

COLLECTIVE AGREEMENT

BETWEEN

F & G DELIVERY LTD.
(dependent contractors)

AND

TEAMSTERS LOCAL UNION NO. 31

RECEIVED
JAN 19 2005

May 1, 2004

to

April 30, 2007

13382(01)

WHEREAS, it is the intent and purpose of the parties hereto that this Agreement will promote and improve industrial and economic relationships between the Company and the Union, and to set forth herein the basic Agreement covering rates of pay, hours of work, and conditions of employment to be observed between the parties hereto.

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

NOW THEREFORE, in consideration of the mutual covenants and agreements herein set forth, the Parties hereto mutually agree as follows:

ARTICLE 1 - BARGAINING AGENCY AND RECOGNITION

1.01 The Company recognizes the Union as the sole and exclusive bargaining agent for its dependent contractors and drivers of dependent contractors, as described in the current Certification issued by the British Columbia Labour Relations Board.

ARTICLE 2 - DEFINITION OF DEPENDENT CONTRACTOR

2.01 Wherever the term "dependent contractor(s)" is used in this Agreement, it shall mean a dependent contractor and a driver of a dependent contractor at and from the Company's present premises in British Columbia for which the Union is certified.

ARTICLE 3 - MANAGEMENT

3.01 Management rights exercised by the Company, unless expressly limited by this Agreement, are reserved to and are vested exclusively in the Company. This Article will not be used in a discriminatory manner against any dependent contractor or group of dependent contractors.

ARTICLE 4 - UNION SECURITY

4.01 All dependent contractors who become employed after the date of the signing of this Agreement, shall become members of the Union, and pay to the Union, initiation fees, dues and assessments to maintain their membership as a condition of employment.

4.02 Upon receiving one (1) month's notice from the Union, by registered mail, of a change in the initiation fees, dues, and assessments charged by the Union to its members, the Company shall make deductions in accordance with the notice, effective the date given. The Union will indemnify the Company for all such deductions and remittance when in accordance with Union instructions.

ARTICLE 5 - HOURS OF SERVICE

5.01 All dependent contractors under Certification shall be bound by the maximum hours of work as prescribed by the National Safety Code and/or U.S. Department of Transport and this Collective Agreement. Upon proof of failure to abide by such hours of work, the dependent contractor shall have recourse to the Grievance Procedure in this Collective Agreement.

ARTICLE 6 - CONFLICTING AGREEMENTS

6.01 The Company agrees not to enter into any Agreement or Contract with dependent contractors of the Company, members of the Union, individually or collectively, which in any way, conflicts with the terms and provisions of this Agreement. Any such Agreement shall be null and void.

ARTICLE 7 - NEW EQUIPMENT AND CLASSIFICATIONS

7.01 Prior to any new types of equipment and/or new classifications of employment for which rates of pay are not established by this Agreement are put into use, the Company shall advise the Union as far in advance as possible, and not less than thirty (30) days prior to implementation. The matter shall become the subject of discussion between the parties for rates governing such equipment and classifications of employment. The Company and the Union shall finalize within thirty (30) days after such implementation a rate to be established and such rate to be retroactive to date of implementation.

ARTICLE 8 - PROTECTION OF CONDITIONS

- 8.01 It shall be a violation of this Agreement for the Company to require that a dependent contractor purchase a truck, tractor and/or tractor and trailer or other vehicular equipment or, that any dependent contractor purchase or assume any proprietary interest or other obligation in the business as a condition of continued employment.
- 8.02 Under no circumstances shall the Company directly or indirectly specify a mandatory source of fuel, tires, maintenance/repairs or insurance to be used by a dependent contractor.

ARTICLE 9 - TRANSFER OF COMPANY TITLE OR INTEREST

- 9.01 This Agreement shall be binding upon the parties hereto, their successors, administrators, executors and assigns. In the event an entire business or any part thereof is sold, leased, transferred or taken over by **sale**, transfer, lease, assignment, receivership or bankruptcy proceedings, such business or any part thereof shall continue to be subject to the terms and conditions of this Agreement for the life thereof. The Company shall notify the Union in writing, not later than the effective date of the fact of any sale, transfer, lease, assignment receivership or bankruptcy proceeding, not including financial arrangements thereof.

