

**LABORERS'
HORIZONTAL DIRECTIONAL DRILLING
AGREEMENT**

2022 - 2026

BETWEEN

**SOUTHERN CALIFORNIA CONTRACTORS
ASSOCIATION, INC.**

AND

**SOUTHERN CALIFORNIA DISTRICT COUNCIL OF
LABORERS**

**AND ITS AFFILIATED LABORERS' LOCAL UNION
NO. 1184**

LABORERS 2022-2026 HORIZONTAL DIRECTIONAL DRILLING AGREEMENT

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LABORERS' HORIZONTAL DIRECTIONAL DRILLING AGREEMENT

This Agreement made and entered into this 1st day of July 2022, by and between the **Southern California Contractors Association, Inc.** on behalf of the **Horizontal Directional Drilling Contractors**, hereinafter referred to as the **Contractors**; and, the **Southern California District Council of Laborers** affiliated with the Laborers' International Union of North America, AFL-CIO, on behalf of itself and on behalf of its affiliated **Laborers' Local Union No. 1184**, which have jurisdiction over the work covered by this Agreement, hereinafter referred to as the **Union**.

PURPOSE

The Contractors are engaged in the business of horizontal directional drilling, including subsurface utility imaging services locating, ground penetrating radar and radiography, and related work activities in Southern California. In the performance of their contracting operations the Contractors are employing and will employ workers. It is the desire of the parties to establish uniform rates of pay, hours of employment and working conditions for workers employed by the Contractors and to provide, establish and put into practice effective methods for the settlement of misunderstandings, disputes or grievances between the parties hereto, to the end that the Contractors are assured continuity of operation and workers are assured continuity of employment.

ARTICLE 1

GENERAL PROVISIONS

The term "Association" shall refer to the Construction Industry Advisory Group on behalf of the Horizontal Directional Drilling Contractors.

The term "Contractor(s)" or "Employer" shall refer to a person, firm or corporation party to this Agreement.

The term "Union" means the Southern California District Council of Laborers and its affiliated Local Union, Laborers Local Union No. 1184.

The term "Worker" or "Workers," as used herein, shall refer to a person or persons, in the labor market who are not employed.

The term "Employee(s)" as used herein, shall refer to the employed person, or persons, working in the jurisdiction covered by this Agreement.

The term "Superintendent", as used herein shall refer to an employee who does not work with the tools of the trade and who may supervise employees working at the trade.

ARTICLE 2

RECOGNITION OF BARGAINING REPRESENTATIVES

A. The Union hereby recognizes and acknowledges that the Association is the exclusive bargaining representative for its respective eligible members, present and future, who are or who become bound by this Agreement. The Union agrees that during the term of this Agreement it will not negotiate or enter into any agreement with such individual members of the Association relative to part or all of the subject matter covered by this Agreement.

1. The Association shall give the Union written notice of any new member who desires to be bound to the Agreement through the assignment of bargaining rights to the Association within ten (10) days of the Contractor's assignment of bargaining rights. The Association recognizes the Union's right to sign or not sign a Contractor at its discretion, and the Union will notify the Association of the acceptance or rejection of the Contractor within ten (10) business days of the Association's notice.

B. Subject to the provisions of Article 1.A.1, this Agreement shall be binding upon each and every eligible member of the Association with the same force and effect as if this Agreement were entered into by each eligible member individually. All eligible members of the Association shall remain jointly and severally liable under this Agreement for the term of the Agreement irrespective of whether the member shall resign or be suspended from the Association prior to the expiration date of this Agreement, and such liability shall survive the termination or suspension of membership and remain in force during the term of this Agreement, provided, however that as to such former or suspended member, the provisions of Article 7 and Article 8 shall not be applicable or in force from and after the time when a member resigns or is suspended from the Association. In addition, such former or suspended member shall then be bound to the Laborers' Short Form Agreement for the Construction Industry (Horizontal Directional Drilling Short-Form Agreement).

C. The Association and the Contractor hereby recognize the Union as the sole and exclusive collective bargaining representative of all employees and persons employed to perform work covered by this Agreement. Upon being presented with evidence that a majority of the individual Contractor's employees have signed an authorization to have the Union represent them, the Contractor shall execute an acknowledgment to that effect recognizing the Union as the bargaining representative of its employees under § 9(a) of the National Labor Relations Act. It is understood that the Union does not at this time, nor will it during the term of this Agreement, claim jurisdiction over the following classes of employees: executives, civil engineers and their helpers, superintendents, assistant superintendents, master mechanics, timekeepers, messenger boys, office workers or any employees of the Contractor above the rank of craft foreman.

ARTICLE 3

COVERAGE AND DESCRIPTION

A. Geographical Coverage: This Agreement shall apply to the area generally known as the Twelve Southern California counties and more particularly described as the Counties of Los Angeles, Orange, San Bernardino, Riverside, San Diego, Imperial, Ventura, Santa Barbara, San Luis Obispo, Kern, Inyo, and Mono. This Agreement shall also apply to the offshore islands of Southern California: Namely, Richardson Rock, Santa Cruz Island, Arch Rock, San Nicholas Island, Santa Catalina Island, San Miguel Island, Santa Barbara Island, San Clemente Island, Santa Rosa Island, Anacapa Island, including the Channel Islands Monument.

B. This Agreement is made for and on behalf of and shall be binding upon all eligible persons, firms or corporations who at the time of execution of this Agreement are, or during the term hereof become, eligible members of the Association.

C. Each individual Contractor, whether corporate or other legal entity, or its successor, shall be liable under, subject to and bound by this Agreement. It is agreed that the wages, hours and working conditions of this Agreement are the wages, hours and working conditions in the area covered by this Agreement.

D. This Agreement is separate and distinct from and independent of all other Agreements entered into between the Union and other Contractor organizations irrespective of any similarity between the Agreement and any such other Agreements, and no acts or things done by the parties to such Agreement or notices given pursuant to the provisions thereof, shall change or modify this Agreement or in any manner affect the contractual relationship of the parties to this Agreement, except as otherwise provided in Article 4 (Existing and Other Agreements).

E. This Agreement shall apply to and cover all horizontal directional drilling including subsurface utility imaging services and related work performed on jobsites or projects as part of the drilling operation by the Contractor or the subcontractor of the Contractor, which includes but not limited to:

1. All work in connection with horizontal directional drilling crews, surface and pit launch directional drills, referencing and documenting on-site operations and activities with the use of a drone associated with HDD work covered by this Agreement, including loading and unloading of material and equipment by any means, incidental work for bore pits and restoration of the site, tracking systems used to guide such bores such as walkover, wireline, electronic, laser and global positioning tracking systems, vacuum, mucker, potholing for utilities including fiberoptic, vibratory plow, operation of electronic tracking device (locator or laser), subsurface utility imaging services, operation of Trimble equipment, for locating, designating, depicting and mapping underground utilities and structures by means of imaging and other geophysical methods and systems including locators, concrete x-ray, locatable ramrods, robotic and hand push cameras, lateral launch, metal detectors, push rods, ground penetrating radar, radiography, sondes, transondes and any equipment used in connection thereof, drilling crew foreman and leadman, operation of

horizontal directional drills without regard to motive power, size of drill bit, or self-contained nature of the machine, operation of all small skid steer loaders, any operation that employs trenchless technology for installation of HDPE (high-density polyethylene, carrier unit driver, bentonite material handler, ground drilling hand driver controller for loading and unloading the horizontal directional drill rig, pipe service installer, pneumatic tool operator including suction pump, oiler, volumetric mixer trucks self-contained and trailer-mounted units, pipe luber, backhoe, recycler, vac truck, suction truck, water truck and any other similar services.

2. Potholing for utilities including fiberoptic and vac truck described in subsection 1 above includes all work in connection with the use of hydro-vac equipment and its component parts, such as wand, vacuum hose, and hydraulic boom operated by remote control, in the performance of soft excavation to dislodge sludge, slurry and other debris sucked up by the incorporated vacuum; excavation of earth and rock, pot holing, digging and trenching with the use of a wand attachment that shoots pressurized water in connection with both the locating and excavating utility lines, daylighting, line and pole installation, and sewer cleaning. Hydro-vac equipment includes hydro-vac units, truck mounted hydro-vac units and trailer-mounted hydro -vac units that include a vacuum/suction hose and a water pump with a wand attachment and shoots highly pressurized water. This Agreement also covers air-vac operations that include the use of air-vac equipment instead of water for the same or similar purposes as hydro-vac operations.

3. Use of robotic and artificial intelligence whether autonomous or operated, for work covered by this Agreement.

4. Whenever any work covered by this Agreement is to be eliminated or modified by the introduction of any new machine, mechanized process, new or different materials, or new or different method or technology with respect to the performance of such work, persons employed under this Agreement and subject thereto, will be given preference for employment and will be assigned such work where it is not in conflict with International jurisdictional agreements with respect to such new machine, mechanized process, new or different material, or new or different method or technology; and the use of any such new machine, mechanized process, new or different material, or new or different method or technology shall be subject to and covered by this Agreement, regardless of the nature, size or characteristics of such new machine, mechanized process, new or different material, or new or different method or technology.

5. All work in the Contractor's permanent and temporary yards, including but not limited to stock piling, loading and unloading material which have been particularly provided or set up to handle work in connection with jobs or projects covered by the terms of this Agreement.

F. In the event the Contractor performs any work not covered by this Agreement but within the scope of the Southern California Master Labor Agreement ("MLA") between the Union and the Association, the Contractor shall be bound to the terms and conditions of the

MLA in the performance of such work.

G. Classifications listed in this Agreement which are not listed under this Article shall be included in the coverage and description of Laborers' horizontal directional drilling work claimed just as though incorporated in full in this Article. This does not restrict laborers from performing other work.

ARTICLE 4

EXISTING AND OTHER AGREEMENTS

A. In the event the Union establishes special conditions for work covered by this Agreement, those special conditions shall be made available to the Contractor or individual Contractors who wish to perform the designated work in the same locality.

B. The Union will promptly notify the Contractor and the Association in writing of any amendment, modification, exception or addendum of this Agreement which might be negotiated in any area covered by this Agreement between the Union, an individual employer or group of individual employers. No Contractor signatory hereto shall be required to pay higher wages or be subject to less favorable working conditions than those applicable to other Contractors employing workers covered by the terms of this Agreement.

C. The provisions of this Article do not apply to special projects, jobsite agreements which may be negotiated in any area covered by this Agreement.

D. This Agreement shall be deemed to be executed when the parties signing shall have affixed their signatures hereto.

ARTICLE 5

DISPATCHING PROCEDURES - HIRING HALL PROVISIONS

A. In the employment of workers for all work covered by this Agreement, the following provisions shall govern:

1. The Local Union shall establish and maintain an employment facility at which it shall establish and maintain an open and non-discriminatory employment list for the use of applicants for employment in the geographical area covered by this Agreement. The employment list shall be limited to workers seeking employment for work covered by this Agreement.

2. Applicants shall be entitled to registration on and dispatch from the employment list subject to the provisions of this Article.

3. Applicants shall be registered on the employment list in the order of time and date of registration. There shall be three groupings in the out-of-work list as more particularly described in this Article.

4. Each applicant for employment shall be required to furnish such data, records, names of employers, length of employment, areas where employment is desired or other information as may be considered necessary to the operation of said employment lists and each applicant shall complete prior to registration such forms for recording such information as may be submitted to the applicant. Applicants shall list any special skills which they may possess.

5. The Contractor shall first call the employment facility and the employment facility shall immediately dispatch to the Contractor the number of qualified and competent applicants of the classifications needed and requested by the Contractor. The Contractor may require as a condition of dispatch that the applicant possess safety certifications that are available through the Laborers Training and Retraining Trust or the Horizontal Directional Drilling Training Trust, and related to the work to be performed for the Contractor. The employment facility shall dispatch workers pursuant to the provisions of this Agreement and in accordance with its internal hiring hall rules.

6. It shall be the responsibility of the Contractor, when ordering workers, to give the employment facility all of the pertinent information regarding the prospective employment, including skills, qualifications and safety certifications related to the work to be performed by the Contractor (provided such certifications are available through the Laborers Training and Retraining Trust or the Horizontal Directional Drilling Training Trust).

