) hours off duty excluding call time, after completion of their tour.

No sleeper-cab driver shall be allowed to take a solo trip of more than four (4) hours until he has had eight (8) hours rest since he was last on duty.

SECTION 10 - TRANSFERRING OVER-THE-ROAD DRIVERS

- a) When a branch, terminal, division or operation is closed or partially closed, together with the work of the branch, terminal, division or operation in whole or in part, an employee at the closed or partially closed down branch, terminal, division, or operations shall have the right to transfer to the branch, terminal, division, or operation into which the work was transferred, if work is available there.
- b) Such employee(s) will be dove-tailed into the Seniority List as of the date they first became employees in their classification.

SECTION 11 - RATES of PAY

a) **PAY RATES - Local/Valley**

ORIGIN	DESTINATION	FLAT RATE
LAVINGTON	UNIVERSAL SPRAY VERNON	48.00
	WINFIELD	93.00
	CALONA WINES	115.00
	WAREHOUSE KELOWNA	98.00
	OLIVER	230.00
	SUMMERLAND	170.00
	MISSION HILLS	150.00
	GRAY MONK	130.00
	CEDAR CREEK	133.00
	LACONTE	258.00
	KELLY DOUGLAS WAREHOUSE	115.00
QUAL GATE	150.00	
VERNON (cartage)	30.00	
VERNON	WINFIELD	78.00
	WAREHOUSE KELOWNA	83.00
KELOWNA	WINFIELD	62.00

Monthly Pallet return / per month \$125.00
 Additional Pick-ups or drops \$ 40.00
 Any cartage / per hour \$ 31.50

	US Van		CDN Van		Equippe		Operators (Flat decks)							
	5 Axle	5 Axle	5 Axle	5 Axle	6 Axle	6 Axle	5 Axle	5 Axle	6 Axle	6 Axle	7 Axle	7 Axle	8 Axle	8 Axle
	MT	LD	MT	LD	MT	LD	MT	LD	MT	LD	MT	LD	MT	LD
BC	0.93	1.05	0.93	1.05	0.93	1.06	0.93	1.06	0.93	1.11	1.00	1.18	1.00	1.35
AB	0.91	1.03	0.91	0.99	0.91	1.04	0.92	1.00	0.93	1.04	0.97	1.07	1.00	1.28
NT	0.91	1.03	0.91	0.99	0.91	1.04	0.92	1.00	0.93	1.06	0.97	1.12	1.00	1.28
SK	0.91	1.03	0.91	0.99	0.91	1.04	0.92	1.00	0.93	1.04	0.97	1.07	1.00	1.28
MB	0.91	1.03	0.91	0.99	0.91	1.04	0.92	1.00	0.93	1.04	0.97	1.07	1.00	1.28
ON	0.91	1.03	0.91	0.99	0.91	1.04	0.92	1.00	0.93	1.04	0.97	1.07	1.00	1.28
YK	1.10	1.15	1.10	1.15	1.10	1.20	1.10	1.38	1.12	1.39	1.17	1.55	1.20	1.75
AK	1.10	1.15	1.10	1.15	1.10	1.20	1.10	1.38	1.12	1.39	1.17	1.55	1.20	1.75
US	0.92	1.05	-	-	-	-	-	-	-	-	-	-	-	-

SECTION 12 - NWT TRIPS/PERMITS

Owner Operators will continue to pay for all NWT permits. Once the permit has been purchased, the Company will guarantee three (3) trips on that permit, or the Company will reimburse the Owner Operator for said permit, on a pro-rated basis.

- i.e. 1 trip accomplished on that permit = $\frac{1}{3}$ the cost
- 2 trips accomplished on that permit = $\frac{2}{3}$ the cost
- Operator would be reimbursed the difference.

SECTION 13 - FUEL SURCHARGE

The Company will continue to pay fuel surcharge, as per the current practice.

SECTION 14 - INSURANCE

The Company will delete the one thousand dollar (**\$1,000.00**) per year insurance payment.

The Company will reduce the Insurance deductible from five thousand dollars (**\$5,000.00**) to four thousand dollars (**\$4,000.00**) i.e. three thousand dollars (**\$3,000.00**) for equipment, and one thousand dollars (**\$1,000.00**) for freight and/or cargo.