ARTICLE 10 - SAFETY CONDITIONS

- 10.01 Maintenance of Equipment - It is to the mutual advantage of the Company, that dependent contractors shall not operate vehicles which are not in safe operating condition. Dependent contractors shall not be required to operate equipment on public streets and thoroughfares that is not in compliance with the appropriate provisions of the law dealing with safety requirements for mobile equipment (i.e.: tires, brakes, steering, adequate mirrors, signal lights or other lighting equipment).
- 10.02 (a) It shall be the duty of the dependent contractor to report, in writing, on the appropriate forms of the Company, promptly, but not later than the end of the shift, trip, or tour, all safety

and/or mechanical defects on the equipment which they have operated during that shift, trip, or tour.

- (b) The Company shall designate the person to whom all defect reports of mobile equipment are submitted, and all dependent contractors shall be given the name of such person.

10.03 (a) In the event essential repairs cannot be effected to make the equipment safe, the equipment shall be correctly identified and kept out of service until repaired and it shall not be considered a violation of his employment when a dependent contractor refuses to operate such identified equipment. Identification red tags shall be supplied and made available by the Company.

- (b) It shall be the obligation of the Company to direct the repairs as necessary to conform with the safe and efficient operation of that equipment.

10.04 (a) The Company shall inform, direct and supply to dependent contractors, proper information and handling devices or equipment for handling dangerous cargo. A dependent contractor shall pay for the first dangerous goods course and the Company agrees to pay for all dangerous goods courses thereafter, so long as the dependent contractor is covered by this Agreement.

- (b) Any dependent contractor who is exposed to a hazard by reason of handling dangerous goods, shall be provided with adequate protective clothing and equipment as required by Workers' Compensation Board regulations and the cost shall be borne by the Company.

- (c) The dependent contractor shall be responsible for safety equipment (eg. Hard hat, steel toed boots, and safety vest).

ARTICLE 11 - UNION DECAL

11.01 It shall not be a violation of this Agreement for a dependent contractor to post the Teamsters Local Union No. 31 decal in a conspicuous place on the glass area of the equipment he is operating. Said

decal will not be attached to any area which will impair the vision of the driver. Said decal shall remain the property of the Union.

ARTICLE 12 - SENIORITY

- 12.01 Seniority shall be maintained in the reduction and restoration of the working force, providing the senior dependent contractor is capable of performing the remaining job or jobs.
- 12.02 Seniority for the purpose of this Agreement shall mean the length of service with the Company.
- 12.03 The Company shall, where operationally possible, attempt to assign work on a seniority basis.
- 12.04 (a) The Company shall, upon request, provide the Union with an up-to-date list of all dependent contractors covered by this Agreement within each branch and/or division. Such lists shall state the starting date of the individual and truck number. The said list shall be posted on the Union Board as of January and July of each year.
- (b) Seniority to be posted on Union Board per division of fleet. There shall be no bumping by seniority between geographic locations (i.e. Vancouver Island and Mainland). A dependent contractor shall keep his seniority but go to the bottom of the list.
- 12.05 All newly hired dependent contractors shall be considered as probationary dependent contractors for the first ninety (90) calendar days. There shall be no responsibility on the part of the Company in respect of the employment of a probationary dependent contractor should they be laid-off for lack of work or discharged during the probationary period. However, the Company shall inform the probationary dependent contractor as to whether he has been discharged or laid-off and the reasons therefore, with written notification to the Union. Upon successful completion of the probationary period, the dependent contractor shall be granted seniority effective from the first day of the probationary period.
- 12.06 The Company shall not be responsible for the Health and Welfare remittance to the Plan

Administrator, during a dependent contractor's probationary period.

12.07 In the event that the Company purchases a business or any part thereof, the dependent contractors of which are covered by a Collective Agreement with Teamsters Local Union No. 31, the seniority of such dependent contractors shall be computed from the date that they respectively first become dependent contractors of the business aforesaid.

12.08 In the event of a lay-off, dependent contractors shall be laid-off in reverse order of their seniority. A laid-off dependent contractor shall retain his seniority and recall rights with the Company for three (3) months after the date of layoff.

ARTICLE 13 - RETAINING SERVICES

13.01 The Company agrees not to contract out any work normally performed by dependent contractors covered by this Agreement if any dependent contractor is on lay-off for lack of work at the time such contracting out is introduced or, if the contracting out would cause the lay-off of any dependent contractor.

ARTICLE 14 - PAST PRACTICE

14.01 Any rights and privileges of dependent contractors now in effect, but not specifically mentioned in this Agreement, shall be continued and no changes shall be put into effect unless mutually agreed by the Company and the Union.