7. The employment facility will furnish in accordance with the request of the Contractor each such qualified and competent applicant from among those registered on said employment list to the Contractor by use of a written dispatch slip stating information pertinent to the prospective employment, in the order of preference stated below. The selection of applicants for dispatchment to jobs shall be on a non-discriminatory basis and shall not be based on, or in any way affected by Union membership, by-laws, rules, regulations, constitutional provisions, or any other aspect or obligation of Union membership, policies or requirements. The order of preference in the dispatchment of applicants for employment is as follows:

Group A: The Contractor may request for employment any person registered on the out-of-work list out of order for any reason; provided, however, that the person has performed covered work under this Agreement in the area covered by this Agreement at any time.

Group B: Applicants whose names are entered on the employment list of the Local Union and who are available for employment. Qualified and competent

workers in Group B shall be referred on a first-in, first out basis; that is, the first man registered in that group shall be the first man referred.

Apprentices: The Local Union, through the Joint Apprenticeship Committee, shall dispatch Apprentices from a separate list on a first-in, first-out basis: that is, the first person registered in that group shall be the first person referred; provided, however,

a Contractor may request an Apprentice by name and such Apprentice shall be dispatched regardless of the Apprentice's placement on the list.

8. Notwithstanding the provisions of this Article, a worker shall be given preference in the order of dispatch under any of the following circumstances:

a. A Contractor becomes newly bound to this Agreement and requests the dispatch of its existing employees at the time the Contractor becomes bound.

b. A Contractor agrees to sponsor an employee by submitting to the Union a letter of sponsorship of the employee indicating the Contractor's intent to employ the worker on a full-time basis; provided, however, the Union must be notified prior to the employee starting work for the Contractor and the employee must be properly dispatched by the Local Union.

c. A worker is stripped from a non-union employer and is dispatched to a Contractor.

d. A worker is a certified job steward and is dispatched to the job to act in such capacity.

No more than 25% of the Contractor's entire workforce employed under this Agreement may be persons requested under subsection b, c and d, above, unless otherwise agreed to in writing by the Union. If the Contractor violates any provisions of this paragraph, the Union has the right to declare that no further employees may be dispatched as sponsored employees.

9. When ordering workers, the Contractor will give notice to the Union, or its agents, not later than 2:30 P.M. of the day prior (Monday through Friday), or in any event, not less than 17 1/2 hours before the required reporting time; and in the event that 48 hours after such notice, the Union, or its agents, shall not furnish such workers, the Contractor may procure workers from any other source or sources. If workers are so employed, the Contractor will immediately report to the Union, or its agents, each such worker by name.

B. 1. New employees who have not worked under this Agreement may be employed by the Contractor as a Journeyman, if so requested by the Contractor and if in accordance with this Agreement. Otherwise, all such employees should be screened and tested by the Joint Apprenticeship Committee to determine whether the employee is a journeyman or should be registered as an apprentice.

2. In the event an employee is employed as a Journeyman at the request of a Contractor pursuant to section 1, above, and leaves the employment of the Contractor and returns to the Local Union for dispatch, the employee shall be referred to the Joint Apprenticeship Committee for screening and testing to determine whether the employee shall maintain journeyman status or should be registered as an apprentice. The JAC's decision shall determine whether the employee is placed on the journeyman or apprentice out-of-work list for dispatch to another employer.

C. All employees covered by this Agreement shall be, or become, on the eighth (8th) day after employment or on the eighth (8th) day after the execution of this Agreement, whichever is later, and remain continuously, members in good standing of the Union signatory hereto through its affiliated Local Union having work and area jurisdiction and on whose behalf this Agreement is executed as a condition of employment. Membership in such Union shall be available upon terms and qualifications not more burdensome than those available at such times to other applicants for membership to such Union. The Contractor shall, if he is furnished with his employee's written authorization to do so, deduct the sum certified by the Union as the amount owing for initiation fees, reinstatement fees and regular monthly dues from the employees paycheck and transmit these deductions to the Local Union not later than the 15th day of the month following the month in which the deductions were made. The employee's authorization shall be irrevocable for a period of one year from the date of execution and shall renew automatically from year to year thereafter, unless the employee, by written notice served upon the Local Union and the Contractor, within fifteen (15) days following the first year or any year thereafter, revokes the authorization.

D. The Contractor shall discharge any employee pursuant to the foregoing section upon written notice from the Union of such employee's non-payment of initiation fees or dues. Such written notice shall indicate the amount of initiation fees or dues which are in a state of delinquency and shall give the employee forty-eight (48) hours within which to cure the delinquency. The Contractor agrees to furnish a copy of such notice to the employee forthwith. The Union will hold the Contractor harmless for compliance with this section.

E. Subject to the foregoing, the Contractor shall have complete freedom of selectivity in hiring and the Contractor retains the right to reject for any reason any job applicant referred by the employment facility. Contractor may discharge any employee for any cause which he may deem sufficient, provided there shall be no discrimination on the part of the Contractor against any applicant or employee, nor shall any such employee be discharged by reason of any Union activity not interfering with the proper performance of his work.

F. The parties agree that based on the nature of the Contractor's work, the employer shall be free to move employees within the jurisdiction of the Northern California District Council of Laborers and the Southern California District Council of Laborers, without violating any provision of this Agreement. Further, the Contractor agrees to pay all fringe benefits contributions on behalf of employees covered by this Agreement for hours worked or paid for in the geographic jurisdiction of this Agreement in accordance with and to the Trust Funds specified in Article 16 and Article 17.

G. Supplemental Dues.

1. Subject to the following conditions, the Contractor agrees that he shall, if he is furnished with his employee's written authorization to do so, deduct the sum certified by the Union from the amounts required to be paid by the third paragraph of Attachment No. 1 to this Agreement for each employee covered hereby for each hour worked or paid for, including travel time pay, in each payroll period as special supplemental dues. In implementing the foregoing, the parties have heretofore established the Laborers Vacation Dues Reconciliation Trust (hereinafter "Dues Trust") as agent for the purpose of receiving

and holding written authorization cards and for receiving, holding, allocating and distributing the dues monies.

2. Said supplemental dues shall be transmitted to the Dues Trust concurrently with, but not as a part of the employer's monthly vacation contributions with respect to his employees covered by this Agreement to the Construction Laborers Vacation Trust for Southern California. All sums deducted by the employers pursuant to the provisions of this Article shall, from the instant of their deduction, be considered dues if proper authorization shall have been furnished. All other sums transmitted by the employers pursuant to the provisions of this Article shall from the instant of their transmittal, be considered vacation contributions if no such proper authorization shall have been furnished, and shall be held by the Vacation Trust for the account of the employee. Prior to deposit in the separate bank accounts of the Dues Trust, on the one hand, and the Vacation Trust, on the other, the bank shall separate the funds transmitted into dues and vacation contributions, respectively, based upon whether or not a proper dues deduction authorization shall have been filed. The bank shall then deposit such sums in the account of the appropriate Trust referred to in this Article. The Union shall bear the entire responsibility for furnishing the written authorization referred to above. All costs incidental to receipt, administration and remittance to the Union of the supplemental dues payments shall be borne solely and entirely by the Union. This provision shall not reduce the obligations of the Contractor to pay the full amount of vacation contributions specified in this Agreement. All written authorizations referred to above shall be irrevocable for a period of one year from the date of the execution and shall renew automatically from year to year thereafter, unless the employee, by written notice served upon the Union and/or the Dues Trust, as agent for the Contractor, within fifteen (15) days following the first year or any year thereafter, revokes such authorization.

ARTICLE 6

SUBCONTRACTING, EMPLOYEE RIGHTS, UNION STANDARDS AND WORK PRESERVATION

A. The purposes of this Article are to preserve and protect work opportunities normally available to employees and workers covered by this Agreement, maintenance and protection of standards and benefits of employees and workers negotiated over many years, and preservation of the right of Union employees, employed hereunder, from being compelled to work with non-union workers.

B. A subcontractor is defined as any person (other than an employee covered by this Agreement), firm or corporation, who agrees orally or in writing to perform, or who in fact performs for or on behalf of an individual Contractor, or the subcontractor of an individual Contractor, any part or portion of the work covered by this Agreement.

C. Neither the Contractor nor any Subcontractor on the jobsite will subcontract any work which is performed by the Contractors in public streets, rights of way, or utility easements for the installation, maintenance, repair, treating, reconditioning, and replacement of fiber optics, television, telephone and any other communication systems,

pipelines, underground electric and/or communication duct systems, water, sewer, storm drain and gas lines, including similar types of work, or to be done at the site of construction, alteration, painting or repair of a building, structure or other work coming within the jurisdiction of the Union except to a person, firm or corporation party to an appropriate current labor agreement with the Union or with the appropriate Local Union.

1. The Contractor shall ensure compliance with the subcontracting provision contained in this Section by inserting into any subcontract for covered work the following language:

“Subcontractor acknowledges that Contractor has entered into the following labor agreements covering work at the construction jobsite with the Southern California District Council of Laborers and its affiliated Local Union 1184: Laborers’ Master Horizontal Directional Drilling Agreement, effective July 1, 2022 to June 30, 2026 (“Horizontal Directional Drill Agreement”). The subcontractor acknowledges and agrees that a copy of the Master Horizontal Directional Drilling Agreement is available to subcontractor.

“Subcontractor agrees that, as an essential condition to entering into this subcontract, it shall be bound to and comply with all of the terms and conditions of the Horizontal Directional Drill Agreement referenced above, including wages, trust fund contributions, working rules, the grievance/arbitration procedure and any other mechanism for the resolution of dispute contained in the Master Horizontal Directional Drill Agreement, on all covered work performed in the geographic area of the Master Horizontal Directional Drill Agreement. Subcontractor agrees that it shall be bound to the Master Horizontal Directional Drill Agreement, commencing with the first hour of work performed by its employees on this Project, and shall be bound to the Master Horizontal Directional Drill Agreement for all of its construction work, whether or not the work is performed for the Contractor, for the duration of the Master Horizontal Directional Drill Agreement, and until timely terminated pursuant to the terms of the Master Horizontal Directional Drill Agreement, for the duration of successor Master Horizontal Directional Drill Agreements.

“Subcontractor further agrees to require all its subcontractors and their subcontractors performing job site work of the type covered by the Horizontal Directional Drill Agreement referenced above to become bound to and comply with all of the terms and conditions of the Horizontal Directional Drill Agreement.

“Subcontractor acknowledges that the Southern California District Council of Laborers and its affiliated Local Union 1184, and the Construction Laborers Trust Funds for Southern California, are the intended third party beneficiaries of this contractual provision and may enforce this provision directly against Subcontractor.”

2. No later than thirty (30) calendar days after execution of a subcontract, as specified in subsection 1, above, with a subcontractor not previously signed to the Master Horizontal Directional Drill Agreement, the Contractor shall deliver a copy of the cover page, Labor Relations Clause, and signature page of the subcontract to the Union.

3. If the Contractor complies with both subsections 1 and 2 above, the Contractor shall not be liable for a breach of the subcontracting provisions of this Section as to that subcontract, provided however, the Contractor shall be liable for the subcontractor's delinquent Trust Fund contributions only to the extent, if any, that such liability otherwise exist under this Agreement.

4. In addition to any recovery of damages by the Union for a Contractor's violation of the subcontracting clause, the Trust Funds may recover damages in an amount equal to the full fringe benefit contribution rate in effect under this Agreement at the time of the violation, plus interest, audit fees, and liquidated damages, for each hour of covered work performed by the non-signatory Subcontractor's employees. Such damages shall be payable to the Vacation Trust and shall be damages and not for the benefit of any specific individual.

D. The Contractor shall provide in his contract with the subcontractor the following provisions: (1) "The subcontractor accepts and agrees to be bound by the procedures for settling jurisdictional disputes as set forth in Article 7 of this Agreement. The subcontractor agrees that he will bind his subcontractor to said procedures in the same manner and to the same effect as provided with respect to him," and (2) "The subcontractor acknowledges that the Contractor has entered into a labor agreement with the Southern California District Council of Laborers covering work at the construction jobsite. The subcontractor agrees to be bound to and comply with all of the terms and conditions of the appropriate labor agreement covering the work involved, including trust fund contributions."

E. Any dispute involving this Article will be resolved under the grievance procedure of this Agreement. An award of the Laborers Joint Adjustment Board may be judicially enforced. Notwithstanding any other provisions of this Agreement, the Union shall not have the right to use strike or any other economic action to enforce any provisions of this Article on subcontracting.

