

SOUTHERN NEVADA WATER AUTHORITY

SNWS IMPROVEMENTS

PROJECT LABOR AGREEMENT

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**SOUTHERN NEVADA WATER AUTHORITY
SNWS IMPROVEMENTS**

PROJECT LABOR AGREEMENT

This Project Labor Agreement (hereinafter, the "Agreement"), entered into on February 26, 1996 and extended on July 23, 1997, is further extended to be effective this 20th day of July, 2000 by and between Parsons Constructors, Inc., its successors or assigns (hereinafter, "PCI") and The Building and Construction Trades Department, AFL-CIO (hereinafter, "Department"), its affiliated National and International Unions who become signatory hereto, the Building and Construction Trades Council of Southern Nevada (hereinafter, "Building Trades Council") and the affiliated Local Unions (hereinafter, collectively called the "Union(s)" or "Local Union(s)"), with respect to the new construction work within the scope of this Agreement owned by the Southern Nevada Water Authority (hereinafter, "SNWA" or the "Owner") for the construction of the SNWS Improvements "1999, 2000/2002 and the 2004 Facilities", in and around Clark County, Nevada, known as the "Project."

It is understood by the parties to this Agreement that if this Agreement is acceptable to SNWA, it will become the policy of SNWA that the construction work covered by this Agreement shall be contracted exclusively to Contractors who agree to execute and be bound by the terms of this Agreement. Therefore, the Unions agree that other Contractors may execute the Agreement for purposes of covering such work. PCI shall monitor the compliance with this Agreement by all contractors, who through their execution of a Letter of Assent binding them to this Agreement, together with their subcontractors, shall have become bound hereto.

The term "Contractor" shall include all construction contractors and subcontractors of whatever tier engaged in on-site construction work within the scope of this Agreement, including PCI when it performs construction work within the scope of this Agreement. Where specific reference to Parsons Constructors, Inc. alone is intended, the term "PCI" is used.

The Unions, PCI and all signatory Contractors agree to abide by the terms and conditions contained in this Agreement. This Agreement represents the complete understanding of the parties, and no Contractor is or will be required to sign any other agreement with a signatory union as a condition of performing work within the scope of this Agreement. No practice, understanding or agreement between a Contractor and a Union party which is not specifically set forth in this Agreement will be binding on any other party unless endorsed in writing by PCI.

The Unions agree that this Agreement will be made available to, and will fully apply to, any successful bidder for Project work who becomes a signatory hereto, without regard to whether that successful bidder performs work at other sites on either a union or a non-union basis, and without regard to whether employees of such bidder are or are not members of any Union. This Agreement shall not apply to the work of any contractor which is performed at any location other than the Project site as defined in this Agreement.

ARTICLE I **PURPOSE**

Peak water demands to supply the commercial and residential needs of the citizens of Clark County, Nevada continue to strain the Las Vegas Valley water delivery system to its limits. The Southern Nevada Water Authority's comprehensive regional Capital Improvement Plan addresses these growing water needs. The "1999, 2000/2002 Facilities" are providing major upgrades to the capacities of the system vital to meeting the demands caused by the rapidly increasing population of Las Vegas and surrounding metropolitan area and to avoiding economic disruption and personal suffering caused by limited water supplies. The 2004 Facilities will add vital new upgrade components to the system. Requirements for timely completion have been and remain vital to the needs of this community. It is therefore essential that the construction work continue to be performed in an efficient, economical manner in order to secure optimum productivity and to avoid any delays in the Project.

During the construction performed to-date under this Agreement, costs have been contained; a positive and constructive labor-management relationship has been established and maintained and the benefits the SNWA sought through the application of a Project Labor Agreement have been realized. It is the expectation and intent of the parties to this Agreement, therefore, that those important benefits to the Project will continue by an extension of the Agreement to cover the 2004 Facilities phase of the Capital Improvements Plan.

In recognition of the special needs of this Project and to maintain a spirit of harmony, labor-management peace and stability during the term of this Project Labor Agreement, the parties agree to establish effective and binding methods for the settlement of all misunderstandings, disputes or grievances which may arise; and in recognition of such methods and procedures, the Unions agree not to engage in any strikes, slow downs or interruption of work and the Contractor agrees not to engage in any lockout. The Unions and the Contractors recognize that the completion of this Project will require nonconstruction services to be provided by employers who will not be signatory to this Agreement. When PCI is informed of such nonconstruction services, it will notify the Building Trades Council as soon as practical thereafter, but no later than twenty-four (24) hours prior to the commencement of such services. The Unions agree to work in harmony with and not to interfere with any such service companies at the Project site.