ARTICLE 15 - DISCIPLINE RECORD

15.01 When a dependent contractor is given a verbal or written warning, a record of that warning shall also be placed in the dependent contractor's personal file. The dependent contractor shall be permitted to make a written response to the warning which shall also be placed in the dependent contractor's file. Any incident causing such written reprimand or warning letter, over a period of twelve (12) months, shall not be used to compound other disciplinary action against said dependent contractor. The Union will be notified of any verbal or written warning.

ARTICLE 16 - PROTECTION OF RIGHTS

- 16.01 (a) It shall not be a violation of this Agreement or cause for discipline for a dependent contractor in the performance of his duties, to refuse to cross a legal picket line recognized by the Union.
- (b) The Union shall notify the Company as soon as possible of the existence of such recognized legal picket lines.

ARTICLE 17 - DISCLOSURE OF EARNINGS

- 17.01 (a) Except as otherwise mutually agreed between the parties, dependent contractors covered by this Agreement, shall be paid not less frequently than the 15th and 30th of each month. Pay cheques will be made available to bargaining unit members one (1) day before payday. No bargaining unit member shall attempt to cash his pay cheque prior to the Printed date.
- (b) The Company shall provide dependent contractors covered by this Agreement with a separate or detachable, printed, itemized statement of revenue earned in a two-week pay period. Such statement shall set forth the rate of revenue applicable and all deductions made from the gross amount of revenue.
- (c) If an error occurs in a dependent contractor's pay cheque and the amount is equal to one (1) day or more, he shall be entitled, on request, to a cheque being issued within two (2) working days.
- (d) Dependent contractors shall be paid all money due every two (2) weeks thereafter upon termination or quitting.

ARTICLE 18 - BEREAVEMENT

- 18.01 Upon giving twenty-four (24) hours notice, a dependent contractor shall be granted time off without pay for the purpose of attending a funeral.

ARTICLE 19 - COMPENSATION SICKNESS COVERAGE

- 19.01 When a dependent contractor goes off work ill or on compensation or a grievance is invoked on his discharge, the Company shall continue to pay both his Health and Welfare Plan contribution and Union dues, so that the dependent contractor shall be protected to the utmost, provided:
- (a) The dependent contractor reimburses the Company for such contributions normally paid by said dependent contractor and is at no time more than three (3) months in arrears and;
 - (b) The period ~~of~~ such coverage shall not exceed twelve (12) months only by mutual agreement of the two parties.
 - (c) When the dependent contractor returns to work, the Company shall deduct from his earnings any monies the Company has paid out in respect of his contributions.
 - (d) In the event any dependent contractor does not return to work, and the dependent contractor refuses or neglects on demand at his last known address, to make restitution for such monies paid out, the Union shall then reimburse the Company for said amount.

ARTICLE 20 - PHYSICAL OR MEDICAL EXAMINATION

- 20.01 (a) Any Company or Government required physical or medical examination shall be promptly complied with by all dependent contractors provided, however, the Company shall pay for all such physical or medical examinations and for any time lost as result thereof during his working hours upon completion of said examinations.
- (b) Where a dependent contractor is required by the Company to take a medical outside of his regular hours of work, the Company shall pay, to a maximum of two (2) hours straight time revenue for such time spent, excepting in instances where a dependent contractor returning to work or is about to return to work following illness or disability upon completion of said medical.
 - (c) A dependent contractor who has been absent from work because of illness or accident shall not suffer a reduction in his revenue only because the

Company requires a medical examination prior to the dependent contractor resuming work. If such dependent contractor is entitled to work under seniority and recall procedures, he shall be paid his hourly charge out for each day or days until he returns to work, provided a physician certifies the dependent contractor fit to resume work.

ARTICLE 21 - LEAVE OF ABSENCE

- 21.01 (a) A dependent contractor who has completed one (1) year or more of continuous active service, may be granted a leave of absence without pay for a period of thirty (30) days. The Company will not unreasonably deny a dependent contractor a leave of absence. The thirty (30) day leave may be extended three times, each extension not to exceed thirty (30) days. In no event, shall any dependent contractor be granted a leave of absence exceeding one-hundred-twenty (120) consecutive days.
- (b) Engaging in employment while on a leave of absence or misrepresenting the reason for a leave of absence shall be good cause for discharge.
- (c) During any leave of absence, the Company will not be under any obligation to pay Health and Welfare Plan contributions for any dependent contractor. However, the dependent contractor has the option to pay the entire contribution to keep his Health and Welfare Plan current and in force. It is the dependent contractor's responsibility to exercise this option and to do so in a timely manner.
- (d) A replacement driver hired by a dependent contractor to cover for a period of absence shall have the seniority of the dependent contractor for a period of two (2) weeks. After that time, the replacement driver shall be treated as a new hire and be moved to the bottom of the seniority list.