ARTICLE 7

STRIKES - LOCKOUTS - JURISDICTIONAL DISPUTES

A. It is the purpose and intent of the parties that all grievances or disputes arising between them over the interpretation or application of the terms of this Agreement shall be settled by the procedures set forth in Article 8 and that during the term of this Agreement the Union shall not call or engage in, sanction or assist in a strike against, or any slowdown, or stoppage of work of the Contractor. During the term of this Agreement, a Contractor shall not cause or permit any lockout of the employees covered under this Agreement.

B. Except as otherwise provided in this Agreement, there shall be no strike, lockout or work stoppage by any party hereto or any individual Employer.

C. No employee covered hereby may be discharged or permanently replaced by a Contractor for refusing to cross a primary picket line sanctioned by the Building and Construction Trades Council in the area or for engaging in any conduct protected by Sections 7 or 502 of the Labor-Management Relations Act of 1947, as amended.

1. If work on a project is declared to be unfair as the result of a primary dispute by a Building and Construction Trades Council in the area and the work thereon is stopped for that reason, the Union shall not be deemed to have violated this Agreement if, during the period of said work stoppage, the members of the Union fail to perform their work for the Contractor or their subcontractors.

D. There shall be no strikes, slowdowns or stoppages of work of the Employer or any individual Employer by reason of jurisdictional disputes between the Union, and any other union affiliated with the AFL-CIO. This Agreement expresses exclusively the work jurisdiction of the Laborers' International Union, and the Contractor shall make work assignments accordingly. Jurisdictional disputes will be settled by the unions themselves or submitted to the International Presidents of the unions involved in the dispute for determination. Until such time as a determination is made and confirmed by the disputing unions, or until the disputing unions indicate that such determination cannot be made, the work shall proceed as originally assigned by the individual Employer. The Contractor and the Union shall be and are bound by such determination and decision; a misassignment, if any is found, shall be promptly corrected by the Contractor for the specific project on which the jurisdictional dispute arose.

ARTICLE 8

PROCEDURE FOR SETTLEMENT OF GRIEVANCE AND DISPUTES

A. Grievances and disputes under this Agreement shall be adjusted between the Contractor and representatives of the Union having jurisdiction over the area where the work is being performed.

B. If the grievance or dispute is not satisfactorily adjusted by the Business Agent and the Contractor, or his representative, either party may refer the matter to the Joint Adjustment Board, provided that the Union and the Contractor, or his representative, have met at least once in an effort to settle the grievance or dispute. A Contractor shall refer a grievance or dispute to the Southern California District Council of Laborers. Upon receipt of such notice, containing the name of the Contractor and the Local Union directly involved, the date and place of occurrence and a brief statement of the nature of the grievance or dispute, the Southern California District Council of Laborers shall refer the matter to the Joint Adjustment Board.

No dispute, complaint or grievance shall be recognized unless called to the attention of the individual Contractor and the Association or the Local Union and the Union within fifteen (15) calendar days, except on discharges, which shall be seven (7) working days after the alleged violation occurred. In the event the Union or Contractor determines that further discovery is necessary prior to proceeding to the next step in processing the grievance, the grieving party shall notify the other party in writing and the time limits contained in this Article (other than for the filing of the grievance) shall be extended until the party has made a final determination of the facts giving rise to the dispute. The grieving party shall notify the other party in writing of when a final determination has been made.

C. Upon request of either the Union or the Association, the parties shall appoint a Joint Adjustment Board to be composed of two (2) representatives of the Contractors and two (2) representatives of the Union. The Contractors and the Union shall each have a total of two votes on the Joint Adjustment Board and not less than one (1) appointed by each party shall constitute a quorum. Each side shall have two (2) votes and a decision of the Joint Adjustment Board by majority vote shall be final and binding. The Joint Adjustment Board shall have the authority to perform the functions set forth in this Agreement. Upon referral of a grievance to the Joint Adjustment Board, and each party's appointment of its representatives to hear the grievance, the Joint Adjustment Board shall thereafter meet within ten (10) days, select its Chairmen and Secretary and hear the grievance.

D. The Joint Adjustment Board shall meet and act upon such matters referred to it, but in no event later than ten (10) working days after the referral. A decision shall be rendered within three (3) working days after the Joint Adjustment Board meets. In the event the Joint Adjustment Board does not reach a decision within three (3) working days or does not meet within ten (10) days of the grievance being referred to the Joint Adjustment Board, any dispute or grievance may be referred to arbitration by either or both parties within five (5) working days. The parties may attempt to agree on the arbitrator, but if they cannot do so within three (3) work days, either party may request a panel of seven (7) Arbitrators from the Federal Mediation and Conciliation Service serving the Southern California area. The party against whom the grievance is filed shall first strike a name of an Arbitrator on the panel, with the grieving party striking next; the striking of names shall continue in this order until there remains one name, who shall serve as the arbitrator. The time limits specified in this paragraph may be extended by mutual agreement. It is the intent of this paragraph that a decision of the Joint Adjustment Board shall be final and binding. Any and all decisions made by the Joint Adjustment Board or the Arbitrator shall be final and binding upon both parties to this Agreement, and enforceable in a court of competent jurisdiction.

E. 1. All expenses incurred and approved by the Joint Adjustment Board necessary for the consideration and decision of grievances and disputes submitted to it shall be borne by and divided equally by the Union and the Contractor. All fees and expenses of the Arbitrator shall be borne by the party against whom the Arbitrator rules.

2. All Employers signatory to this Agreement who are not members of the Association shall be subject to the provisions of this Section and any violation of this Agreement by said Employers shall be heard and determined by the Joint Adjustment Board as set forth in this Section. The cost, if any, of the Joint Adjustment Board and the cost of any dispute or grievance referred to the Arbitrator involving an Employer who is not a member of the Association shall be borne totally by the losing party whether non-member Employer or Union. The Association shall be held harmless by the Union and the Employer signatory to this Agreement involved in such grievance who is not a member of the Association from all cost and expense incurred by them or on their behalf in the administration for the resolution of grievances or disputes provided in this Section. The cost of the Joint Adjustment Board and the cost of any dispute or grievance shall include the reasonable costs incurred by the Association and administrative staffs in the handling and processing of said dispute or grievance as an administrative fee. This administration fee shall not include any charge or assessment for the attendance or participation of Contractor members of the Joint

Adjustment Board.

F. If there is any question as to which is the losing party, or if a case is referred back to the parties without decision, or if there are decisions against more than one of the parties, the Chairman is authorized and requested to determine who shall pay the fees and may in such case order a sharing of such fees. In such event the decision of the Chairman on this issue shall be final and binding.

G. No jurisdictional disputes shall be submitted for determination to the Joint Adjustment Board but shall be determined in the manner provided in Article 7 of this Agreement.

H. All grievances, other than jurisdictional disputes, arising out of the interpretation or application of any of the terms or conditions of this Agreement shall be submitted for determination, and shall be determined, by the procedure set forth in this Article. No procedure herein provided for shall have the authority to modify, vary, change, add to or remove any of the terms or conditions of this Agreement.

I. Each action and/or decision of the Joint Adjustment Board and each action and/or decision of the Arbitrator regarding each grievance or dispute shall be made in writing and a copy of each sent to each interested party, particularly including separate copies to the Local Union and the Contractor directly involved, the Southern California District Council of Laborers and the Contractor Association signatory to this Agreement.

ARTICLE 9

CRAFT STEWARD AND BUSINESS REPRESENTATIVE

A. The Union business representative shall have access to the project and yards during working hours and shall make every reasonable effort to advise the Contractor or his representative of his presence on the project or in the yard.

B. The steward, if any, shall be a working employee appointed by the Union, who shall, in addition to his regularly assigned work, be permitted to perform during working hours, such of his steward duties, as outlined in Paragraph E, as cannot be performed otherwise. The Union agrees that such duties shall be performed as expeditiously as possible and the Contractor agrees to allow the performance of such duties as herein set forth. The Union shall notify the Contractor or his representative, in writing, of the appointment of no more than two (2) stewards, and send a copy to the Contractor's home office address.

C. The employee selected as the steward shall remain on the job as long as there is work being performed in a classification in which the employee is qualified to perform, except that upon completion of the job, the Contractor shall not be required to retain the steward in lieu of the foreman or key man upon reduction in force.

D. The Contractor or his representative, before laying off, or discharging the job steward for any cause other than stated in Paragraph E, below, shall notify the Union in writing of his

intent to do so two full working days prior to such intended layoff or discharge. The craft job steward shall not be discharged or laid off for the performance of his agreed upon duties when performed in accordance with this Article, or without just cause.

E. To promote harmony between the Union and the individual Contractor, the craft job steward shall be limited to and shall not exceed the following duties and activities:

1. Check the job referral of each employee dispatched under the terms of this Agreement to the Contractor.
2. Work with the Contractor's designated representative in charge of the job in an attempt to resolve disputes prior to the application of the grievance procedure.
3. Report to the Contractor's designated representative any employee covered by this Agreement who works for less than the negotiated wage scale, for less than the overtime rate or who goes to work without a referral.
4. Report to the Contractor's designated representative any work belonging to his craft being done by non-dispatched employees or by workers of another craft.
5. Report to his Business Representative infractions of the Agreement which have not been resolved between himself and the Contractor's designated representative.
6. Report any reckless or unsafe employees covered by this Agreement on the jobsite to the Contractor's designated representative or his Business Representative.
7. The job steward shall not:
 - a. Stop the Contractor's work for any reason.
 - b. Tell any worker or any employee covered by this Agreement that he cannot work on the job.
 - c. Initiate any physical altercation with any person on the jobsite.
8. Infraction of any of the rules in subparagraph 7 shall be cause for immediate dismissal of the craft job steward without any prior notice and this shall be the exclusive remedy for a violation of this section.
9. Any dispute in connection with this Article 9 shall be referred to the Grievance and Arbitration procedure of this Agreement.

ARTICLE 10

WORKING RULES

A. Single Shift:

1. Eight (8) consecutive hours, exclusive of meal period, between 5:00 a.m. and 6:00 p.m., shall constitute a day's work. Forty (40) hours, Monday 5:00 a.m. through Friday, 6:00 p.m. shall constitute a week's work. Starting time shall not be staggered.

2. All time worked before 5:00 a.m. and after 6:00 p.m., or all time worked in excess of eight (8) consecutive hours, exclusive of meal period, and all work performed or hours paid on Saturdays, Sundays, and holidays shall be paid at the appropriate overtime rate.

B. Multiple Shifts:

1. When so elected by the Contractor, multiple shifts may be worked for three or more consecutive working days except in cases of emergencies such as earthquakes, floods, fire or welfare of the community, provided that the Union is notified in writing twenty-four (24) hours in advance of the effective date of the starting of such multiple shift operations, provided however, that men working on multiple shifts shall not be interchangeable with those working on a single shift basis. All employees on multiple or single shifts commencing work prior to the established starting time, shall be paid at the applicable overtime rate. In no event shall the regular working hours of different shifts overlap nor shall any interval between shifts exceed the reasonable time necessary to change shifts, and in no event shall such interval exceed one (1) hour, except when a special shift is established in accordance with Paragraph E, Special Shifts.

(a) It is understood that a single and a multiple shift may work concurrently on a project.

2. When two (2) or three (3) shifts are worked, the first and second shift shall work eight (8) consecutive hours, exclusive of meal period, for which eight (8) hours of straight time shall be paid Monday through Friday and the third shift shall work seven (7) consecutive hours, exclusive of meal period, for which (8) hours straight time shall be paid, Monday through Friday. All time worked or hours paid for after seven hours worked or paid for on the third shift in one (1) day on Saturday, Sunday and holidays shall be paid for at the appropriate overtime rate.

3. Any time worked from Friday midnight to Sunday midnight, or on holidays or in excess of the regular shift hours or hours paid for shall be paid at the overtime rate except as provided in Subparagraph 4 of this Paragraph B.

4. The Friday graveyard shift ending on Saturday morning will be considered Friday work. The Saturday graveyard shift ending Sunday morning will be considered Saturday work. The Sunday graveyard shift ending on Monday morning will be considered

Sunday work.