The parties are committed to providing open access to bidding opportunities for all contractors and to assuring an adequate supply of craft workers possessing the requisite skills and training in order to provide the ratepayers a project of the highest quality. Further, the parties agree to cooperate throughout the term of this agreement to develop methods to reduce the SNWA's construction and Project administrative costs.

ARTICLE II

SCOPE OF AGREEMENT

This Agreement, hereinafter designated as the "Project Labor Agreement" or "Agreement" shall apply and is limited to all new construction work as defined in Section 1 of this Article performed by those Contractor(s) of whatever tier that have contracts awarded for such work, which may include PCI, on or after the effective date of this Agreement, with regard to the construction, reconstruction, rehabilitation, or any other construction-related activities necessary to the SNWA Treatment and Transmission Facility all of which are hereinafter referred to as the "Project" and specifically defined below.

Section 1. The Project is specifically defined as and limited to:

The 1999 through 2011 Facilities, as defined in the Southern Nevada Water Authority's December 1995 Capital Improvements Plan as amended and as may hereafter be amended, shown schematically on the attached Major Facilities map (Exhibit A) and which include:

- River Mountains Lateral
- River Mountains Lateral in 11OL
- South Valley Lateral
- South Valley Lateral in 11OL
- Foothills 2210 Pumping Station (140 mgd)
- River Mountains Lateral 2530 Pumping Station
- Horizon Ridge 2375 Reservoir (10 MG)
- Burkholder 2210 Regulating Reservoir (25 MG)
- Rate of Flow Control Stations
- South Valley 2530 Regulating Reservoir
- Mass Excavation
- Forebay 2C (5MG)
- Greenway Rate of Flow Control Station
- East Valley Lateral, River Mountains Tank To Hollywood/DI
- North Valley Lateral, Grand Teton Reservoir to Decatur Reservoir

- North Valley Lateral, Decatur Boulevard to LVVWD 2538 Reservoir
- Sloan 2160 (91 mgd/111 mgd Total) and Lamb 2350 (91 mgd/111 mgd Total) PS Expansions
- Decatur 2538/2430 Pumping Station (54mgd-2538, 27mgd-2430/Structure 105 mgd)
- Intake No. 2 to AMSWTF By-Pass Pipeline B
- In-Valley Isolation Valves
- Lake Mead Intake No. 3
- Various communications and controls system contracts associated with the above facilities
- Other improvements related to the completion of these facilities

It is understood by the parties that the Owner may at any time and at its sole discretion determine to build segments of the Project under this Agreement not currently proposed, or to modify or not to build any one or more of the particular segments proposed to be covered.

Section 2. Items specifically excluded from the scope of this Agreement include the following:

- (a) Work of non-manual employees, including but not limited to, superintendents, supervisors, staff engineers, inspectors, quality control and quality assurance personnel, timekeepers, mail carriers, clerks, office workers, including messengers, guards, safety personnel, emergency medical and first aid technicians, and other professional, engineering, administrative, supervisory and management employees.
- (b) Equipment and machinery owned or controlled and operated by the Owner.
- (c) All off-site manufacture and handling of materials, equipment or machinery (except at dedicated lay-down or storage areas).
- (d) All employees of PCI, design teams or any other consultants of SNWA not performing manual labor within the scope of this Agreement.
- (e) Any work performed on or near or leading to or on-to the site of work covered by this Agreement and undertaken by state, county, city or other governmental bodies, or their contractors; or by public utilities or their contractors; and/or by the Owner or its contractors (for work which is not part of the scope of this Agreement).

(f) Off-site maintenance of leased equipment and on-site supervision of such work.

(g) Work by employees of a manufacturer or vendor necessary to maintain such manufacturer's or vendor's written warranty or guarantee.

(h) Laboratory for specialty testing or inspections not ordinarily done by the signatory local unions.

(i) Non-construction operation, maintenance, repair or replacement of facilities and support services contracted by the Owner or PCI in connection with this Project.

(j) All work by employees of the Southern Nevada Water Authority, CRC or its member agencies.

(k) Owner-financed construction work ancillary to the Project, but owned by others. When PCI is informed of such owner-financed construction work, it will notify the Building Trades Council as soon as possible thereafter, but not later than twenty-four (24) hours prior to the commencement of such work.