The Owner-Operator shall pay the cost of insurance at the rate of :

- i) seven cents (**\$0.07**) per mile, based on the mileage run for the Company, or;
- ii) a minimum of three hundred dollars (**\$300.00**) per month.

This total will be deducted from the monthly statement of the Owner-Operator.

After three (3) months service with the Company, the Owner-Operator shall be entitled to a Safety Rebate of two cents (**\$0.02**) per mile, based on the miles operated by the Company, for the preceding three (3) months. To realize the Safety Rebate, the Owner-Operator must have had no violations of the National Safety Code, or any insurance claims, during the three (3) month reporting period.

If the Owner-Operator does not receive the Safety Rebate, the amount which he could have been entitled to shall be pooled, and paid out to all other Owner-Operators who do achieve the Safety Rebate, on a pro-rated basis, based on the number of miles driven by such Owner Operator.

APPENDIX "D"

TEAMSTERS/UNION INDUSTRY ADVANCEMENT FUND

The Teamsters Union/Industry Advancement Fund shall be for the enhancement of all persons dependent upon any industry represented by the Teamsters.

The Company shall make contributions of five cents (5¢) per hour for which wages are payable hereunder, for each employee and dependent contractor covered by this Collective Agreement.

Payment of said funds shall be made to the appropriate Teamsters Local Union/Industry Advancement Fund by the fifteenth (15th) of the month following that to which they refer.

This payment will be independent and separate from any other payment made to the appropriate Locals.

APPENDIX "E"

OWNER OPERATOR CONTRACT (effective January 1,1998)

This Contract made this _____ day of _____ 20____

BETWEEN: MONARCHTRANSPORT INC., a body corporate having an office in the City of Edmonton, in the province of Alberta, carrying on business under the firm name and style of "Monarch Transport Inc." (Hereinafter called 'Monarch')

OF THE FIRST PART

AND:

(Name)

(Address)

(City)

(Hereinafter called "the Owner-Operator")

OF THE SECOND PART

IN CONSIDERATION of the mutual covenants and promises hereinafter contained, the Parties hereto agree as follows:

1. The Owner Operator agrees to haul cargo exclusively for Monarch, in accordance with the instruction of Monarch, using equipment and qualified Owner Operators as defined herein. Monarch agrees to pay the Owner Operator for services rendered on the basis contained in Clause 3.

2. DEFINITIONS

a) Equipment means that equipment described in Schedule "A", annexed hereto.

b) Qualified Owner Operator is a person who:

i) qualifies under, and complies with, all laws and regulations in the jurisdiction in which he drives;

ii) qualifies under, and complies with, all rules and regulations of Monarch;

iii) complies with the terms of the Contract.

3. REMUNERATION

a) Monarch shall maintain a holdback fund of three thousand dollars (\$3,000.00) in the name of the Owner Operator, and to this end, the Owner Operator shall forthwith pay to Monarch the sum of one thousand dollars (\$1,000.00) upon hiring and a further two hundred and fifty dollars (\$250.00) per month for eight (8) months, or Monarch shall be at liberty to withhold from the Owner Operator, pursuant to Clause 3, up to and including the amount of three thousand dollars (\$3,000.00)

Any monies due and owing to the Owner Operator from holdback will be paid back at five point five percent (5.5%) per annum.

b) Mileage rates (Canadian Currency)

The rates shown below are applicable to those operators who are fully equipped (headache rack, tarps, chains, straps, boomers, etc.)