C. 1. When so elected by the Contractor, a single shift starting at 5:00 a.m., 5:30 a.m., 6:00 a.m., 6:30 a.m., 7:00 a.m., 7:30 a.m., or 8:00 a.m., of four (4) ten (10) hour days may be worked for eight (8) or more consecutive days, excluding Saturdays, Sundays and holidays, provided the Union is notified in writing twenty four (24) hours in advance of the effective date of the starting of such shift. All employees working this shift shall work ten consecutive hours, exclusive of meal period, for which ten (10) hours of straight time shall be paid, Monday through Friday. All time worked before 5:00 a.m. or in excess of ten (10) hours in any one (1) day shall be paid for at the appropriate overtime rate. All hours worked in excess of forty (40) hours in any one week shall be paid at the appropriate overtime rate. Written notice shall be given to the Union in cases of deviation from the original starting time.

2. If the Contractor works for a period of less than eight (8) days, employees will then be paid at the appropriate overtime rate for all hours in excess of eight (8) hours for the days worked.

D. In the event, due to inclement weather, major equipment breakdown, or similar Act of God, it is not reasonably possible to complete forty (40) hours of work, on either an eight (8) hour day shift or ten (10) hour day shift, as outlined in Paragraphs A or C of this Article, on the first through fifth days of the workweek, then the balance of the forty (40) hours may be worked on Saturday at the straight time rate.

E. Special Shifts:

1. When the Contractor produces evidence in writing to the Union twenty-four (24) hours in advance of a bona-fide job requirement that work can only be performed outside, or in addition to, the regular day shift due to safety conditions or other requirements, an employee shall work eight (8) consecutive hours, exclusive of meal period, for which he shall receive eight (8) hours' pay at the straight time rate of pay, Monday through Friday. All time worked or hours paid for Saturday, Sunday and holidays shall be paid for at the appropriate overtime rate. In addition, when the above conditions exist and it is necessary to begin or end a shift during the hours specified in Paragraph B4 of this Article (for Saturday and Sunday work) in order for an employee to complete a forty (40) hour work week, the overtime rate will not apply. Otherwise, all time worked or hours paid for on Saturdays, Sundays and holidays and hours worked in excess of eight (8) hours, shall be paid for at the appropriate overtime rate. It is agreed, however, in the operation of this shift, no employee will lose a shift's work. Employees working this special Sunday shift shall receive fifty cents (\$.50) per hour in addition to his regular rate of pay.

2. If maintenance or remodeling work cannot be performed on the regular shift because of the fact that establishments cannot suspend operations during the day, a special single shift may be employed starting at the time designated by operations of the establishment, Monday through Friday. The employees on this shift will work eight (8) consecutive hours, exclusive of meal period, for which they shall receive eight (8) hours pay at the straight time rate.

F. It is agreed that the contractor and the Union may mutually agree, by telephone to be followed in writing, upon different starting or quitting times for any of the above shift arrangements.

G. Emergencies:

When it is mutually agreed that an emergency exists, such as earthquakes, floods or fire, the starting time for the shift may be made to fit the emergency and eight (8) hours in any twenty-four (24) hour period may be worked at the straight time rate. All other terms and conditions of this Agreement shall apply. Where Cal Trans declares work of an emergency nature, such work shall be considered emergency work under this Section.

H. Employees shall travel to and from their daily initial reporting place on their own time and by means of their own transportation. The Contractor shall be responsible for payment of wages from the reporting point, as ordered by the Contractor, to the jobsite and from job to job and return. However, employees who voluntarily report to a point for free transportation to the jobsite will not be compensated for the time en route and return. For offshore work, employees will receive travel pay at straight time rates from point of embarkation to jobsite and from jobsite to debarkation regardless of mode of transportation, which transportation shall be at the Contractor's expense. If no camp is furnished by the Contractor, such transportation shall be furnished daily.

ARTICLE 11

EQUAL EMPLOYMENT OPPORTUNITY

A. The Contractor and the Union will not discriminate against any person with regard to employment or Union membership because of his race, religion, color, sex, age, national origin, or ancestry and hereby declare their acceptance and support of existing laws. This shall apply to hiring, placement, training during employment, rates of pay or other forms of compensation, layoff or termination, and application for admission to Union membership. A violation of this paragraph shall be subject to the grievance procedure but not subject to the hearing procedure before the Joint Adjustment Board or arbitrator contained in Article 8.

B. If the Union is unable to refer applicants for employment to a Contractor in sufficient number, or sufficient type, as may be necessary to enable the Contractor to comply fully with minority or female hiring requirements imposed by its construction contract with any Federal, State or governmental body, commission or agency or to enable the Contractor to comply fully with all Federal and State Laws, Presidential Executive Orders, regulations, rules, directives or orders which cover hiring and which are applicable to the Contractor, the Contractor may directly recruit from any source such number of minority or female applicants acceptable to the Contractor as may be necessary to satisfy the Contractor's needs to effect such compliance. As an exception to the dispatch procedures in Article 5, the Union may dispatch workers who are not next in order, to aid the Contractor in complying with government requirements.

C. The Contractor shall submit to the Union, in writing, any such request for minority or female applicants for employment, together with a copy of the order, directive, rules or regulations pursuant to any such Presidential Executive Order, Federal, State or local law; the Construction project number; and a copy of the compliance order.

ARTICLE 12

FOREMAN

A. The selection of the employee who will be the Foreman is at the sole discretion of the Contractor. The Leadman may work with the tools of the trade.

B. Only Foremen who normally work with the tools of the trade during straight time periods, in addition to the performance of Leadman duties, may work with the tools of the trade during overtime periods. The need for and the number of Leadmen required for the performance of the work shall be determined by the Contractor.

C. All Foremen shall be paid no less than two dollars (\$2.00) per hour more than the hourly wage rate of the highest classification over which they have leadership. In the event the Contractor, at his option, elects to use a Foreman to supervise other Foremen, he shall be paid not less than two dollars \$2.00 per hour more than the hourly rate of the highest classified Leadman over whom he has leadership.

D. Except in case of emergency, if any of the employees not covered by this Agreement such as superintendents, assistant superintendents or master mechanics, shall act in the capacity of a Foremen or work with the tools of the trade or at the classifications covered by this Agreement, he shall be an employee under the jurisdiction of the Union.

ARTICLE 13

HOLIDAYS, PAYMENT OF WAGES, MEAL PERIODS, HEAT ILLNESS PREVENTATIVE RECOVERY PERIOD

A. Holidays

The following holidays shall be observed on the date designated by Federal Law: New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Veterans' Day, Thanksgiving Day, the day after Thanksgiving Day, and Christmas Day. All work performed on any of these holidays shall be paid at double the straight rate. If any of the above holidays should fall on a Sunday, the Monday following shall be considered a legal holiday. If Christmas or New Year's should fall on Saturday, the Friday preceding shall be considered a legal holiday. Work on such days shall be paid for at the holiday overtime rate provided herein. No work shall be performed on Labor Day except in case of extreme urgency when life or property is in imminent danger.

B. Payment of Wages

1. All wages shall be paid on a designated weekly payday and in no event shall the Contractor withhold more than five (5) working days. If the regular payday falls on a holiday, the employees shall be paid on the next regular workday. Employees shall be paid prior to the ending of their regular shift. In the event an employee is not paid prior to the ending of his regular scheduled shift, he shall be compensated in increments of one-half (1/2) hour at the applicable overtime rate until such time as he does receive his pay.

2. When men are laid off or discharged, they must be paid wages due them at the time of layoff or discharge. At such times as an employee is paid, he shall be furnished a personal record showing straight time and overtime hours paid and all deductions itemized for the current pay period. Such record shall show the employee's name, and the Contractor's name and address. In the event the Contractor fails to pay employees laid off or discharged, they shall be paid waiting time at the straight time rate of eight (8) hours per day, five (5) days per week, until the time such payment has been made.

3. An employee who quits shall be mailed his pay in full by certified mail to his last known address within seventy-two (72) hours, or be paid prior to leaving the job or project. If the employee has previously authorized electronic payment of wages, payment of the final check may also be made by electronic deposit as long as it meets the time criteria specified in this Article. In the event these stipulations are not met, he shall receive waiting time as noted above.

4. If a Contractor pays an employee by check, draft or voucher, which check, draft or voucher is subsequently refused payment because the Contractor has no account with the bank, institution or person on which drawn, or insufficient funds to his account at the time of presentation, the Contractor shall be required to issue only certified checks for all employees working under this Agreement on that job for the duration of the job on which said check was issued, and shall reimburse the employee immediately by certified check for the insufficient fund check issued and for the bank charges assessed.

5. When employees covered under the terms of this Agreement are employed at a higher rate of pay than the minimum established herein during any shift, the higher rate of pay shall apply on all time worked during that day.

6. The Contractor shall not discharge or discriminate against an employee under this Agreement because of any industrial injury incurred prior to employment, or the filing of a claim for worker's compensation benefits.

7. When an employee is injured while at work to the extent of being unable to work for the balance of the day, he shall be paid for a full day at his regular rate. His ability to work or not to work on the date of injury shall be determined by a qualified physician.

C. Meal Period

Employees shall not work more than five (5) consecutive hours without a one-half

(1/2) hour meal period. When employees work over five (5) hours without being provided with a one-half (1/2) hour meal period, they shall receive one-half (1/2) hour pay at the time and one-half (1½) hour rate, in addition to their normal straight time shift period of eight (8) hours.

D. The parties to this Agreement recognize Industrial Wage Order covering "On Site Construction, Mining, Drilling and Logging Industries." Any dispute or grievance arising from this Wage Order shall be processed under and in accordance with Article 8, Procedure for Settlement of Grievance and Disputes, of this Agreement. The grievance process of Article 8 shall be the exclusive method for resolving all alleged violations on this Wage Order and the time limitations of Article 8 shall apply.

Wherever the Wage Order refers to collective bargaining agreements, this Master Drilling Agreement shall be deemed to satisfy all of the requirements for treatment as a qualified collective bargaining agreement.

E. Heat Illness Preventative Recovery Period

A heat illness preventative cool-down recovery period shall be made available for employees working in high heat conditions in order to prevent heat illness in accordance with CAL OSHA requirements.

F. Final and Binding Grievance Resolution

All disputes concerning the payment of wages, meals rest periods, and/or heat illness preventative recovery periods are subject to the Procedure for Settlement of Grievance and Disputes in Article 8 and as outlined in Appendix B of the Agreement and must be brought to the attention of the Employer, in writing, by the Union or Employee within fifteen (15) calendar days of the alleged violation. Decisions resolving disputes arising out of the Procedure for Settlement of Grievance and Disputes shall be final and binding upon both parties.

G. Compliance with Regulations and Laws

1. This Agreement is intended to and shall be deemed to satisfy all of the requirements of a valid Collective Bargaining Agreement as referenced of Wage Order 16-2001 covering employment in "On Site Construction, Mining, Drilling, and Logging Industries." It is the intent of this Agreement to provide employees with a regular hourly rate of pay not less than 30% more than the state minimum wage. Should the wage rate for any classification not meet this requirement during the term of this Agreement, it shall be increased immediately in the amount needed to comply.

2. Any dispute, complaint or grievance arising from the provisions of Wage Order 16-2001, including its exemptions, shall be processed under and in accordance with Article 8, Procedures for Settlement of Grievances and Disputes of this Agreement.

3. Grievances processed under Article 8 shall be referred to as Contractual Disputes. Any dispute, complaint or grievance arising from regulations, orders and laws regulating or affecting employment as defined in Section A of Appendix B shall be referred to as Statutory Disputes, and the procedures set forth in Appendix B shall be the sole and exclusive remedy.

ARTICLE 14

SAFETY, REST PERIODS, DRINKING WATER, SIGNING OF DOCUMENTS

A. Safety

The Union shall cooperate (1) with the individual Contractor and with each other in carrying out all of the individual Contractor's safety measures and practices for accident prevention, and (2) employees shall perform their duties in each operation in such a manner as to promote efficient operations of each particular duty and of any job as a whole. Employees will acknowledge, in writing, having been given the Contractors safety measures and practices for accident prevention to satisfy OSHA or any other Agency requirement. The individual Contractors must post the name and address of their doctor and the compensation insurance carrier at the permanent yard.

1. An employee who has been found, through the grievance procedure, to have been unjustifiably disciplined or discharged for refusing to perform work which would endanger his health or safety, or the health or safety of any other employee, shall be reinstated in his former classification. This is not to be construed as a waiver of the employee's rights under Section 502 of the Labor Management Relations Act of 1947, as amended.