ARTICLE 22 - VACATION

- 22.01 (a) Dependent contractors shall be granted their vacation dates in order of their seniority, consistent with the efficient operation of the business. Where two or more requests for the same period of vacation time are received, seniority shall determine which dependent contractor shall receive the time period. Vacation lists shall be Posted and remain Posted on or before January 31st of each year.
- (b) vacation period to start on completion of dependent contractor's normal work week. and end on the first day of his normal work week on the completion of his vacation.
- (c) A dependent contractor who accepts gainful employment while on vacation may be terminated.
- (d) A calendar year shall be the period between January 1st and December 31st.

ARTICLE 23 - VISITING PRIVILEGES

- 23.01 Authorized representatives of the Union shall notify the Company prior to accessing the Company's establishment during working hours for the purpose of investigating conditions related to this Agreement and shall, in no way, interrupt the Company's working schedule.

ARTICLE 24 - GRIEVANCE AND ARBITRATION PROCEDURES

STEP ONE

- 24.01 The Shop Steward with or without the aggrieved dependent contractor, will attempt to settle the grievance with the Supervisor (designated by the Company) involved in the dispute.

If the grievance is not settled at Step One, the Company representative present at the meeting will relate to the Union in writing, the Company's acceptance or rejection of the grievance.

If settlement is not reached, the grievance will proceed to Step Two.

STEP TWO

The Shop Steward with or without the aggrieved dependent contractor will attempt to settle the Grievance with the

Supervisor's superior. If the grievance is not settled at Step Two, the Company representative present at the meeting will relate to the Union in writing, the Company's acceptance or rejection of the grievance.

If settlement is not reached, the grievance will proceed to Step Three.

STEP THREE

Management of the Company, Union representatives), (if available a Shop Steward), with or without the aggrieved dependent contractor will meet to attempt to settle the grievance.

If the grievance is not settled at Step Three, the Company representative present at the meeting will relate to the Union in writing, the Company's acceptance or rejection of the grievance.

If settlement is not reached, the grievance will proceed to Step Four.

STEP FOUR - ARBITRATION

The cost of an arbitrator shall be borne equally by both parties.

24.02 Time limits and steps to institute the Grievance Procedure are as follows:

Termination or lay-off - seven (7) calendar days; All other grievances - fourteen (14) calendar days.

In any dispute over a pay cheque or pay statement, or any other matter thereon, the time limit shall be calculated from the date the dependent contractor received the pay cheque or pay statement.

The time limits may be extended by mutual consent for either party if there is reasonable need for an extension and a request for an extension is made in writing.

24.03 **DISCHARGE CASES - If** a dependent contractor believes that he has been unjustly discharged, he may commence the Grievance Procedure and it will be instituted at Step Two.

WARNING - SUSPENSION - DISCHARGE - Dependent contractors may only be warned, suspended, or discharged for just cause. Suspension days will run as consecutive working days.

- 24.04 **GROUP OR GENERAL GRIEVANCES** - Grievances of a group or general nature will be put in writing and instituted at Step Two.
- 24.05 **TIME LIMITS - FAILURE TO ACT** - If either party fails to act within any of the time limits, or within an agreed upon extension, it will be deemed that that party has abandoned its position and that the position of the other party has been established except in a case where the Union withdraws the grievance.
- 24.06 **SHOP STEWARDS AND COMPANY REPRESENTATIVES** - At each of the three grievance steps, the Company and the Union may have equal representation.
- 24.07 **COMPANY REPRESENTATIVE - STEPS ONE AND THREE** - If a Company's Administrative Staff is such that the same Company Representative would be involved in Steps Two and Three, then Step Two will not be used except in 25.03 and 25.04.

ARTICLE 25 - SHOP STEWARDS

- 25.01 (a) The Union shall elect or appoint Shop Stewards from among its members in the bargaining unit and shall notify the Company in writing forthwith of such appointments and deletions of those dependent contractors so elected or appointed. The Company will recognize Shop Stewards and not discriminate against them for lawful Union activity. The Company will notify the Union forty-eight (48) hours prior to dismissal of a Shop Steward.
- (b) Grievances shall be processed during the normal working hours of the Shop Steward. A Steward shall receive his hourly charge out rate when grievances or pending grievances are processed with the Employer on Employer property or at any other place which is mutually agreed upon by both the Union and the Employer.
- (c) If the Employer representative is unable to meet the Steward during the Steward's normal working hours, the Steward shall be paid for all the time spent during the processing of the grievances with the Employer on the Employer's property or

at any other place which is mutually agreed upon by both the Union and the Employer.