	US VANS			EQUIPPED OPERATORS (FLAT DECKS)						
	5 Axle	5 Axle	5 Axle	5 Axle	6 Axle	6 Axle	7 Axle	7 Axle	8 Axle	8 Axle
	MT	LD	MT	LD	MT	LD	MT	LD	MT	LD
BC	0.93	1.05	0.93	1.06	0.93	1.11	1.00	1.18	1.00	1.35
AB	0.91	0.99	0.92	1.00	0.93	1.04	0.97	1.07	1.00	1.28
NT	0.91	0.99	0.92	1.00	0.93	1.06	0.97	1.12	1.00	1.28
SK	0.91	0.99	0.92	1.00	0.93	1.04	0.97	1.07	1.00	1.28
MB	0.91	0.99	0.92	1.00	0.93	1.04	0.97	1.07	1.00	1.28
ON	0.91	0.99	0.92	1.00	0.93	1.04	0.97	1.07	1.00	1.28
YK	1.10	1.30	1.10	1.38	1.12	1.39	1.17	1.55	1.20	1.75
AK	1.10	1.30	1.10	1.38	1.12	1.39	1.17	1.55	1.20	1.75
US	0.92	1.05	-	-	-	-	-	-	-	-

Canadian Van Division:

The rates shown below are applicable to Van Division only, of which the Operators are not required to be fully equipped (equipment as described above):

	5 AXLE		6 AXLE (Tri Axle)	
	MT	LD	MT	LD
BC	0.93	1.05	0.93	1.06
ALTA	0.91	0.99	0.91	1.01
NWT	0.91	0.99	0.91	1.01
SASK	0.91	0.99	0.91	1.01
MAN	0.91	0.99	0.91	1.01
ONT	0.91	0.99	0.91	1.01
YUKON	1.10	1.30	1.10	1.37

- c) After two **(2)** free hours of work and wait time loading, and two **(2)** free hours of work and wait time unloading, the Owner Operator is to be paid thirty dollars (\$30.00) per hour. ****The Bill of Lading must be signed legibly, acknowledging the excess work time, by the Shipper or Receiver, and the Company Dispatch must be immediately advised of the excess time before this booked time will be paid out;**
 - ** Only applies when applicable.
- d) Each trip shall be considered a separate work and wait period;
- e) In no event shall work and wait time exceed ten **(10)** hours for each stop in any twenty-four **(24)** hour period;
- f) Monarch shall provide a statement and shall pay the Owner Operator on the **28th** day of each month, remuneration earned in the preceding calendar month, less any amount properly deducted for holdback, advances, and expenses. PROVIDED that any or all amounts due and owing to Monarch may be withheld by Monarch when acting in accordance with Clause 15 herein. The Owner Operator shall, within forty-five **(45)** days, advise Monarch in writing of any errors, omissions or discrepancies in the statement supplied and in default, then the Owner Operator shall be estopped and barred from all rights and causes of action that might arise under and by virtue of such statement.
- g) Upon termination of the Contract as provided herein, Monarch shall within ninety (90) days of such date, calculate what, if any, remuneration is due to the Owner Operator. Provided that the Owner Operator has complied with and performed all of the terms of this Contract, and has returned to Monarch all **of** the property of Monarch, or of any person to whom Monarch is responsible, and has otherwise complied with all the provisions of Clause 11 hereof. Monarch will pay the said remuneration less any amounts that may be properly deducted therefrom to the Owner Operator within ninety (90) days of the compliance by the Owner Operator of the provisos herein;
- h) Permits - NWT Trips: All NWT permits will continue to be the responsibility of Owner Operators. The Company will, however, guarantee the following once the permit has been purchased:
 - i) the Company will guarantee either three (3) trips on that permit, or
 - ii) the Company will reimburse the Owner Operator the cost of the permit, on the following pro-rated basis:
 - 1 trip used on the permit - $\frac{1}{3}$ the value
 - 2 trips used on the permit - $\frac{2}{3}$ the value
 Owner Operator will therefore be reimbursed the difference.

4. COSTS, EXPENSES, PREMIUMS, FEES, FINES, TAXES, EXCISES AND DUTIES

- a) The Owner Operator is responsible for, and shall pay, any and all costs, expenses, premiums, fees, fines, taxes, excises and duties related to the performance of this contract by the Owner Operator, whether such costs, expenses, premiums, fees, fines, taxes, excises, and duties be imposed by Statutory Authority or not; PROVIDED that Monarch on behalf of the Owner Operator may pay any costs, expenses, premiums, fees, fines, taxes, excises, and duties for which the said Owner Operator is liable hereunder, and Monarch shall be entitled to deduct any amounts so expended from any amounts due and owing to the Owner Operator, pursuant to Clause 3 hereof.
- b) Monarch may pay any or all costs, expenses, premiums, fees, fines, taxes, excises, and duties for which the Owner Operator is liable under this Clause, and may at its discretion seek reimbursement from the Owner Operator, or deduct expenditures from monies due and owing to the Owner Operator.