2. The Contractor shall be solely responsible for implementation and maintenance of such safety laws, rules, regulations, standards, orders and decisions. Neither the District Council nor the Local Union are responsible for such implementation or maintenance.

B. Rest Periods

1. Employees shall be given a rest period of not less than eight (8) hours between the termination of work including any overtime work, except for pre-shift overtime work up to a maximum of eight (8) hours, and the commencement of another straight time shift, unless performing emergency work which is not considered a normal job operation.

2. If employees do not receive the required eight (8) hour rest period, they shall be paid at the applicable overtime rate for each hour worked until they receive eight (8) hours rest off the job or project, regardless if a new workday starts or not.

C. Drinking Water

The Contractor shall furnish cool and potable drinking water in sufficient quantities for the needs of the employees and make available sanitary drinking cups and adequate toilet facilities in accordance with California State Law.

D. Signing of Documents

Workers and/or employees shall not be required to sign any documents other than those required by law. Under no circumstances will an employee be required to sign any other document and the Union shall not be held in violation of this Agreement for ceasing to work on a job or project where such demand is made by the Contractor.

ARTICLE 15

SUBSISTENCE AND SHOW UP PAY

A. Subsistence.

1. Effective August 1, 2006, subsistence shall be paid at the rate of one hundred dollars (\$100.00) per scheduled workday when the employee actually stays overnight near the jobsite. There shall be no prorating of subsistence.

2. In lieu of subsistence pay, the Contractor may provide and maintain acceptable room and board on or near the project seven (7) days per week in compliance with California State Laws, provided the Contractor pays at least \$50.00 per day for meals to the employee.

If this section is in conflict with either the federal Davis-Bacon Act or the California Labor Code as it relates to Public Works, then the Contractor shall pay subsistence in accordance with those statutes, provided, that the Contractor pay not less than is stipulated in this section.

B. Show Up Time. Any employee reporting for work at the regular starting time and for whom no work is provided, shall receive pay for two (2) hours at the stipulated rate for so reporting, unless he has been notified before the end of his last preceding shift not to report; and any workman or employee who reports for work and for whom work is provided shall receive not less than four (4) hours' pay; and if more than four (4) hours are worked in any one (1) day, he shall receive not less than six (6) hours pay; and if more than six (6) hours are worked in any one day, he shall be paid for actual hours worked.

If this section is in conflict with either the federal Davis-Bacon Act or the California Labor Code as it relates to Public Works, then the Contractor shall pay show up time in accordance with those statutes, provided, that the Contractor pay not less than is stipulated in this section.

ARTICLE 16

WAGES AND FRINGE BENEFITS

A. Overtime Rates

Time and one-half, except Sundays and holidays which are double time.

B. Hourly Wage Rates

Effective July 1, 2022: \$3.15 an hour allocated as follows:

Wage: \$1.80

Health & Welfare: \$.65

Annuity: \$.50

Vacation (Supp. Dues): \$.15

HHD Training Trust: \$.05

Based upon the above allocation, the following Wage Schedule and Fringe Benefit Schedule in Attachment # 1 become effective July 1, 2022:

The following hourly wage rates shall apply to the following classifications on all horizontal directional drilling and related work including subsurface utility imaging performed as part of the drilling operation covered by the terms of this Agreement:

	<u>Hourly Rate</u> Effective 7-1-22
GROUP I Drilling Crew Laborer	\$40.69
GROUP II Vehicle Operator/Hauler	\$40.86
GROUP III Horizontal Directional Drill Operator Small Skid Steer Loader Operator	\$42.71
GROUP IV Electronic Tracking Locator/Foreman Hydro-Vac, Air-Vac Operator Subsurface Imaging Laborer	\$44.71

FUTURE INCREASES (to be allocated by the Union)*

Effective July 1, 2023: \$3.20 per hour*
Effective July 1, 2024: \$3.30 per hour*
Effective July 1, 2025: \$3.40 per hour*

* Upon written notice to the Association at least thirty (30) days prior to July 1 of any year, the Union may allocate all or a portion of the future increases to (1) Hourly wage rate; (2) Health and Welfare; (3) Pension (including the Annuity Fund); (4) Vacation; (5) Apprenticeship and Training; (6) Supplemental Dues; (7) Center for Contract Compliance; (8) Any combination thereof.

In the event the wages in this Article are in conflict with either the federal Davis-Bacon Act or the California Labor Code as it relates to Public Works, then the Contractor shall pay wages in accordance with those statutes, provided, that the Contractor pay not less than is stipulated in this Article.

C. Health and Welfare

1. Contractors covered by the terms of this Agreement agree to pay to the Laborers' Health and Welfare Trust Fund for Southern California the sum designated in Attachment #1 of this Agreement for each hour worked or paid for on the classifications contained in this Agreement.

2. The Contractor may make voluntary contributions on behalf of supervisory employees above the rank of craft leadman in the amounts and manner to be determined by the Trustees.

3. Contractors covered by the terms of this Agreement approve and consent to the appointment of the Trustees designated by the Laborers' Health and Welfare Trust Agreement for Southern California and further ratify, confirm and consent to all acts heretofore taken in the creation and administration of said Trust by the joint Trustees, its agents and representatives, and agree to be bound by all the terms, conditions, provisions, privileges and obligations provided for by said Agreement and Declaration of Trust as same may be constituted in its original form, as amended, and as may be subsequently amended.

4. The Laborers Health & Welfare Trust for Southern California is party to a Money-Follows-The-Man-Agreement with the Northern California Laborers Health & Welfare Trust and other Laborers Health & Welfare Trusts, that permits employees whose home Trust is the Northern California Laborers Health & Welfare Trust or other participating Health & Welfare Trust to have contributions paid to the Laborers Health & Welfare Trust for Southern California transferred to those Trusts in accordance with and subject to the terms of the Money-Follows-The-Man Agreement. Pursuant to Subsection 1, above, all contributions for hours worked or paid must be made to the Health and Welfare Trust for Southern California.

D. Pension

1. Contractors covered by the terms of this Agreement agree to pay to the Construction Laborers' Pension Trust Fund for Southern California the sum designated in Attachment #1 of this Agreement for each hour worked or paid for on all classifications contained in this Agreement.

2. The Contractor may make voluntary contributions on behalf of supervisory employees above the rank of craft foreman in the amounts and manner to be determined by the Trustees.

3. Contractors covered by the terms of this Agreement approve and consent to the appointment of the Trustees designated by the Construction Laborers Pension Trust Agreement for Southern California and further ratify, confirm, and consent to all acts heretofore taken in the creation and administration of said Trust by the joint Trustees, its agents and representatives, and agree to be bound by all the terms, conditions, provisions, privileges and obligations provided for by said Agreement and Declaration of Trust as same may be constituted in its original form, as amended, and as may be subsequently amended.

4. The Construction Laborers Pension Trust for Southern California is party to a Money-Follows-The-Man Agreement with the Northern California Laborers Pension Trust, the San Diego Laborers Pension Trust and other Laborers Pension Trusts that permits employees whose home Trust is in the Northern California Laborers Pension Trust, the San Diego Laborers Pension Trust or other participating Pension Trusts to have contributions paid to the Construction Laborers Pension Trust for Southern California transferred to those Trusts in accordance with and subject to the terms of the Money-Follows-The-Man Agreement. Pursuant to subsection 1, above, all contributions for hours worked or paid must be made to the Construction Laborers Pension Trust for Southern California.

E. Annuity Fund

1. Contractors covered by the terms of this Agreement agree to pay to the Laborers Annuity Plan for Southern California the sum designated in Attachment #1 of this Agreement for each hour worked or paid for all classifications contained in this Agreement.

2. Contractors covered by the terms of this Agreement approve and consent to the appointment of the Trustees designated by the Construction Laborers Pension Trust Agreement for Southern California and further ratify, confirm, and consent to all acts heretofore taken in the creation and administration of said Trust by the joint Trustees, its agents and representatives, and agree to be bound by all the terms, conditions, provisions, privileges and obligations provided for by said Agreement and Declaration of Trust as same may be constituted in its original form, as amended, and as may be subsequently amended.

F. Vacation, Holiday and Sick Pay Fund

1. Contractors covered by the terms of this Agreement agree to pay to the Construction Laborers' Vacation, Holiday and Sick Pay Trust Fund for Southern California

the sum designated in Attachment #1 of this Agreement for each hour worked or paid for on all classifications contained in this Agreement.

2. Contractors covered by the terms of this Agreement approve and consent to the appointment of the Trustees designated by the Construction Laborers' Vacation, Holiday and Sick Pay Trust Agreement for Southern California and further ratify, confirm, and consent to all acts heretofore taken in the creation and administration of said Trust by the joint Trustees, its agents and representatives, and agree to be bound by all the terms, conditions, provisions, privileges and obligations provided for by said Agreement and Declaration of Trust as same may be constituted in its original form, as amended, and as may be subsequently amended.

G. Training/Apprenticeship Funds

1. Contractors covered by the terms of this Agreement agree to pay to the Laborers' Training and Retraining Trust Fund for Southern California the sum designated in Attachment #1 of this Agreement for each hour worked or paid for on all classifications contained in this Agreement.

2. Contractors covered by the terms of this Agreement approve and consent to the appointment of the Trustees designated by the Laborers' Training and Retraining Trust Agreement for Southern California and further ratify, confirm, and consent to all acts heretofore taken in the creation and administration of said Trust by the joint Trustees, its agents and representatives, and agree to be bound by all the terms, conditions, provisions, privileges and obligations provided for by said Agreement and Declaration of Trust as same may be constituted in its original form, as amended, and as may be subsequently amended.

3. Contractors covered by the terms of this Agreement agree to establish and to pay to the Laborers' Horizontal Directional Drilling Training Trust Fund for Southern California the sum designated in Attachment #1 for each hour worked (or paid) on all classifications contained in this Agreement.

4. Contractors covered by the terms of this Agreement approve the consent to the Agreement and Declaration of Trust establishing the Laborers' Horizontal Training Trust Fund for Southern California, approve and consent to the appointment of the Trustees designated by the Laborers' Horizontal Training Trust Agreement for Southern California, and further ratify, confirm, and consent to all acts heretofore taken in the creation and administration of said Trust by the joint Trustees, its agents and representatives, and agree to be bound by all the terms and conditions, provisions, privileges and obligations provided for by the Agreement and Declaration of Trust in their original form and as amended.

5. Notwithstanding any other provision of this Agreement and upon written notice from the Union to the Association, contributions, or any part thereof, to the Laborers' Training and Retraining Trust Agreement for Southern California and/or the Laborers' Horizontal Directional Drilling Training Trust Fund for Southern California may be reallocated by the Union to wages or any other Trust Fund during the term of this Agreement.

H. Transfer of Key Employees Out of Area. Where the Contractor transfers key labor out of the geographical area of this Agreement, to an area where the Contractor is not signatory to a Laborers' Agreement, the Contractor shall contribute to the Trust Funds mentioned in this Agreement for all hours worked by or paid to such key labor for the duration of the job for which they were transferred.

ARTICLE 17

CENTER FOR CONTRACT COMPLIANCE TRUST FUND

A. Contractors covered by the terms of this Agreement agree to pay to the Center for Contract Compliance Trust Fund the sum designated in Attachment #1 of this Agreement for each hour worked or paid for on all classifications contained in this Agreement.

B. Contractors covered by the terms of this Agreement agree to be bound by all the terms and conditions of the Agreement and Declaration of Trust as they may be constituted in its original form and insofar as it may be amended, and further ratify, confirm, and consent to all acts heretofore taken in the creation and administration of the Trust and joint Trustees, its agents and representatives.

C. The parties agree that a review of the Center for Contract Compliance may be performed annually.

D. This Article shall be subject to the Agreement of the parties on the language for the Agreement and Declaration of Trust.

E. Industry Labor Management Committee. The parties agree to support the formation of a Labor-Management Committee to provide a forum to discuss issues of mutual interest and concern. The formation of the Committee and the holding of its meetings are not intended to open the Contract for negotiations or to supplant the Grievance and Arbitration Procedures. Each party will provide the other with an agenda of the items to be discussed and no party will be required to discuss any matter that has not been the subject of advanced notice.