ARTICLE 26 RADIO

26.01 Text messaging and two way radio communication cost paid by Company.

Current drivers: ownership of equipment transferred to driver at no charge.

New drivers: required to purchase phone equipment.

All drivers are responsible for phone unit and accessories repair and maintenance costs.

ARTICLE 27 - JOB POSTING

27.01 All job vacancies and newly created Positions in the bargaining unit shall be posted on the bulletin board for five (5) consecutive working days. Seniority and ability shall be the deciding factor in awarding the job posted.

ARTICLE 28 - PILOT CARS

28.01 The Company agrees to use pilot cars operated by members of the bargaining unit whenever possible. It shall be the dependent contractor's responsibility to ensure that he is properly licensed to operate the pilot car and shall make his availability known to the Company.

ARTICLE 29 - NEW HIRES

29.01 The Company agrees to meet with driver's representatives to discuss the necessity for new hires. The Union agrees that the meetings will be held in the necessary time frame so as not to jeopardize the interests of the Company.

ARTICLE 30 - SAVINGS CLAUSE

30.01 Should any part of this Agreement or any provision herein contained be rendered or declared invalid by reason of any existing or subsequently enacted

legislation or by any judgement or order of a court, tribunal or board of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions hereof and such remaining portions shall continue in full force and effect.

30.02 In the event that any clause or section is held invalid or enforcement of or compliance with which has been restrained as above set forth, the parties affected thereby shall enter into immediate collective bargaining negotiations upon the request of either party for the purpose of implementing the requirements of any such order, judgement or legislation or for the purpose of arriving at a mutually satisfactory replacement for such Article or Section during the period of invalidity or restraint. If the parties do not agree on a mutually satisfactory replacement, they shall submit the matter to arbitration.

HEALTH AND WELFARE PLAN

ARTICLE 31

Section 1 - Health and Welfare

The Teamsters - Transport Health and Welfare Trust Plan (the Health and Welfare Plan) covering members of the Union as set out in appendix "B" hereunto annexed and forming part of this Agreement shall continue. The Company agrees to cover all members of the Union in the Health and Welfare Plan and to abide by the terms and conditions of the Teamsters-Transport Health and Welfare Trust Plan as set out in appendix "B" hereunder annexed and forming part of this Agreement.

Section 2 - Payment of Dues and Contributions

- (a) The Company agrees to make remittances to the Union for union dues, the administrator of the health and welfare plan, the administrator of the pension plan and the administrator of any other program to which the Company is required to make contributions under this Agreement in accordance with the appropriate article or appendix to this Agreement.
- (b) The Company agrees to hold in trust, until remitted, all amounts payable in respect of union dues, the health and welfare plan, the pension plan, and any other plan which the Company is obliged to make

contributions pursuant to this Agreement and shall be liable, as such, for failure to remit for any reason including, but not limited to liquidation, assignment or bankruptcy of the Company.

Section 3 - Trust Agreement

The Company agrees that it shall be bound by the terms and conditions of the Agreement and Declaration of Trust (the Trust Agreement) covering the health and welfare plan, the pension plan and any other plan to which the Company is required to remit contributions pursuant to this Agreement.

Section 4 - Delinquency

- (a) The Company acknowledges that the trustees of the Health and Welfare Plan and the Pension Plan or any other plan or trust to which contributions are payable shall have the right to take legal action against the Company to obtain payment of all contributions and interest thereon due pursuant to this Agreement.
- (b) The Company agrees to remit contributions to the Union for union dues and to the trustees of the Health and Welfare Plan and the trustees of the Pension Plan within the time limits specified in this Agreement and further agrees that, if such contributions are not received by the Union or applicable plan administrator within the agreed time period (or postmark on the envelope enclosing the contributions is not with the agreed time period), then the Company shall be liable for the payment of such contributions plus interest on the contributions at the rate of two percent (2%) per month from the date such contributions were due to the date of receipt by the Union or the appropriate plan administrator.
- (c) The Company agrees that, if the Union or the trustees of any plan to which the Company is required to remit contributions pursuant to this Agreement incur any legal or other costs to recover contributions due and payable by the Company, the Company shall be liable to reimburse the Union or the applicable trustees for such costs.

