

LETTER OF UNDERSTANDING

BETWEEN: CHASM SAWMILLS
AND: I.W.A. LOCAL 1-417
RE: MAINTENANCE COMPRESSED WORK SCHEDULE

PREAMBLE

The purpose of this Agreement is to provide a weekend maintenance shift that will allow the company to more efficiently perform maintenance during periods when the production facility is not operating.

POSITIONS INCLUDED UNDER THIS AGREEMENT:

This agreement covers Millwrights, Welders, Electricians and Apprentices. It is anticipated the crew for this weekend shift will consist of approximately four (4) Millwrights, one (1) Electrician, one (1) Welder and one (1) Apprentice. When there is a need or desire to change the size or makeup of this crew the changes will be discussed by both parties.

HOURS OF WORK:

Schedule #1

Friday-	Nine (9) hours, 6:00 a.m. to 3:30 p.m., with a one-half (½) hour unpaid lunch period. Nine (9) hours at straight time rate.
Saturday-	Eleven and one-half (11 ½) hours, 6:00 a.m. to 6:00 p.m., with a one-half (½) hour unpaid lunch period. Thirteen and one-half (13 ½) hours at straight time rate.
Sunday-	Eleven and one-half (11 ½) hours, 6:00 a.m. to 6:00 p.m., with a one-half (½) hour unpaid lunch period. Seventeen and one-half (17 ½) hours at straight time rate.

Schedule #2

Saturday- Eleven and one-half (11 ½) hours, 6:00 a.m. to 6:00 p.m., with a one-half (½) hour unpaid lunch period.

Thirteen and one-half (13 ½) hours at straight time rate

Sunday- Eleven and one-half (11 ½) hours, 6:00 a.m. to 6:00 p.m., with a one-half (½) hour unpaid lunch period.

Seventeen and one-half (17 ½) hours at straight time rate.

Monday- Nine (9) hours, 6:00 a.m. to 3:30 p.m., with a one-half (½) hour unpaid lunch period.

Nine (9) hours at straight time rate.

ADJUSTMENT:

An adjustment will be made by payroll to provide forty (40) hours pay at straight time rates for the above work schedules, providing the full shift is worked, otherwise hours worked will be hours paid for.

STATUTORY HOLIDAYS:

1) Employees will be expected to work all Statutory Holidays, if it falls on their regular scheduled shift. An employee may request, during the calendar year, to take one (1) statutory holiday off which falls on either a Friday or a Monday as part of their regular schedule and receive nine (9) hours straight time pay. This request may be granted by Management subject to mill and manning requirements. Exceptions to the above will be Christmas Day, Boxing Day, and New Years Day which will be considered down days.

2) An employee will be paid eight (8) hours straight time for any Statutory Holiday falling on an unscheduled work day.

3) An employee will be paid rate and one half (1 ½) for hours worked plus eight (8) hours straight time rate, for all Statutory Holidays falling on a scheduled work day, except Christmas Day, Boxing Day and New Year's Day.

4) An employee will be paid for the hours they would have received for Christmas Day, Boxing Day and New Year's Day, if those days fall on a normally scheduled work day.

BEREAVEMENT LEAVE:

Bereavement Leave shall be pursuant to Article XI Section 6 of the Collective Agreement, with the following exception "the maximum straight time hours to be paid will be twenty-four (24)".

JURY DUTY:

Jury Duty for the first week shall be based on hours that otherwise would have been paid, and for subsequent weeks, shall be pursuant to Article XI – Leave of Absence.

DAY SHIFT:

All hours worked under the above schedules are considered day shift hours.

REST PERIODS:

On Friday and Monday, there will be one ten minute coffee break in the first half of the shift and one ten minute coffee break in the last half of the shift. On Saturday and Sunday there will be one fifteen minute coffee break in the first half of the shift, and one fifteen minute coffee break in the last half of the shift.

MEAL ALLOWANCE:

Meal allowance will be according to the Collective Agreement, Article VII, Section 9.

FILLING THE WEEKEND SHIFT:

The term for each position will be three (3) months. At the end of the term, if an employee wants to get off the shift the employee must give the employer fourteen (14) days written notice. If an employee wishes to get off the weekend shift during the three (3) month term, the employee may do so provided the employee gives two (2) weeks written notice and a replacement can be found to complete the term. If no replacement can be found then the employee must finish the three (3) month term.

SELECTION OF EMPLOYEES:

- 1) Employees will be selected on a voluntary basis, in line with manning requirement for the weekend shift, competency considered.
- 2) Where there are no volunteers, employees will be selected on a reverse seniority basis, in line with manning requirements for the weekend shift, competency considered.

VACATIONS WITH PAY:

- 1) Under the Regular Job Rate Method, vacation pay will be based on hours paid rather than hours worked.
- 3) An employee who is scheduled to work on the above schedules, and who is on vacation, shall be treated as have taken one weeks vacation entitlement.