ARTICLE 18

LABORERS' TRUST ADMINISTRATIVE TRUST FUND

A. Contractors covered by the terms of this Agreement agree to pay to the Laborers' Trust Administrative Trust Fund for Southern California the sum of \$0.6 for each hour worked or paid for on all classifications contained in this Agreement.

B. Contractors covered by the terms of this Agreement approve and consent to the appointment of the Trustees designated by the Laborers' Trust Administrative Trust Agreement for Southern California and further ratify, confirm and consent to all acts heretofore taken in the creation and administration of said Trust by the joint Trustees, its agents and representatives, and agree to be bound by all the terms, conditions, provisions,

privileges and obligations provided for by said Agreement and Declaration of Trust as same may be constituted in its original form, as amended, and as may be subsequently amended.

C. The primary purpose of the Administrative Trust fund shall be to pay operating cost of the Vacation Trust Fund that cannot be paid from interest revenue, forfeitures, and payments and income other than actual hourly contributions to the Vacation Trust Fund for hours worked or paid (referred to as "Operating Cost Shortfall"). If the auditor for the Vacation Trust Fund certifies that the Administrative Trust Fund has sufficient assets to pay the Operating Cost Shortfall for at least 24 months, the excess assets of the Administrative Trust Fund shall be used to pay administrative expenses of the Health & Welfare Trust Fund or Pension Trust Fund; or the Union, upon 30 days written notice to the Associations, may reallocate future contributions to the Administrative Trust Fund, to the Health & Welfare Trust Fund or Pension Trust Fund.

ARTICLE 19

CONSTRUCTION INDUSTRY ADVISORY GROUP FUND

A. A trust fund entitled "The Construction Industry Advisory Fund" shall be used only to provide compensation to the Contractors for negotiations and administration of the provisions of this Agreement, including Article 8, for the Industry. Individual Contractors shall contribute into the trust fund fifteen cents (\$.15) per hour for each hour paid for or worked. The trust fund shall be administered solely by Trustees selected by the Contractors in accordance with a trust agreement to be executed by the contractors. The Union shall have the right, not more than one (1) time per year, to independently audit the Trust Fund.

B. Contractors covered by the terms of this Agreement approve and consent to the appointment of the Trustees designated pursuant to the Declaration of Trust establishing the Construction Industry Advisory Group Fund and further ratify, confirm, and consent to all acts heretofore taken in the creation and administration of said Trust by its Trustees, its agent and representatives, and agree to be bound by all the terms, conditions, provisions, privileges and obligations provided for by said Agreement and Declaration of Trust as same may be constituted in its original form, as amended, and as may be subsequently amended.

ARTICLE 20

DELINQUENCY AND COLLECTION PROCEDURE

A. The Trustees of the Trust Fund shall furnish the Contractor Association and the Union with a list of delinquent contractors each month. Such list will also be available to all signatory contractors on request in electronic format at no cost or in printed format, subject to such reasonable cost as may be determined by the administrative office of the Trust Funds as representing the cost of duplication and transmission of such lists, payment for which to be made in advance. If the Contractor subcontracts any portion of his job to any subcontractor whose name appears on the delinquent list the Contractor shall be liable for all fringe benefit contributions of the Contractor or his subcontractor or the subcontractor of his subcontractor for work performed on the Contractor's job or project.

B. If the Contractor fails to remove the delinquent subcontractor, the Contractor shall become financially responsible for all fringe benefits owed to any funds established by this Agreement by the Contractor or by his subcontractor or the subcontractor of his subcontractor for work performed on the Contractor's job or project in accordance with the requirements set forth below.

C. The term "Contractor" for delinquency purposes only, shall include all entities of the delinquent contractor, change of name, or change of entity, provided that the delinquent contractor holds at least 10% ownership in the new entity.

D. In the event the Contractor subcontracts to a subcontractor that is not on the delinquency list at the time the subcontract is entered into, the Trust Office shall notify the Contractor of any delinquency of the subcontractor within ninety (90) days of the date the delinquency first occurred and in no case shall the Contractor be liable for fringe benefit contributions (including interest and liquidated damages) of a subcontractor for more than ninety (90) days prior to the date the Trust Office notice is sent to the Contractor. A courtesy copy of the notice shall be sent to the Association; provided however, that the Trust Office's failure to send such notice to the Association shall not affect the Trust's rights against the Contractor. Interest and liquidated damages shall be payable only if the Contractor is holding sufficient funds otherwise due to the subcontractor at the time the Contractor is notified.

E. Where a Contractor contracts with a listed delinquent subcontractor or subcontractors, and the Contractor fails to terminate the subcontract of such delinquent subcontractor, or subcontractors, the Contractor shall become financially responsible for the liability of the delinquent subcontractor's fringe benefits on that job from the commencement of the work under the subcontract to the date of termination of that subcontract.

F. The Trust Fund Office shall send delinquency notices to Contractors whose contributions are not paid as required. The Trust Office shall notify the Union of those Contractors who fail to pay within five (5) days of such notice and the Union may within forty-eight (48) hours after receipt of such notice withhold service from the Contractor involved until contributions are paid or satisfactory arrangements made with the Trustees for payment.

G. Any employee rendered unemployed by reason of the foregoing shall not be deemed engaged in a work stoppage or labor dispute but shall be deemed constructively laid off by the Contractor by failure to pay monies due for the benefit of the employees. Contractor agrees that such employees are entitled to unemployment insurance and warrants that he will take no action to interfere with the employee's application for unemployment insurance. Any dispute in connection with this paragraph is subject to the grievance procedure.

H. The Trust Office shall issue delinquency notices and clearances to Contractors confirmed in writing.

I. All employees shall be covered by this Agreement and the provisions applicable to Trust Funds. The Trustees shall have authority to audit Contractor records to determine the

appropriate contributions and shall have specific authority to examine the Contractor's records, including but not limited to payroll records, time cards, Federal W-2 Forms, 1099 and 1096 Forms, Quarterly State Tax returns and cash disbursement ledgers, all canceled checks, check registers, invoices, bank checking account statements, and the scope of work portion of all contracts and subcontracts between the general contractors and subcontractors. If requested by the Trusts, the Contractor shall provide payroll breakdown by job when a lawsuit has been filed against a contractor. The Trustees may file suit to enforce this obligation, and, if successful, shall recover their attorneys' fees and costs, whether or not the audit reveals a delinquency. Any Contractor delinquent under this Article may be required by the Trust Funds to submit, in addition to regular reports, payroll breakdowns by job, and the failure to submit timely job breakdowns shall be considered a delinquency under this Article. If a Contractor refuses to furnish the foregoing the Union may take economic action.

J. It is recognized that a delinquency in contributions causes damages beyond the value of the unpaid contributions, which are difficult to quantify. These damages include, but are not limited to, the administrative costs of processing and collecting delinquencies, the costs of adjusting benefit credits and notifying participants, the additional burden placed on Contractors who faithfully pay their contributions, and the burden upon participants and beneficiaries who may be unable to qualify for benefits they may have otherwise been entitled to but for the delinquency of the Contractor. Because these damages are difficult, if not impossible, to quantify on a case-by-case basis, the parties agree that liquidated damages, not a penalty, for such losses shall be set at the greater of \$25 or 20% of the contributions late or unpaid for each Trust Fund. The parties have reviewed the costs of collection by the Trust Funds, and agree that 20% liquidated damages is an accurate projection of the Trusts' damages that result from a delinquency. In addition, any Contractor delinquent in its obligations under this Article shall be required to pay interest on the delinquent contributions (at a rate to be set by the Trustees of the Trust Funds), and any audit fees. In the event that litigation is necessary to collect any delinquent contributions (including litigation to enforce mechanic liens, stop notices, bond claims or similar remedies, and any bankruptcy or receivership proceedings) or to enforce any obligation under this Article, in addition to liquidated damages owed by the delinquent Contractor, the Contractor shall also be liable for all reasonable attorney fees and legal costs incurred in such litigation. The Trustees of the Trust Funds may waive or reduce the amount of liquidated damages, at their sole discretion and consistent with their fiduciary duties. The decision of the Trustees in any request to waive or reduce liquidated damages shall be final and binding upon the parties.

K. For the purposes of this Agreement, delinquency in failure to make the required reports and contributions to the Trust Fund as determined by the Trustees shall consist of the following:

- a. Failure to submit trust report forms.
- b. Failure to report on all employees.
- c. Failure to make the payments as required on time.

- d. Failure to pay audit amounts and audit fees and other costs and damages as determined by the Trust.
- e. Failure of the bank to honor checks submitted.
- f. Failure to pay monies.
- g. Failure to submit to an audit.
- h. Failure to submit payroll breakdowns by job during an audit, if the Contractor maintains or can retrieve electronically such payroll breakdowns.

L. In addition to any other remedies under this Article, the Union may terminate the participation of a delinquent contractor. Notice of such termination shall be sent to the Contractor, and each of the employees listed on the last report submitted by that Contractor, and shall be effective 30 days from such notice. Upon termination, no employee of the delinquent Contractor shall accrue credit for any benefits for hours worked for that Contractor. However, termination shall not end or alter the obligations of the Contractor (or any Contractor subcontracting to that Contractor) under this Article. In addition to any other damages under this Article, a Contractor so terminated shall be liable to the Trust Funds for the cost of notice, and shall be liable to its employees for the value of any benefits lost in an amount not exceeding the hourly contributions and liquidated damages that would otherwise have been due.

ARTICLE 21

LABORERS JOINT APPRENTICESHIP COMMITTEE

A. The Contractors and the Union recognize the need for apprentice training and to this end shall indenture apprentices in conformity with California Labor Code Section 1777.5 governing employment of apprentices upon public work. Apprentices shall be employed in accordance with the Standards and guidelines as established by the Laborers Joint Apprenticeship Committee and approved by the Division of Apprenticeship Standards. The terms and condition of this Agreement shall apply to all Apprentices.

B. Except as otherwise provided in this Agreement, new applicants for employment under this Agreement who cannot demonstrate Journeyman skills in a placement examination administered by the Joint Apprenticeship Committee shall, whenever possible enter the Apprenticeship program. Any person entering but failing to maintain and complete his or her Apprenticeship shall not be employed by the Employer as a Journeyman under this Agreement, nor dispatched by a Local Union as a Journeyman.

C. Entry into the Apprenticeship program shall be controlled by the Joint Apprenticeship Committee, which shall employ appropriate testing and screening procedures. An Apprentice advances from one period to the next only upon determination of satisfactory performance by the JAC which shall have authority to grant accelerated credit when warranted.

D. The Joint Apprenticeship Committee shall consist of four (4) representatives appointed by the Union and four (4) representatives appointed by the Associations.

E. The ratio of Apprentices to Journeymen shall be one Apprentice when at least three (3) Journeymen are regularly employed (although the Apprentice may be the second laborer on the job), and one (1) additional Apprentice for every three (3) additional Journeymen. Notwithstanding the Ratio, the second worker on a jobsite may be an Apprentice, even if the Contractor does not employ three (3) Journeymen on the jobsite. An Apprentice shall not work on the jobsite unless supervised by a Journeyman.

F. The Contractor will make an effort to keep Apprentices reasonably employed regardless of period status or advancement to a higher period of pay.

G. The Local Union, through the Joint Apprenticeship Committee, shall dispatch Apprentices to the Contractors.

H. The Contractor shall pay to Apprentices the wages and to the Trust Funds the sums designated below for each hour worked or paid to Apprentices.

1. Apprentice wages shall be paid pursuant to the wage schedule set forth below and contained in the Apprenticeship Standards of the Joint Apprenticeship Committee, which is based on the following percentages of the Group V journeyman rate in the Southern California Master Labor Agreement of \$42.23*:

1 st period	1 – 500 hours	50%	\$21.12
2 nd period	501 – 1000 hours	55%	\$23.23
3 rd period	1001 – 1500 hours	60%	\$25.34
4 th period	1501 – 2000 hours	70%	\$29.56
5 th period	2001 – 2500 hours	80%	\$33.78
6 th period	2501 – 3000 hours	85%	\$35.90

*Apprentices shall receive the appropriate percentage of any increase to the journeyman wage during the term of this Agreement.

2. The Contractor shall pay to the Laborers Trust Funds the sum designated below for each hour worked or paid for on all Apprentices.