ARTICLE 32 - DURATION

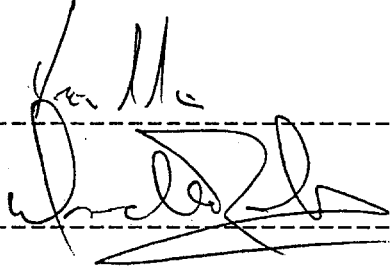
- 32.01 This Agreement will be in full force and effect from May 1, 2004, to and including April 30, 2007 and will continue in full force and effect from

year to year thereafter subject to the right of either party to this Agreement, within four (4) months immediately preceding the expiry of this Agreement, to give written notice to the other party to commence collective bargaining.


- 32.02 There will be no strikes or lockouts so long as this Agreement continues in force.
- 32.03 Should either party give written notice to the other party pursuant hereto, or such notice be deemed to be given by operation of law, this Agreement will thereafter continue in full force and effect until:
- (a) the Union shall commence a legal strike;
 - (b) the Company shall commence a legal lockout; or
 - (c) the parties conclude a renewal or revision of the Agreement or a new Collective Agreement.

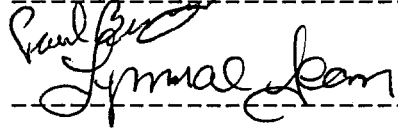
SIGNED at
Columbia, this 7th day of December, 2004. British

FOR THE COMPANY



FOR THE UNION





DEPENDENT CONTRACTOR - SCHEDULE "A" MONETARY

BETWEEN: F&G DELIVERY LTD.

AND: TEAMSTERS LOCAL UNION NO. 31

The percentage of revenue split **shall** be paid on the basis of seventy-five-percent (75%) **of** the total gross revenue earned by the unit with twenty-five-percent (25%) being retained by F&G Delivery Ltd.

APPENDIX "B" - HEALTH AND WELFARE

Section 1 - Participation

It is agreed that the Company will participate in the Teamsters - Transport Health and Welfare Trust Plan (the Plan) instituted 1 July, 1971, and operated under an Agreement and Declaration of Trust revised on 26 November, 1990.

The Company's participation in the Plan will continue throughout the life of this Agreement.

Section 2 - Board of Trustees

A Board of Trustees will be constituted of those persons provided for in the Agreement and Declaration of Trust (the Trust Agreement) and will include no less than three (3) people appointed by the Teamsters Local Union No. 31.

Section 3 - Plan Administration

The terms of the Plan and its administration shall be entirely the responsibility of the Board of Trustees, provided the Plan is administered in accordance with the Collective Agreement and any applicable government law or regulation.

The Plan and the activities of the Board of Trustees will be governed by an Agreement and Declaration of Trust, and benefit entitlement will be subject to such rules, limitations and exceptions contained in Plan documents and insurance contracts as are established and accepted by the Trustees from time to time.

Section 4 - Eligibility Conditions

- (a) For the purposes of this section a regular dependent contractor or member of the Union hired by the Company shall include a dependent contractor as defined under Article 4 of this Agreement. A dependent contractor shall be considered a regular dependent contractor on his date of hire.
- (b) Any member of the Union who is a regular dependent contractor in the employ of the Company on the date of this Agreement shall join the Plan on the date of this Agreement.
- (c) Any member of the Union who is hired by the Company after the date of this Agreement shall join the Plan on

the first day of the month coincident with or immediately following the month in which the dependent contractor becomes a regular dependent contractor.

- (d) Notwithstanding subparagraph "(c)" above, any member of the Union who is hired by the Company after the date of this Agreement who has been covered under the Plan within the 30 day period immediately prior to the date on which he commences work with the Company, and who becomes a regular dependent contractor, shall join the Plan on the later of his date of hire or the day following termination of his previous coverage.
- (e) If a dependent contractor whose coverage has been terminated due to lay-off is recalled and works a minimum of one full shift, coverage for the weekly indemnity and long term disability benefits will commence on the date of return to work, and all other benefits will be reinstated as of the first day of the month in which return to work occurs.

Section 5 - Rehabilitative Employment

Any dependent contractor who, immediately following a period of disability for which benefits were payable under the Plan, may, with the approval of the Union, the Board of Trustees and the Company return to work on a trial basis, either on full or limited duties without right or entitlement coverage under the Plan other than would have been provided had such return to work not have occurred.

During such periods of "rehabilitative employment," it is agreed that:

- (a) The dependent contractor will be paid by the Company as per Schedule A Monetary.
- (b) The duration of such rehabilitative employment shall exceed thirty (30) days only by mutual consent of all parties.