Section 3(a). The Owner, PCI, and/or Contractors, as appropriate, have the absolute right to award contracts or subcontracts on this Project notwithstanding the existence or non-existence of any Agreements between such Contractor and any Union party provided only that such Contractor is willing, ready and able to comply with this Project Labor Agreement and execute a Letter of Assent, should such Contractor be awarded work covered by this Agreement.

(b) It is agreed that all subcontractors of a Contractor, of whatever tier, who have been awarded contracts for work covered by this Agreement on or after the effective date of this Agreement shall be required to accept and to be bound by the terms and conditions of this Project Labor Agreement, and shall evidence their acceptance by the execution of a Letter of Assent, prior to the commencement of work. A copy of the Letter Assent executed by the Contractor shall be provided to the SNWA's Contract Manager, the Building Trades Council and PCI prior to the dispatch of employees to the job site.

Section 4(a). The provisions of this Project Labor Agreement (including the Schedule A's, which are the local Collective Bargaining Agreements covering the corresponding covered work between a bona fide contractor group or representative and the signatory Unions having jurisdiction over the work on the Project) shall apply to the work covered by this Agreement, notwithstanding the provisions of any other local, area and/or National Agreements which may conflict with or differ from the terms of this Agreement. Where a subject covered by the provisions of this Agreement is also covered by a Schedule A, the provisions of this Agreement shall prevail. Where a subject is covered by the provisions of a Schedule A and is not covered by this Agreement, the provisions of the Schedule A shall prevail.

(b) Any dispute as to the applicable source between this Agreement and any Schedule A for determining the wages, hours and working conditions of employees on the Project shall be resolved by John Kagel under the procedures established in Article VIII. It is understood that this Agreement, together with the referenced Schedule A's constitute a self-

contained, stand-alone agreement and that by virtue of having become bound to this Project Labor Agreement, the Contractor will not be obligated to sign any other local, area or national agreement as a condition of performing work within the scope of this Agreement.

Section 5. This Agreement shall only be binding on the signatory parties hereto and shall not apply to the parents, affiliates, subsidiaries, or other ventures of any such party.

Section 6. This Agreement shall be limited to the new construction work within the scope of this Agreement, as set forth in Section 1 of this Article, for which bids have been received on and after the effective date of this Agreement, including, specifically, site preparation and related demolition work, and utilities and modifications or rehabilitation of existing facilities. Nothing contained herein shall be construed to prohibit, restrict, or interfere with the performance of any other operation, work or function awarded to any Contractor before the effective date of this Agreement or which may be performed or contracted by the Owner for its own account on the property or in and around the construction site.

Section 7. It is understood that the liability of the Contractor and the liability of the separate Unions under this Agreement shall be several and not joint. The Unions agree that this Agreement does not have the effect of creating any joint employment status between or among the Owner or PCI and/or any Contractor.

Section 8. None of the provisions of this Agreement shall be construed to prohibit or restrict the Southern Nevada Water Authority or Colorado River Commission or their employees from performing work not covered by this Agreement on or around the construction site. As areas of covered work are accepted by the Owner, this Agreement shall have no further force or effect on such items or areas except where the Contractor is directed by the Owner to engage in repairs or punch list modifications.

Section 9. It is understood that the Owner, at its sole option, may terminate, delay and/or suspend any and all portions of the covered work at any time.

ARTICLE III
LABOR/MANAGEMENT COOPERATION
JOINT ADMINISTRATIVE COMMITTEE

Section 1. The parties to this Agreement recognize the necessity for cooperation and communication between Labor and Management and the elimination of disputes and misunderstandings among the parties. To this end, a representative of PCI will meet monthly with the representatives of the Building Trades Council and signatory Local Unions to promote harmonious and stable labor/management relations on this project, and to insure effective and constructive communications between the labor and management parties. The date and time of this meeting will be determined by the parties and will be open to all representatives of Contractors signatory to this agreement.

At this meeting, the PCI representative will give a report on the safety and progress of on-going contracts and any outstanding issues pertaining to this Project, and will entertain questions and discuss labor relations matters of mutual interest affecting the work and the administration of the Agreement.