5. MAINTENANCE OF EQUIPMENT

The Owner Operator is responsible for, and shall at his own expense, maintain and keep the equipment in good, clean and safe working condition in conformity with the laws of all jurisdictions in which the equipment is used. The Owner Operator shall allow Monarch to inspect the equipment, and to carry out, at the Owner Operator's expense, any repairs or maintenance which Monarch reasonably deems necessary to achieve compliance with its rules and regulations, and with the laws of the applicable jurisdictions.

6. RULES AND REGULATIONS

The Owner Operator shall abide by, and be subject to, all rules and regulations of Monarch which are applicable to drivers of the Owner Operator and Monarch. Any servants, agents, or employees of the Owner Operator who refuse to conform to the rules and regulations of Monarch shall, at the request of Monarch, be replaced by the Owner Operator, and if such replacement is not carried out within a reasonable time, failure so to comply shall be deemed a breach hereof.

Notwithstanding anything contained in this Clause, or in this Contract, the Owner Operator and all of its employees, agents, and servants shall be subject to each and every regulation issued from time to time by Monarch under the heading "Violations - Penalties" and to the penalties prescribed in such regulations. If the Owner Operator, its employees, agents and servants do not abide by, or follow, the penalties as prescribed, Monarch, at its option, may forthwith terminate this contract by notice in writing to the Owner Operator.

7. ACCEPTANCE OF TRAILER and CARGO

The Owner Operator may refuse to accept for hauling, any trailer or cargo which he reasonably deems to be unfit for hauling. Any trailer or cargo accepted for haulage by the Owner Operator, shall be deemed to be in good and non-defective condition, except as noted in writing by the Owner Operator at the time of acceptance. The Owner Operator shall deliver the cargo to its destination, and return the trailer to Monarch, both in the same condition(s) as they were deemed to be at the time of acceptance by the Owner Operator. If the cargo is not delivered in the same condition, or if the trailer is not returned in the same condition, the Owner Operator shall be liable for the deficiency of the cargo or the trailer, and Monarch may deduct from remuneration due and owing to the Owner Operator, an amount equal to the amount of the deficiency, as reasonably determined by Monarch.

8. PASSENGERS

Under no circumstances will any lease operator be allowed to take passengers in his vehicle. Failure to comply with this policy will lead to disciplinary action, which may result in termination.

9. COMPLIANCE WITH LAW

The Owner Operator shall be, in the performance of his Contract, at all time within the laws of all applicable jurisdictions.

10. REPORTS

The Owner Operator shall from time to time, and at such times as Monarch may request, make reports as to the matters requested by Monarch. The Owner Operator shall ensure that each and every qualified driver employed by him, or under his control, shall make and keep in his possession, a daily log in duplicate, as prescribed by the Canada Labor Code and Regulations.

11. MONARCH'S INSIGNIAS & LICENSES

The Owner Operator shall forthwith paint the equipment in accordance with the instruction of Monarch. Upon termination of this contract, the Owner Operator shall forthwith remove all signs, insignias and Monarch colors from the equipment, and repaint in colors other than Monarch's colors, and to the full satisfaction of Monarch, and shall forthwith return and surrender to Monarch all license plates for refund and/or credit up transfer or sale of such licenses, and other property of Monarch, failing which, Monarch may retain the holdback fund until the said compliance.

12. RELATIONSHIP OF PARTIES

The relationship of the Parties hereto is intended to be that of independent contractors. Except as otherwise provided herein, the Owner Operator shall in all respects be responsible for the direction and control of his agents, servants, employees and equipment.

13. TRUSTEE

If the Owner Operator collects any monies on behalf of Monarch, the Owner Operator shall hold such monies as Trustee, and shall give Monarch a proper accounting of such monies received upon completion of the trip. The Owner Operator agrees to indemnify and save harmless Monarch, of and from all pecuniary **loss** by reason of the failure of the Owner Operator to make such a proper accounting as Monarch shall deem necessary. Except as provided hereinbefore, the Owner Operator shall not act as the agent of Monarch.