Section 6 - Benefits

Benefits provided by the Plan are established by the Board of Trustees. Benefits currently provided are:

- (a) Group Life Insurance
- (b) Accidental Death and Dismemberment Insurance
- (c) Weekly Indemnity
- (d) Long Term Disability
- (e) Dental

(f) Extended Health

The amounts of coverage and details of each benefit are established by the Board of Trustees, and are subject to amendment by them from time to time.

Section 7 - Cost

The Company shall make payment toward the contribution rate established by the Board of Trustees for any month in which any dependent contractor is covered by the Plan for one day or more, as follows to a maximum of:

- Nov 1, 2004 - Company pays 65%, dependent contractor pays 35%
- ~~Nov 1, 2005 - Company pays 75%, dependent contractor pays 25%~~
- May 1, 2006 - Company pays 100%

Handwritten notes:
 L.L.
 RB
 MAY
 (M)

Company contribution to any future plan cost increase not to exceed \$10.00 per month per member in any given year of the term of the collective agreement.

New Hires	Company	Dep. Contractor
9-12 months of service	0%	100%
Year 2 of service	50%	50%
Year 3 of service	75%	25%
Year 4 of service	100%	0%

Dependent contractors at date of ratification will be excluded from New Hires condition provided said dependent contractors have completed the employment probationary period at date of ratification.

Section 8 - Payment

Company and dependent contractor payments of contributions will be made on a calendar month basis for each eligible dependent contractor and the Company shall remit the total contribution to the Trust aforesaid, not later than the twentieth (20th) day of the month for which coverage is required.

Section 9 - Termination of Coverage

Except as provided under Article 31 hereunder,

- (a) All coverages under the Plan will terminate at the end of the month in which lay-off or any other temporary interruption of employment commences.

- (b) If employment is terminated, coverage for the weekly indemnity and long term disability benefits will terminate immediately upon termination of employment and all other coverages will terminate at the end of the month in which termination of employment occurs.
- (c) It shall be the responsibility of the Company to advise the Administrator of the Plan in a timely fashion of termination of a member's coverage and the Company will be held responsible for any costs incurred by the Board of Trustees that result from late notification of termination of coverage.

Section 10 - Failure to Remit Contributions

It is agreed that, if the Company fails to remit contributions due under this Agreement on behalf of any eligible dependent contractor, the Company shall be liable for the payment of all benefits the dependent contractor does not receive from the Health and Welfare Plan but would have received had the Company remitted the required contributions.

Section 11 - General

- (a) It shall be the responsibilities of the Trustees of the Plan to provide all necessary enrolment and administrative forms to the Company.
- (b) It shall be the responsibility of the Company to provide the dependent contractor the necessary forms to enrol and make claim under the Plan.
- (c) It shall be the responsibility of the dependent contractor to cause such forms to be completed.

APPENDIX "C"
TEAMSTERS LOCAL NO. 31 UNION/INDUSTRY ADVANCEMENT FUND

The Teamsters Local No. 31 Union/Industry Advancement Fund shall be for the enhancement of all persons dependent upon any industry represented by Teamsters Local Union No. 31.

Starting May 1, 2002, the Employer shall make contributions of five cents (\$.05) per hour to a maximum of one hundred twenty-five hours (125) per month for which wages are payable hereunder for each dependent contractor covered by this Collective Agreement.

Payment of said funds shall be made to the Teamsters Local No. 31 Union/Industry Advancement Fund by the 15th of the month following that to which they refer.

This payment will be independent and separate from any other payment made to Teamsters Local Union No. 31.

LETTER OF UNDERSTANDING

BETWEEN: F & G DELIVERY LTD.

AND: TEAMSTERS LOCAL UNION NO. 31

The Parties agree that all damage claims and shortages will be treated as follows:

1. (a) There shall be a Damage Claims Committee put in place consisting of two (2) representatives from the Company and two (2) representatives from the Union. The Committee shall unanimously decide fault before a dependent contractor or his driver is penalized.
- (b) All potential claims and/or shortages must be reported to the Company or to the dispatcher as soon as feasibly possible and no later than twenty-four (24) hours upon incident. It shall be the responsibility of the dependant contractor or his driver to give to the Company in writing, within forty-eight (48) hours of incident any potential claim and/or shortage. Again, the Committee shall unanimously decide whether or not a dependent contractor or his driver followed the necessary guidelines as set out by the Company before a decision is rendered.
- (c) Penalties for claims and/or shortages will be as follows:
 - (i) Dependent contractor or his driver to pay \$100.00 for the first incident.
 - (ii) Dependent contractor or his driver to pay \$200.00 for the second incident.
 - (iii) Dependent contractor or his driver to pay \$500.00 for the third incident.
- (d) The one-hundred dollar (\$100.00) penalty for the first incident shall be waived by the Company if the dependent contractor or his driver is found to be at fault by the Committee during the first year of this Agreement.