Section 2. A Project Labor Agreement Joint Administrative Committee will be formed consisting of equal numbers of Union representatives selected by the Unions and Contractor representatives selected by PCI. The Committee shall be jointly chaired by a representative of PCI and a representative of the Unions appointed by the Building and Construction Trades Department. The purpose of the committee will be to resolve disputes and, misunderstandings.

The Committee shall meet at the call of the Joint Chairs of the monthly Labor/Management Meeting to discuss any labor/management problems that may arise or any other matters consistent with this Agreement. PCI shall be responsible for the scheduling of the meetings, the preparation of the agenda topics for the meeting with input from the Unions and Contractors. Notice of the date, time and place of the meeting shall be given to the Committee members at least three (3) days prior to the meeting. In an emergency, a meeting of the Committee may be held within forty-eight (48) hours at the request of any member Union or Contractor.

At such meetings, any member may present facts concerning any alleged violations of any part of the Agreement by a Contractor or its subcontractors or by any Union. The Unions and the Contractors each agree to notify the other party upon discovery of any potential violations of this Agreement or any practices that might lead to a misunderstanding or dispute between the parties. Any agreement or resolution reached pursuant to this paragraph shall not supersede, alter, modify, amend, add to or subtract from this Agreement.

All parties signatory to this Agreement acknowledge the importance of active support of the Joint Administrative Committee and agree to attend and participate in the meetings as their responsibility on the Project requires.

ARTICLE IV
UNION RECOGNITION AND EMPLOYMENT

Section 1. The Contractor recognizes the Unions as the sole and exclusive bargaining representatives of all craft employees within their respective jurisdictions working on the Project within the scope of this Agreement.

Section 2. The Contractor shall have the right to determine the competency of all employees, the number of employees required and shall have the sole responsibility for selecting employees to be laid off, consistent with Section 10(b) of this Article and Article V, Section 3 below.

Section 3. For Local Unions now having a job referral system as contained in Schedule A, the Contractor agrees to comply with such system and it shall be used exclusively by such Contractor, except as it may be modified by this Article. Such job referral system will be operated in a non-discriminatory manner and in full compliance with Federal, state, and local laws and regulations which require equal employment opportunities and non-discrimination, and referrals shall not be affected in any way by the rules, regulations, by-laws, constitutional provisions or any other aspects or obligations of union membership, policies or requirements. All of the foregoing hiring procedures, including related practices affecting apprenticeship and training, will be operated so as to facilitate the ability of the Contractors to meet any and all equal employment opportunity/affirmative action obligations. The Contractor may reject any referral for any reason, provided the Contractor complies with Article XI, Section 6(a).

Section 4. In the event that Local Unions are unable to fill any requisitions for employees within forty-eight (48) hours after such requisition is made by the Contractor (Saturdays, Sundays, and holidays excepted), the Contractor may employ applicants from any other available source. The Contractor shall inform the Union of the names and social security numbers of any applicants hired from other sources and refer the applicants to the Local Union for dispatch to the Project prior to the commencement of any work by such employees.

Section 5. The Local Unions shall not knowingly refer an employee currently employed by any Contractor working under this Agreement to any other Contractor.

Section 6. The Local Unions will exert their utmost efforts to recruit sufficient numbers of skilled craft workers to fulfill the manpower requirements of the Contractor, including calls to local unions in other areas when its referral lists have been exhausted. The parties to this Agreement support the development of increased numbers of skilled construction workers from the residents of the area of the Project to meet the needs of this Project and the requirements of the industry generally. Toward that end, the Unions agree to encourage the referral and utilization, to the extent permitted by law and the hiring hall procedures, of qualified residents as journeymen and apprentices on this Project and entrance into such apprenticeship and training programs as may be operated by the signatory Local Unions.

Section 7. In the event that a signatory Local Union does not have a job referral system as set forth in Section 3 above, the Contractor shall give the Union equal opportunity to refer applicants. The Contractor shall notify the Union of employees hired from any source other than referral by the Union, prior to the commencement of any work by such employees.

Section 8. In the event the Local Unions either fail, or are unable, to refer qualified minority or female applicants in percentages equaling any federal or state affirmative action goals binding on the Contractor, the Contractor may employ qualified minority or female applicants from any other available source. The Contractor shall inform the Union of the name and social security numbers of any applicants hired from other sources and refer the applicant to the Local Union for dispatch to the Project, prior to the commencement of any work by such employees.