14. INDEMNIFICATION

The Owner Operator agrees to indemnify and save harmless Monarch of and from any **loss**, charge, expenses, or damage suffered or incurred by Monarch as a result of any act or omission of act of the Owner Operator, or as a result of a breach of the terms of this contract by the Owner Operator. Monarch may withhold all or part of the remuneration owing to the Owner Operator pursuant to Clause 3 herein, in order to ensure that Monarch is indemnified and held harmless by the Owner Operator, as provided in this Clause.

15. WORKERS' COMPENSATION

It is expressly understood and agreed to between the Parties hereto, that the Owner Operator shall be responsible for any payments to, or assessments from, any Workers' Compensation Board involving the Owner Operator, his employees, agents or servants. In the event that the Owner Operator operates either solely or in part within the Province of Alberta, then the Owner Operator shall open and maintain an account with the Alberta Workers' Compensation Board, in default, this contract may be forthwith terminated by Monarch, upon written notice to the Owner Operator.

16. LIABILITY TO SERVANTS OF OWNER OPERATOR

Monarch shall not be liable for any damages or compensation payable to any servant, or other persons in the employ of the Owner Operator, in respect of any injury or **loss** sustained by such servant or other person (save to the extent that such injury or **loss** resulted from any act or default of Monarch, its employees, agents or servants) and the Owner Operator shall keep Monarch indemnified against such damages or compensation as aforesaid, and against all other losses or claims for injury, death, damage to property (including the property of Monarch) which may arise in consequence of the performance by the Owner Operator of this contract.

17. INSURANCE

The Owner Operator shall assume complete financial responsibility for the following:

- a) In the case of an accident, insured deductible will be paid by the Owner Operator on all trailer, tractor, and third party liability up to the said deductible amount of three thousand dollars (\$3,000.00) only. All claims in excess of this are payable by the company and/or the Zurich Insurance Company, their insurance carrier.
- b) The Owner Operator will pay the cost of insurance at the rate of the higher amount of:
 - i) seven cents (**\$0.07**) per mile, based on the mileage run for the company, or
 - ii) a minimum of three hundred dollars (\$300.00) per month

This total will be deducted from the monthly statements of the Owner Operator.

In conjunction with the above, after **six (6)** full months of service with the company, the Owner Operator will be entitled to an insurance safety rebate of one cent (\$0.01) per mile, based on the mileage operated for the company) for the preceding six (6) months, if the company has realized no insurance claims on behalf of the Owner Operator during this six (6) month period.

- c) Cargo legal liability for an amount of not less than one thousand dollars (\$1,000.00) all risk, including loading and unloading.

NOTE: It will be the responsibility of the Owner Operator to notify Monarch of any changes, modifications, cancellations, etc. of any or all insurance policies or coverages.

18. LICENSES and IDENTIFICATION

Monarch shall obtain, at the expense of the Owner Operator, all licenses required by any statute for any Provinces, Territories, or States as required, except for identification of motor vehicle devices required to be obtained pursuant to the Canada Labor Code and regulations thereunder, which said devices the Owner Operator undertakes and agrees to obtain.

Monarch shall obtain, at the Owner Operator's expense, all licenses required by any statute of the Province of British Columbia, commencing February 1, 1987. The Owner Operator shall ensure that the said identification and licenses are affixed or otherwise properly carried during haulage.

19. TERMINATION

Subject to the provisions of Clause 6 and 15 hereof, this contract may be terminated by either Party, without cause, upon thirty (30) days of written notice to the other. Such notice to be served by Registered Mail, or to be delivered to the last known address of the other Party.

In the case of Monarch: 3464 - 78 Avenue
Edmonton, AB T6B 2X9

In the case of the Owner Operator: to his address shown on Page 1 of this contract

The thirty (30) day period shall commence from the date of posting or delivery, as the case may be. Either Party to this contract may change its address for notice by giving written notice of such change to the other Party.