(e) Please mark shipper load and count (SL&C) on all
billing where commodity is not or cannot be counted.

SIGNED THIS

TENTH

DAY OF DECEMBER, 2004.

FOR THE COMPANY

FOR THE UNION

Karl

[Signature]

Red Black

Paul Burgis
Lynnae Jean

LETTER OF UNDERSTANDING

BETWEEN: F. & G. DELIVERY LTD.

AND: TEAMSTERS LOCAL UNION NO. 31

The Parties hereby agree to the following:

1. The Company shall be held responsible for the action of the dependent contractor respecting compliance with the Motor Carrier Act and Regulations pursuant thereto only while such equipment is being--operated as specifically directed or authorized by the Company. The Company shall not direct a dependent contractor to haul without proper permits. Where possible, the Company shall use pilot cars operated by drivers who are members of Teamsters Local Union No. 31.
2. The Company and the dependent contractor shall each provide and maintain adequate insurance coverage specific to the areas of responsibility of each party and as required by statute. The cost of providing and maintaining such insurance coverages will be borne by the Company and the dependent contractor respectively. The dependent contractor shall provide and maintain such insurances as a condition of supplying dependent contractor service for the Company.

The insurance coverage to be provided and maintained is as follows:

Company	Dependent Contractor
Motor cargo	Vehicle/truck insurance
General liability	3 rd party liability \$2,000,000
WCB - office/dispatch	WCB - personal protection plan
Trailer insurance of company owned and rented	Trailer insurance on dependent contractor equipment

3. The dependent contractor shall display the name of the Company on the vehicle (refer to Letter of Understanding

Motor Carrier Commission and/or Motor Vehicle Regulations.

4. The dependent contractor shall be responsible for any expenditures made by the dependent contractor in the name of the Company subject to the dependent contractor having received authorization from the Company prior to the making of such expenditures. Such expenditures on his own equipment shall be subject to deduction by the Company **from** the dependent-contractor.
5. In addition, the Company shall assume complete financial responsibility for the following:

(a) M.C.C. Operating Authority Plates

(b) Painting or Installing of signs

~~(c) Cargo and Trailer Insurance~~ *Redundant*

SIGNED THIS

Twelfth

DAY OF *December*, 2004.

FOR THE COMPANY

FOR THE UNION

[Handwritten signature]

[Handwritten signature]

Bob Black
Paul Buzen
Lynnae Kern

LETTER OF UNDERSTANDING

BETWEEN : F&G DELIVERY LTD.
(The Company)

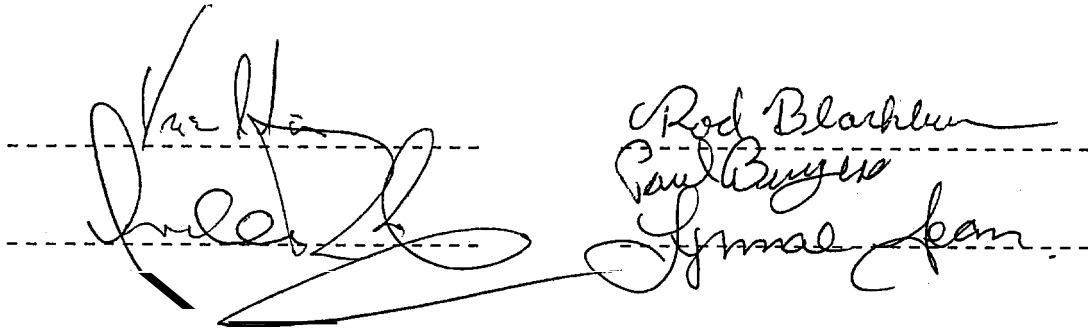
AND: TEAMSTERS LOCAL UNION NO. 31 (The Union)

The dependent contractor shall display the complete company sign as provided and paid for by the company on the doors or closest to the doors as possible as a condition of supplying dependent contractor service for the Company.

SIGNED THIS TENTH DAY OF DECEMBER, 2004.

FOR THE COMPANY

FOR THE UNION

The image shows two sets of handwritten signatures on a document. On the left, under the heading 'FOR THE COMPANY', there are two overlapping signatures. On the right, under the heading 'FOR THE UNION', there are three signatures: 'Rod Blackler', 'Paul Burgess', and 'James Jean'. The signatures are written in black ink on a white background with horizontal dashed lines.

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