Section 9. No employee covered by this Agreement shall be required to join any Union or pay any agency fees or dues as a condition of being employed, or remaining employed, on the Project. Where, however, there is in effect and in the possession of the Contractor a voluntary written dues deduction authorization executed by the employee on a standard form furnished by the Union, the Contractor agrees to deduct union dues from the pay of the employee and to remit the dues to the Union at the same time that trust fund contributions are required to be remitted to the administrators of the appropriate trust funds on behalf of that employee.

Section 10(a). The parties recognize the Owner's interest in providing opportunities to participate on the Project to minority- and women-owned business enterprises as well as other enterprises which may not have previously had a relationship with the Unions signatory to this Agreement. To ensure that such enterprises will have an opportunity to employ their "core" employees on this Project, the parties agree that in those situations where a Contractor not a party to the current collective bargaining agreement with the signatory Union having jurisdiction over the affected work is a successful bidder, the Contractor may request by name, and the local will honor, referral of persons who have applied to the local union for Project work and who meet the following qualifications:

- (1) possess any license required by state or federal law for the Project work to be performed;
- (2) have worked a total of at least two thousand (2,000) hours at the level of a journeyman in the specific construction craft during the prior three (3) years;
- (3) were on the Contractor's active payroll for at least one hundred eighty (180) calendar days out of the twelve (12) months prior to the contract award;
- (4) have the ability to perform safely the basic functions of the applicable trade.

The Union will refer to such Contractor one journeyman employee from the hiring hall out-of-work list for the affected trade or craft, and will then refer one of such Contractor's "core" employees as a journeyman and shall repeat the process, one and one, until such Contractor's crew requirements are met or until such Contractor has hired seven (7) "core" employees, whichever occurs first. Thereafter, all additional employees in the affected trade or craft shall be hired exclusively from the hiring hall out-of-work list(s).

(b) For the duration of the Contractor's work the ratio shall be maintained and when the Contractor's workforce is reduced, employees shall be reduced in the same ratio of core employees to hiring hall referrals as was applied in the initial hiring.

Section 11. Except as provided in Section 10(b) above and Article V, Section 3, individual seniority will not be recognized or applied to employees working on the Project.

Section 12. The selection of craft foremen and/or general foremen and the number of foremen required shall be entirely the responsibility of the Contractor, except that no craft foreman shall be required to supervise more than ten (10) craft employees. Craft foremen shall be designated working foremen at the request of the Contractor. Craft workers covered by this Agreement will, in the normal day-to-day operations, take their direction and supervision from their foreman, except that authorized representatives of the Contractor may give incidental instructions to the workers in the absence of the foreman or in special circumstances when immediate direction is necessary.

ARTICLE V
UNION REPRESENTATION AND STEWARDS

Section 1. Authorized representatives of the Union shall have access to the Project, provided that they do not interfere with the work of the employees and further provided that such representatives fully comply with posted visitor, security and safety rules and the environmental compliance requirements of the Project. It is understood that because of the geographical scope of the Project, and the type of work being undertaken on the Project site, visitors may be limited to certain times, or areas, or to being accompanied at all times while on the Project site; with this in mind, however, the Contractor recognizes the right of access set forth in this Section and such access will not be unreasonably withheld from an authorized representative of the Union.

Section 2(a). Each signatory Local Union shall have the right to designate a working journeyman as a steward for each shift, and shall notify the Contractor in writing of the identity of the designated steward or stewards prior to the assumption of such person's duties as steward. Such designated steward or stewards shall not exercise any supervisory functions. There will be no non-working stewards. Stewards will receive the regular rate of pay for their respective crafts.

(b) In addition to his work as an employee, the steward shall have the right to receive, but not solicit, complaints or grievances and to discuss and assist in the adjustment of the same with the employee's appropriate supervisor. Each steward shall be concerned with the employees of the steward's Contractor and, if applicable, subcontractors, and not with the employees of any other Contractor. The Contractor will not discriminate against the steward in the proper performance of his union duties.

(c) When a Contractor has multiple, non-contiguous work locations on the site, the Contractor may elect to have the Union appoint additional working stewards to provide independent coverage of one or more such locations, or allow the existing steward reasonable time away from his work duties to service such other locations with approval from his supervisor, which approval will not be unreasonably withheld.

(d) The stewards shall not have the right to determine when overtime shall be worked or who shall work overtime.