Trust Fund contributions for Apprentices*:

Health & Welfare (70%)	\$6.13
Pension (20%)	\$1.81
Vacation/Supp Dues (70%)	\$3.51
Annuity Fund (100%)	\$1.75
Training/Apprenticeship (100%)	\$0.70
Industry Fund (100%)	\$0.12
C.C.C. (100%)	\$0.30
Laborers Trusts' Admin (100%)	\$0.06

Contract Admin Fund (100%)	\$0.09
Partnership for Jobs Industry Advancement Fund (100%)	<u>\$0.10</u>
TOTAL	\$14.57

*Apprentices shall receive the appropriate increase to the journeyman fringe benefit rate increases.

ARTICLE 22

PARTNERSHIPS, OWNER-OPERATORS, SOLE PROPRIETORSHIP AND EQUIPMENT REPAIRS

A. In the event the contractor is a partnership, no more than one (1) partner shall perform work covered by this Agreement. However, during each day on which the partnership employs on a full-time basis at least three (3) Laborer employees, pursuant to the terms of this Agreement, then one (1) additional partner shall be allowed to perform work covered by this Agreement. All partners who perform work covered by this Agreement and pursuant to this Paragraph A, shall be paid not less than the hourly wage rates stipulated in this Agreement for such work and the partnership shall contribute to all Trust Funds on behalf of all working partners at the hourly rates specified in Attachment #1, except the hourly Pension contribution rate which instead shall be paid to the Construction Laborers' Vacation Fund for Southern California. The Contractor shall be liable in damages to the Union in a sum equivalent to the hourly contribution rate for each hour worked by a partner in violation of this paragraph.

B. In the event the Contractor is a sole proprietorship that employs other individuals and the sole proprietor performs work covered by this Agreement, the sole proprietor shall be paid not less than the hourly wage rates stipulated in this Agreement for such work and the sole Proprietorship shall contribute to all Trust Funds on behalf of the working sole proprietor at the hourly rates specified in Attachment #1, except the hourly Pension contribution rate which instead shall be paid to the Construction Laborers' Vacation Fund for Southern California. The Contractor shall be liable in damages to the Union in a sum equivalent to the hourly wage rate and to the Trust Funds in a sum equivalent to the hourly contribution rate for each hour worked by the sole proprietor in violation of this Paragraph. If the sole proprietor has no employees, the sole proprietorship shall be considered an owner-operator subject to the provisions of Article 19, Paragraph C, below.

C. 1. An Owner-Operator is a person who has legal or equitable title to his equipment and operates the equipment himself on work covered by this Agreement and he shall operate only that equipment to which he has legal or equitable title. An Owner-Operator shall have proof of ownership of the equipment being operated in his possession at all times and shall produce such proof of ownership upon request by the Union or Contractor. It is further agreed that any time an individual Owner-Operator has a piece of equipment operated by someone other than himself on any given job or project, the provisions of this Paragraph C will not apply to such equipment, rather the subcontracting provisions contained in Article 6 of this Agreement shall become applicable.

2. The Owner-Operator shall not be subject to the dispatch obligations contained in Article 3 of this Agreement, provided that the Owner-Operator has signed a W-4 form and becomes a bona fide employee of the Employer prior to going to work and the Union shall be notified of the name and Social Security Number of the Owner-Operator within twenty-four (24) hours after the Owner-Operator is hired, such notice to be given to the Local Union in and confirmed in writing within twenty-four (24) hours thereafter. A copy of the notification shall be furnished by the contracting Employer to the Owner-Operator, and this copy shall be in the possession of the Owner-Operator at all times, so long as he remains on the job or project. This notice must be produced upon request of the Union. Failure of the Owner-Operator to provide proof of ownership of the equipment being operated shall be cause for his removal from the job or project until the Owner-Operator and the Employer have complied with the requirements of this Paragraph C. The Owner-Operator is subject to the union security and supplemental dues provisions of this Agreement.

3. (a) Effective from the time the Owner-Operator first reports to work on the job or project, the Contractor shall take all necessary steps to make the Owner-Operator an actual bona fide employee of the Contractor. The Contractor shall retain and exercise supervision and control over the manner and means by which the Owner-Operator performs work under this Agreement, and shall treat the Owner-Operator in all respects as any other employee of the Contractor is treated, except as otherwise provided in this Paragraph C. The Contractor shall deal with the Owner-Operator solely in an employer-employee relationship, and shall not treat the Owner-Operator as a self-employed person, independent contractor or brokered service. The Contractor shall not act as broker or other person except a signatory subcontractor for the services of an Owner-Operator shall be a violation of this Agreement.

(b) The Contractor shall not permit a self-employed person to perform any work covered by this Agreement, except as otherwise provided in Article 9, Paragraph A and B. A "self-employed person" is one who works for an unincorporated trade or business in which that person owns ten (10%) percent or more of the interest in the capital or profits.

(c) The Contractor shall be liable to the Trust Fund described in this Agreement in an amount equal to the contributions plus interest and liquidated damages from the date contributions would have been due that would have been paid on an employed person to perform work covered by this Agreement. The portion of the contribution designated as supplemental dues shall be forwarded to the Union by the Trust Administrator. The sums paid under this provision shall be as damages and not for the benefit of any specific individual.

(d) An incorporated Owner-Operator shall for the purposes of this Agreement, be designated and recognized as a subcontractor and subject to the provisions of Article 6 and, as such provide the Contractor, Union and Trust Funds with bona fide information to the effect of such incorporation.

4. Separate checks shall be issued to such Owner-Operator for [1] employee wages and [2] for his equipment.

5. All hours worked or paid for under the terms of this Paragraph C shall be reported to, and payments made to, the Trust Funds, as provided for in this Agreement.

D. It is further agreed that the Contractor will not devise or put into operation any scheme, whether herein enumerated or not, to defeat the terms of this Agreement.

E. If a Contractor through the grievance procedure is found violating any portion of this Article, the Joint Adjustment Board or an Arbitrator, as described in Article 8, shall require the Contractor to immediately pay compensatory damages for each Owner-Operator with respect to whom the Contractor is in violation in an amount equal to the sum of wages, Health and Welfare and Pension contributions, under the terms of this Agreement, for eight (8) hours for each day or portion thereof the violation occurred, such damages to be made by checks payable to the Union, Laborers' Health and Welfare Trust Fund for Southern California and the Laborers' Pension Trust Fund for Southern California respectively and promptly mailed to the Local Union.

F. Repairs. Repairs necessitated by defects or material or workmanship or adjustments of newly purchased and/or installed equipment or machinery will not be subject to this Agreement when such repairs and/or adjustments are made by the manufacturer thereof or his agents or employees pursuant to the terms of a manufacturer's guarantee and the Union will not hamper such manufacturer or his agents or employees on such exempted work.

ARTICLE 23

ELIMINATION OF RESTRICTIONS - SAFETY

Elimination of Restrictions. No rules, customs or practices shall be permitted that limit production or increase the time required to do any work. There shall be no limitation or restriction of the use of machinery, tools, or other labor saving devices; operation of such machinery, tools or devices to remain in the jurisdiction of the Union.

ARTICLE 24

GENERAL SAVING CLAUSE

It is not the intent of either the Contractors or the Union to violate any laws, rulings or regulations of any Governmental authority or agency having jurisdiction of the subject matter of this Agreement, and the Contractor and the Union agree that, in the event any provision of this Agreement is finally held or determined to be illegal or void, as being in contravention of any such laws, rulings or regulations, the remainder of the Agreement shall remain in full force and effect, unless the part so found to be void is wholly inseparable from the remaining portion of this Agreement. The Contractors and the Union agree that if and when any provision of this Agreement is held or determined to be illegal or void they will then promptly enter into lawful negotiations concerning the substance thereof. In the event the parties are unable to reach agreement within sixty (60) days following the beginning of such negotiations, the parties agree to submit the issue to final and binding arbitration. The Arbitrator shall render decisions only on the specific issue submitted to him, and shall have

no authority to change or abrogate other conditions of this Agreement. Any fees and/or expenses of the Arbitrator shall be borne by and divided equally by the Union and the Contractors. The decision of the Arbitrator shall be final and binding on the parties. The no-strike, no lockout provisions of Article 8, Paragraph B, shall not apply if either party fails to comply with the decision of the Arbitrator.

ARTICLE 25

QUALIFICATIONS

A. Each of the parties hereto warrants and agrees that it is under no disability of any kind whether arising out of the provisions of its Articles of Incorporation, Constitution, By-Laws, or otherwise, that will prevent it from fully and completely carrying out and performing each and all of the terms and conditions of this Agreement and, further, that it will not, by the adoption or amendment of any provision of its Articles of Incorporation, Constitution, or By-Laws, or by contract or by any means whatsoever, take any action that will prevent or impede it in the full and complete performance of each and every term and condition hereof. The warranties and agreements contained in this paragraph are made by each of the signatories hereto on his own behalf and on behalf of each organization for which it is acting hereunder. The individuals signing this Agreement in their official capacity and the signatories hereto hereby guarantee and warrant their authority to act for and bind the respective parties or organizations and each of their eligible members and the Unions on whose behalf the said parties are signing the said Agreement.

B. No agent or representative of either party has authority to make, and none of the parties shall be bound by nor liable for, any statement, representation, promise, inducement or agreement not set forth herein. Any provision in the working rules of the Union with reference to the relations between the Contractors and their employees, in conflict with the terms of this Agreement, shall be deemed to be waived and any such rules or regulations which may hereafter be adopted by the Union shall have no application to the work covered herein.

ARTICLE 26

PUBLIC WORKS PROJECT - DAVIS-BACON ACT - RELATED STATUTES

A. In the event an individual employer bids a public job or project being awarded by a federal, state, county, city or public entity which is to be performed at a predetermined and/or prevailing wage rate established by the Secretary of U. S. Department of Labor (pursuant to Public Law 74-403 as amended by Public Law 88-349 whose regulations are contained in 29 CFR Parts 1, 3, 5 and 7, and which determinations are published in The Federal Register), or by the Director of the California Division of Industrial Relations, or a County, City or other public entity and the established prevailing wage rate, including vacation contributions, is lower by no more than fifteen percent on residential or housing work or by no more than ten percent on any other type of work, than the Horizontal Directional Drilling Agreement's hourly wage rate(s) (excluding fringe benefits), the published hourly wage rate, including vacation contributions, at the time of bid shall apply

to the job or project for the duration of the job or project but in no event to exceed an eighteen month period.

B. In the event the job or project extends beyond eighteen months, the wage rates, including vacation contributions, shall be increased thereafter to maintain the appropriate fifteen (15) or ten (10) percent differential under the then current Horizontal Directional Drilling Agreement.

C. Should the predetermined wage rate and the Horizontal Directional Drilling Agreement rate be the same, it is agreed that rate shall be in effect for an eighteen month period. On work that extends beyond eighteen (18) months the then current Horizontal Directional Drilling Agreement rate(s) shall apply.

D. If any public agency publishes prevailing wage and fringe benefit rates for Laborers classifications for a specific job or project which are less than the rates set-forth in the Master Labor Agreement, and there are non-signatory prime bidders on the plan holders list, or if there is no bid list published, then the individual Employer may bid said project in accordance with the wage rates, fringe benefit rates and other applicable provisions of the Prevailing Wage Determination incorporated in the bid specification.

ARTICLE 27

DRUG AND ALCOHOL ABUSE PREVENTION PROGRAM

The parties recognize the problems which drug and alcohol abuse have created within the construction industry. The parties agree that any testing program implemented by an Employer must conform to the California Highway Patrol and Federal Department of Transportation regulations.

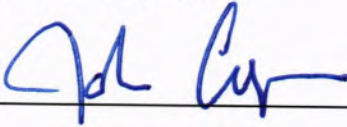
ARTICLE 28

TERM, TERMINATION AND RENEWAL

The term of this Agreement is July 1, 2022 to June 30, 2026; and from year to year thereafter unless either the Union or the Association give written notice received by the other not less than sixty (60) days prior to June 30, 2026 or sixty (60) days prior to June 30 of any subsequent year, of a desire to change, amend, modify, or terminate the Agreement.

IN WITNESS WHEREOF, this Agreement has been executed by the signatory parties hereto.