20. BREACH

Should the Owner Operator at any time during the continuance of the contract fail to deliver any cargo as directed by Monarch, or otherwise breach the terms of this contract, or commit or omit any act or deed, the commission or omission of which is prejudicial or detrimental to the business of Monarch and in conflict with this contract, Monarch may deem this to be a breach of this contract, and may, at its option, terminate the contract forthwith. The Owner Operator shall be liable for all costs and expenses which reasonably flow from the said breach.

21. CLAIMS BY OWNER OPERATOR AGAINST MONARCH

The Owner Operator shall, within forty-five (45) days of the date that a claim arises against Monarch by the Owner Operator, submit to Monarch a complete written report of the claim. In the event that the Owner Operator fails to file with Monarch, a written report as contemplated by this Clause, within the time limited, then the Owner Operator shall be estopped and barred from all rights and causes of action that might arise under and by virtue of such claim.

22. ENTIRE AGREEMENT

This clause constitutes the entire agreement of understanding between the Parties, and shall not be modified, altered, changed or amended in any respect, except as provided in Clause 6, unless in writing and signed by both Parties.

In Witness Whereof, the Parties hereto have executed this Contract on the day and year first above written.

MONARCH TRANSPORT INC.

PER: _____

PER: _____

SIGNED, SEALED and DELIVERED in the presence of:

OWNER OPERATOR:

NAME: _____

PER: _____

Witness

SCHEDULE "A"

For the purpose of the aforesaid contract, it is agreed with the Owner Operator that the following described equipment is approved for use by the Owner Operator under above contract.

TRACTOR: Company Unit No. _____ MAKE: _____

YEAR _____ SERIAL NO. _____ MODEL NO. _____

MOTOR (size & make) _____ R/E RATIO _____

TRANS _____ W/B _____ TIRE SIZE _____

WHEEL MAKE _____ TRACTOR WEIGHT (w/fuel) _____ LBS.

ACCESSORIES AS FOLLOWS:

TARPS _____ ENGINE BRAKE _____ CHAINS _____

BINDERS _____ FIRST AID KIT _____ LOAD PROTECTORS _____

PAINT (Company colors) _____ CAB PROTECTION _____

FLARES _____ FIRE EXT. _____

OTHER

DATED: _____

NOTE: any item listed above marked with
and asterisk (***) remains the property of
Monarch until fully paid for.

MONARCH TRANSPORT INC

OWNER OPERATOR:

ACCESSORY CHARGES

TRACTOR CHARGES: All city P&D work - \$30.00 /hour

PRELOAD CHARGES:

The following charges will be assessed to the Operator on loads that are loaded/delivered by another source:

Charges	Edmonton	- \$65.00
	Calgary	- \$65.00
	Vancouver	- \$85.00

EXTRA PICKUPS/DELIVERIES

On loads that require more than one pickup or delivery, the Operator will be paid the following rate:

\$40.00 per additional pickup or delivery

TARPING

On loads that require tarping, the Operator will be paid the following:

45'/48'	- \$40.00
Trains	- \$65.00

PENALTY CLAUSE/B-TRAINS

On loads from Alta Steel that weigh under 72,000 lbs, without the approval from our Edmonton dispatch, the Operator will be charged a flat rate of \$45.00

Signature of Owner Operator

Date

LETTER OF UNDERSTANDING

BETWEEN: MONARCH TRANSPORT LTD

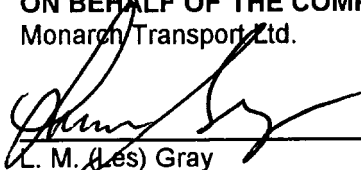
AND: GENERAL TEAMSTERS, LOCAL UNION NO. 362

RE: HEALTH & WELFARE PLAN

The Parties hereto agree that the current Byers Transport Limited Health & Welfare Plan will continue to be made available to Monarch Transport Ltd. employees, at their option.

Signed this 3 day of November, 2000

ON BEHALF OF THE COMPANY:
Monarch Transport Ltd.




L. M. (Les) Gray
General Manager




B. L. (Brad) Bettke
Operations Manager

ON BEHALF OF THE UNIONS:



Al Porter, Business Agent
General Teamsters, Local Union No. 362



Eugene Wirth, Business Agent
Teamsters Local Union No. 213