Section 3. The Contractor agrees to notify the appropriate Union twenty-four (24) hours prior to the layoff of a steward, except in the case of disciplinary discharge for just cause. If a steward is protected against such layoff by the provisions of any Schedule A, such provisions shall be recognized to the extent that the steward possesses the necessary qualifications to perform the work remaining. In any case in which a steward is discharged or disciplined for just cause, the appropriate Union and PCI shall be notified immediately by the Contractor.

Section 4. On work where the personnel of the SNWA may be working in close proximity to the construction activities, the Union agrees that the Union representatives, stewards and individual workers will not interfere with personnel, or with personnel employed by any other employer not a party to this Agreement.

ARTICLE VI

MANAGEMENT'S RIGHTS

Section 1. The Contractor retains the full and exclusive authority for the management of its operations. Except as expressly limited by other provisions of this Agreement, the Contractor retains the right to direct the workforce, including the hiring, promotion, transfer within a contract, layoff, discipline or discharge for just cause of its employees; the selection of foremen; the assignment and schedule of work; the promulgation of reasonable work rules; and, the requirement of overtime work, the determination of when it will be worked and the number and identity of employees engaged in such work. No rules, customs, or practices which limit or restrict productivity, efficiency or the individual and/or joint working efforts of employees shall be permitted or observed. The Contractor may utilize any methods or techniques of construction.

Section 2. There shall be no limitation or restriction by a signatory Union upon a Contractor's choice of materials or design, nor, regardless of source or location, upon the full use and utilization of equipment, machinery, packaging, pre-cast, pre-fabricated, pre-finished, or pre-assembled materials, tools, or other labor saving devices. The on-site installation or application of all items shall be performed by the craft having jurisdiction over such work; provided, however, it is recognized that installation of specialty items which may be furnished by the Owner may be performed by employees employed under this Agreement who may be directed by other personnel in a supervisory role, or, in limited circumstances requiring special knowledge of the particular item(s), may be performed by employees of the vendor or other companies where necessary to protect a manufacturer's written warranty or where the employees working under this Agreement lack the required skills to perform the work.

Section 3. The use of new technology, equipment, machinery, tools and/or labor-saving devices and methods of performing work may be initiated by the Contractor from time-to-time during the Project. The Union agrees that it will not in any way restrict the implementation of such new devices or work methods. If there is any disagreement between the Contractor and the Union concerning the manner or implementation of such device or method of work, the implementation shall proceed as directed by the Contractor, and the Union shall have the right to grieve and/or arbitrate the dispute as set forth in Article VIII of this Agreement.

Section 4. PCI and SNWA reserve the right to designate supervisors or non-craft employees, i.e., employees not covered by this Agreement or its Schedule A's, to monitor and service electrical pumps, compressors and generators, and to turn off and turn on lighting and power to operate and maintain existing facilities, under the control of the SNWA or its member agencies.

ARTICLE VII

WORK STOPPAGES AND LOCKOUTS

Section 1. There shall be no strikes, sympathy strikes, picketing, work stoppages, slowdowns or other disruptive activity for any reason (including disputes relating to the negotiation or renegotiation of the local collective bargaining agreements which serve as the basis for the Schedule A's) by the Union(s) or employees against any Contractor covered under this Agreement and there shall be no lockout by the Contractor. Failure of any Union or employee to cross any picket line established by any Union, signatory or non-signatory to the Agreement, or by any other organization or individual at or in proximity to the Project construction site is a violation of this Article.

Section 2. The Contractor may discharge any employee violating Section 1, above, and any such employee will not be eligible for rehire under this Agreement for a period of 180 calendar days. PCI and the Union shall take all steps necessary to obtain compliance with this Article and neither shall be held liable for conduct for which it is not responsible.

Section 3(a). If the Contractor contends that any Union has violated this Article, Article IX, Section 4 or Article XVIII, Section 3, it will notify in writing the International President(s) of the Union(s) involved, advising him of the fact, with copies of such notice to the Local Union(s) involved, to the Building Trades Council, the Building and Construction Trades Department and PCI. The International President or Presidents will immediately instruct, order and use the best efforts of his office to cause the Local Union(s) to cease any violation of this Article. An International Union complying with this obligation shall not be liable for unauthorized acts of its Local Union.