HEALTH AND WELFARE, EI AND WORKERS' COMPENSATION:

An employee who is scheduled to work on the above schedules shall continue to be classified as a regular full-time employee for benefit eligibility purposes. The company will notify E.I. and WCB of the compressed work week.

LONG TERM DISABILITY PLAN:

The Company contribution to the Long Term Disability Plan for any employee who works the established hours under the above schedules shall be at forty (40) hours per week. The employee who works the established hours under the above schedules shall contribute to the Long Term Disability Plan on the basis of forty (40) hours per week.

GENERAL PRINCIPLES:

As per Supplement No. 8, Section 9, there shall be no premium pay paid to any employee whose rest days are changed because of the implementation or discontinuance of an alternate shift schedule.

Note:

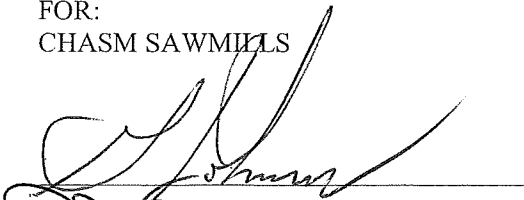
Employees voluntarily re-entering or leaving Schedule #1 or Schedule #2, prior to its discontinuance, shall have no premium pay paid for rest days changed.

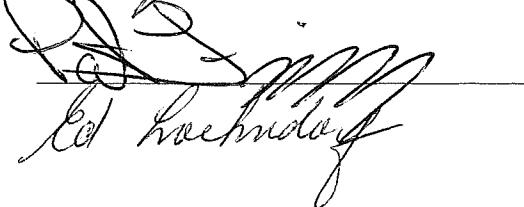
TERMINATION:

This agreement may be terminated by either party upon thirty (30) days written notice and the said termination shall be effective upon the expiry of the thirty (30) day notice period.

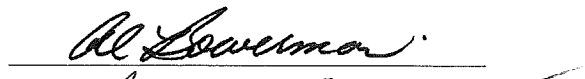
This agreement dated the 16th day of MAY 2002.


FOR:
CHASM SAWMILLS




Ed Schneider

FOR
IWA - CANADA, LOCAL 1-417





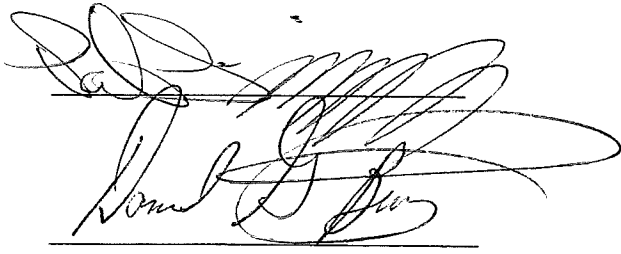
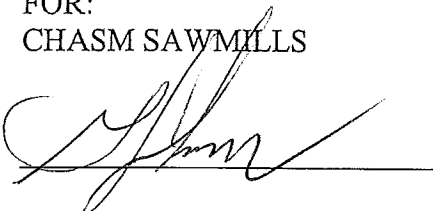
APPENDIX I

TO: MAINTENANCE COMPRESSED WORK SCHEDULE
BETWEEN: CHASM SAWMILLS
AND: I.W.A. LOCAL 1-417
SIGNED & DATED: MAY 16, 2002

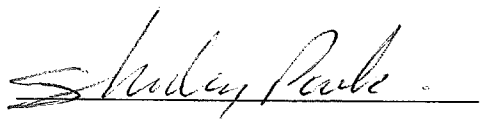
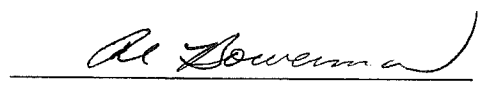
Further to the positions included under this agreement, the Heavy Duty Mechanics will also, if needed, be covered under this agreement.

This agreement dated the 15th day of JUNE, 2004.

FOR:
CHASM SAWMILLS



FOR:
IWA-CANADA, LOCAL 1-417



Appendix II

BETWEEN: CHASM SAWMILLS

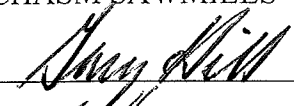
AND: U.S.W.A LOCAL 1-417

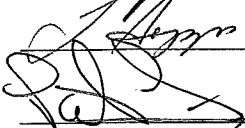
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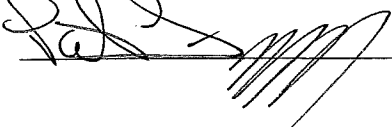
Further to the positions included under this agreement, an Oiler position will also, if needed, be covered under this agreement.

This agreement dated this 7th day of December, 2005

FOR:
CHASM SAWMILLS







FOR:
USWA 1-417