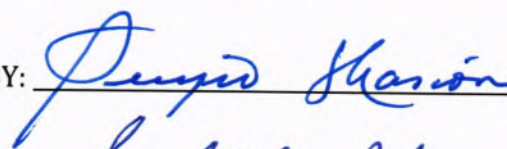
**SOUTHERN CALIFORNIA CONTRACTORS
ASSOCIATION, INC.**

BY: 

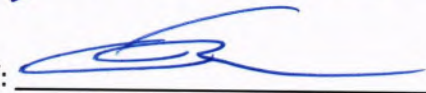
BY: _____

DATE: 7/6/22

**SOUTHERN CALIFORNIA DISTRICT
COUNCIL OF LABORERS**

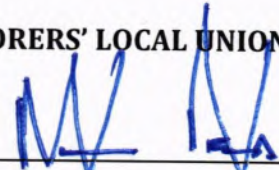
BY: 

BY: 

BY: 

DATE: 07/13/2022

LABORERS' LOCAL UNION 1184

BY: 

DATE: 7/6/22

ATTACHMENT #1

CONTRIBUTIONS PAYABLE TO TRUST FUNDS

EFFECTIVE	<u>7-1-22</u>	<u>7-1-23</u>	<u>7-1-24</u>	<u>7-1-25</u>
Laborers' Health and Welfare Fund for Southern California	\$8.75	†	†	†
Construction Laborers' Pension Fund for Southern California	\$5.42	†	†	†
Construction Laborers' Vacation Fund for Southern California*	\$3.55	†	†	†
Laborers' Training and Retraining Fund for Southern California	\$0.40	†	†	†
Center for Contract Compliance Trust Fund	\$0.20	†	†	†
Construction Industry Advisory Group Trust	\$0.15	†	†	†
Laborers Trusts' Administrative Trust Fund	\$0.06	†	†	†
Annuity Fund	\$1.75	†	†	†
Laborers' Horizontal Trust Trust Fund for Southern California	\$0.63	†	†	†

* Includes supplemental dues of \$1.62 per hour

† To be allocated by the Union.

APPENDIX A

Healthy Workplace Healthy Family Act of 2014

The parties hereto agree to the fullest extent permitted, the Master Agreement shall operate to waive any and all provisions of the Healthy Workplace Healthy Family Act of 2014, effective January 1, 2015, and shall supersede and be considered to have fulfilled all requirements of said Act as presently written and/or amended during the life of this Master Agreement.

Appendix B

Grievance of Disputes

The Parties to this Agreement recognize that the Supreme Court of the United States has consistently held for over fifty years that federal law and policy favors the use and finality of arbitration procedures established through collective bargaining agreements to resolve all nature of disputes affecting the employee-employer relationship.

As the designated representative of employees, the Union contracts regarding the specific terms and conditions of employment as well as the enforcement mechanism to ensure those conditions are met, which mechanisms include grievance arbitration. These terms, conditions and enforcement mechanisms are generally superior to those available to employees not covered by collective bargaining agreements. Grievance arbitration provision in a collective bargaining agreement is reflected in national labor laws and is premised on the federal policy to promote industrial stabilization through the collective bargaining agreement. "A major factor in achieving industrial peace is the inclusion of a provision for arbitration of grievances in the collective bargaining agreement." *United Steelworkers of Am. v. Warrior & Gulf Nav. Co.*, 363 U.S. 574, 577-78, 80 S. Ct. 1347, 1350, 4 L. Ed. 2d 1409 (1960). *D.R. Horton, Inc. v. N.L.R.B.*, 737 F.3d 344, 361 (5th Cir. 2013) ("[W]e discern[] in the structure of the [National Labor Relations Act] the very specific right of employees to complete the collective-bargaining process and agree to an arbitration clause." Citing, *Blessing v. Freestone*, 520 U.S. 329, 343, 117 S.Ct. 1353, 137 L.Ed.2d 569 (1997) (internal quotation marks and citation omitted).

The Parties to this Agreement recognize that the National Labor Relations Board has held that the pursuit of collective or class action claims is concerted action but that a union may waive certain rights to concerted action in a collective bargaining agreement. In doing so, the National Labor Relations Board recognized that a collectively bargained arbitration clause stems from the exercise of rights to act in concert and that "[F]or purposes of examining whether a waiver of Section 7 rights is unlawful, an arbitration clause freely and collectively bargained between a union and an employer does not stand on the same footing as an employment policy imposed on individual employees by the employer as a condition of employment." *D. R. Horton Inc.*, 357 NLRB No. 184 (January 3, 2012).

The Parties to this Agreement recognize that arbitration pursuant to the grievance procedure affords numerous benefits including expedited resolution of disputes; reduced cost and expense as compared to litigation; potentially greater monetary relief to individual employees; benefit of the arbitrator's knowledge and expertise with the bargaining parties, the employment relationships governed by the collective bargaining agreement, and the practices of the construction industry; less restrictive rules of evidence; and less formal procedures. The Parties also recognize that class and representative action procedures are designed to afford a mechanism of relief for claims for which the costs of litigation are disproportionate to the available relief and that this grievance procedure addresses the same concerns by providing an expedited mechanism at reduced cost to address such claims without the need for class or representative action procedures. It is therefore the intent of the Parties that this grievance procedure provide a mechanism for resolving the individual

claims covered herein which balances expedited and complete relief to employees for violations with avoidance of unnecessary costs and disproportionate remedies associated with class and representative actions.

A. Arbitration of Employment Related Claims.

Any dispute, complaint or grievance alleging a violation of the Master Labor Agreement shall be processed through the Procedure for Settlement of Grievance and Disputes in Article 8, and the Local Union and Union shall retain sole and exclusive ability to bring such a grievance to arbitration pursuant to such Article. In addition, any dispute, complaint or grievance concerning a violation of, or arising under, Industrial Welfare Commission Wage Order 16 ("Wage Order 16") which is subject to the Procedure for Settlement of Grievance and Disputes in Article 8 by operation of Wage Order 16 and exemptions contained therein for employees covered by collective bargaining agreements shall remain subject only to Article 8 and not this Appendix B. Disputes, complaints or grievances within the scope of this paragraph shall be referred to as "Contractual Disputes".

In addition to Contractual Disputes that may be brought by the Union or Local Union as described above, all employee claims or disputes concerning violations of, or arising under Wage Order 16 (except as noted in the immediately preceding paragraph), the California Labor Code Sections identified in California Labor Code section 2699.5 as amended, all derivative claims under California Business and Professions Code section 17200, et seq., all associated penalties, and federal, state and local laws concerning wage-hour requirements, wage payment and meal or rest periods, including claims arising under the Fair Labor Standards Act (hereinafter "Statutory Dispute" or "Statutory Disputes") shall be subject to and must be processed by the employee, not the Local Union or Union, pursuant to the procedures set forth in this Appendix B as the sole and exclusive remedy. To ensure disputes are subject to this grievance procedure in accordance with the intended scope of coverage set forth herein, Statutory Disputes also include any contract, tort or common law claims concerning the matters addressed in the foregoing laws (other than a claim of violation of the Master Labor Agreement that are deemed Contractual Disputes). This Appendix B shall not apply to claims before the National Labor Relations Board, the Employee Equal Opportunity Commission, the Department of Fair Employment and Housing, and the California Division of Workers' Compensation.

In addition to the claims listed above, the parties have also agreed to provide for final and binding arbitration of any and all claims that could be asserted under all local, state and federal anti-discrimination laws, including but not limited to the California Fair Employment and Housing Act, Title VII of the Civil Rights Act 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Family and Medical Leave Act, and the California Family Rights Act. All claims for discrimination, harassment or retaliation in employment on the basis of race, age, sex, gender, religion, national origin, alienage, religion, marital status, sexual orientation, disability, or any other basis that is protected under any of those laws, as well as all related or similar claims (including but not limited to those for wrongful termination in violation of public policy, intentional infliction of emotional distress, violation of 42 U.S.C. section 1981, and retaliation in violation of Labor Code section 1102.5), shall be

resolved exclusively under and in accordance with the procedure for settlement of grievances and disputes set forth in this Appendix B to the Agreement and not in a court of law. The agreement to arbitrate such claims shall also include those asserted against any of the Employer's employees, officers or owners. The agreement to arbitrate claims described in this paragraph is subject to any applicable rights provided in 9 U.S.C. section 401-402.

Pursuant to California Labor Code Section 2699.6, the Parties hereby expressly and unambiguously waive the provisions of the California Private Attorneys General Act (PAGA), Labor Code Section 2698, *et seq.*, and agree that none of the provisions of that statute apply to any of the employees covered by the collective bargaining agreement between the undersigned Parties (the "Agreement"). The Parties further agree that this Agreement prohibits any and all violations of the California Labor Code sections identified in Labor Code §§ 2699.5 and 2699(f) as well as any others that would be redressable by PAGA, and that such claims shall be resolved exclusively through the Arbitration procedures in this Appendix B and shall not be brought in a court of law or before any administrative agency such as the California Labor Commissioner.

This Agreement shall apply to any representative and class claims that arise during the term of the Parties' current Master Labor Agreement, regardless of when they were filed with any court or administrative agency; provided that the Contractor is bound to an extended, renewed or successor Master Labor Agreement if such claims are filed after the termination of this Master Labor Agreement. An arbitrator presiding over an arbitration conducted pursuant to this Appendix B arbitration procedure shall have the authority to make an award of any and all remedies otherwise available under the California Labor Code, except for an award of penalties that would be payable to the Labor and Workforce Development Agency.

B. Procedure for Arbitration of Disputes.

No Statutory Dispute subject to this Appendix B shall be recognized unless called to the attention of and, in the event it is not resolved, confirmed in writing by the individual employee to the individual Contractor within the later of (i) the time set forth in the Procedure for Settlement of Grievance and Disputes in Article 8 or (ii) the time provided for under applicable statute. The employee and Contractor shall give written notice to the Union of the existence of a Statutory Dispute.

Grievances and arbitrations of all Statutory Disputes shall be brought by the individual employee, not the Local Union or Union, in an individual capacity only and not as a grievant or class member in any purported class or representative grievance or arbitration proceeding. The Arbitrator shall have the authority to consolidate individual grievances for hearing, but shall not have the authority to fashion a proceeding as a class or collective action or to award relief to a group or class of employees in one grievance or arbitration proceeding.

If the individual employee dispute is a Statutory Dispute subject to this Appendix B, the grievance shall not be heard by the Joint Adjustment Board; it shall proceed directly to an independent Arbitrator. In such cases, the procedures for selection of an Arbitrator contained in Article 8 shall not apply. Instead, the individual employee and the Contractor

shall proceed to arbitration pursuant and subject to the American Arbitration Association Employment Arbitration Rules and Mediation Procedures. Unless the parties proceeding to an arbitration agree otherwise, they shall request that only lawyers and retired judges be included on all panels of arbitrators offered to the parties. The Contractor shall pay all fees and costs related to the services of the American Arbitration Association and the services of the Arbitrator. Each party shall pay for its own costs, expenses, and attorneys' fees, if any. However, if any party prevails on a statutory claim which affords the prevailing party costs or attorneys' fees, or if there is a written agreement providing for an award of costs or attorneys' fees, the Arbitrator may award costs and reasonable attorneys' fees to the prevailing party. Any issue regarding the payment of fees of costs, and any disputes about the manner of proceeding shall be decided by the Arbitrator selected. The Local Union or Union shall not be a party to the arbitration of Statutory Disputes, and shall bear no costs or fees of the arbitration.

The Arbitrator shall have full authority to fashion remedies and award relief consistent with limitations under federal and state law, and precedent established thereunder, whether by way of damages or the award of attorneys' fees and other costs, orders to cease and desist, or any and all other reasonable remedies designed to correct any violation which the Arbitrator may have found to have existed, including such remedies as provided under applicable state or federal law or regulation. The Arbitrator shall state the reasons for the arbitration decision. Notwithstanding the foregoing, the Arbitrator shall not have the authority to award penalties payable to the Labor and Workforce Development Agency pursuant to the Private Attorneys General Act (Part 13 of Division 2 of the California Labor Code). The decision of the Arbitrator is final and binding upon the parties and is enforceable in a court of competent jurisdiction.

The Arbitrator shall not have any authority to award relief that would require amendment of the Master Labor Agreement or other agreement(s) between the Union and a Contractor or the Contractors, or which conflicts with any provision of any collective bargaining agreement or such other agreement(s). Any arbitration outcome shall have no precedential value with respect to the interpretation of the Master Labor Agreement or other agreement(s) between the Union and a Contractor or the Contractors.