(b) If the Union contends that any Contractor has violated this Article, it will notify the Contractor and PCI setting forth the facts which the Union contends violate the Agreement, at least twenty-four (24) hours prior to invoking the procedures of Section 5. It is agreed by the parties that the term "lockout" for purposes of this Agreement does not include discharge, termination or layoff of employees by the Contractor, nor does it include the Contractor's decision to terminate or suspend work on the Project or any portion thereof for any reason, provided the Union is given thirty (30) calendar days' notice. This provision will not affect the Contractor's right to suspend or terminate work on any portion of the Project for operational or special circumstances.

Section 4. There shall be no strikes, picketing, work stoppages, slowdowns or other disruptive activity affecting the project site during the term of this Agreement. Any Union or Local Union which initiates or participates in a work stoppage in violation of this Article, or which recognizes or supports the work stoppage of another Union or Local Union which is in violation of this Article, agrees as a remedy for said violation, to pay liquidated damages in accordance with Section 5(h).

Section 5. Any party, including the Owner, whom the parties agree is a party in interest for purposes of this Article, or PCI, may institute the following procedure, in lieu of or in addition to any other contractual procedure or any action at law or equity, when a breach of Section 1, above, Section 4 of Article IX, or Section 3 of Article XVIII is alleged:

(a) A party invoking this procedure shall notify John Kagel, whom the parties agree shall be the permanent arbitrator under this procedure. In the event that the permanent arbitrator is unavailable at any time, he shall appoint an alternate. Notice to the arbitrator shall be by the most expeditious means available, with notices to the party alleged to be in violation and to the Building Trades Council if it is a Union alleged to be in violation. For purposes of this Article, written notice may be given by telegram, facsimile, hand delivery or overnight mail but will be deemed effective upon receipt.

(b) Upon receipt of said notice, the arbitrator named above or his alternate shall set and hold a hearing within twenty-four (24) hours if it is contended that the violation still exists, but not sooner than twenty-four (24) hours after the notice to the International President(s) required by Section 3, above.

(c) The arbitrator shall notify the parties of the place and time chosen for the hearing. Said hearing shall be completed in one session, which, with appropriate recesses at the arbitrator's discretion, shall not exceed twenty-four (24) hours unless otherwise agreed upon by all parties. A failure of any party or parties to attend said hearings shall not delay the hearing of evidence or the issuance of any award by the arbitrator.

(d) The sole issue at the hearing shall be whether or not a violation of Section 1, above, Section 4 of Article IX, or Section 3 of Article XVIII, has in fact occurred. The arbitrator shall have no authority to consider any matter in justification, explanation or mitigation of such violation or, except as expressly provided by Section 5(h) of this Article, to award damages, which issue is reserved for court proceedings, if any. The award shall be issued in writing within three (3) hours after the close of the hearing, and may be issued without an opinion. If any party desires an opinion, one shall be issued within fifteen (15) calendar days, but its issuance shall not delay compliance with, or enforcement of, the award. The arbitrator may order cessation of the violation of the Article and other appropriate relief, and such award shall be served on all parties by hand or registered mail upon issuance.

(e) Such award shall be final and binding on all parties and may be enforced by any court of competent jurisdiction upon the filing of this Agreement and all other relevant documents referred to hereinabove in the following manner. Written notice of the filing of such enforcement proceedings shall be given to the other party. In the proceeding to obtain a temporary order enforcing the arbitrator's award as issued under Section 5(d) of this Article, all parties waive the right to a hearing and agree that such proceedings may be ex parte. Such agreement does not waive any party's right to participate in a hearing for a final order of enforcement. The court's order or orders enforcing the arbitrator's award shall be served on all parties by hand or by delivery to their last known address by registered mail.

(f) Any rights created by statute or law governing arbitration proceedings inconsistent with the above procedure or which interfere with compliance hereto are hereby waived by the parties to whom they accrue.

(g) The fees and expenses of the arbitrator shall be equally divided between the moving party or parties and the party or parties respondent.

(h) If the arbitrator determines that a violation of Section 1, above, Section 4 of Article IX, or Section 3 of Article XVIII, has occurred in accordance with Section 5(d) above, the Union(s) shall, within eight (8) hours of receipt of the award, direct all of the employees they represent on the Project to immediately return to work. If the trade involved does not return to work by the beginning of the next regularly scheduled shift following receipt of the arbitrator's award, and the Union(s) has not complied with Section 2 of this Article, then the Union(s) shall pay the sum of ten thousand dollars (\$10,000.00) as liquidated damages to the Owner, and shall pay an additional ten thousand dollars (\$10,000.00) per shift for each shift thereafter on which the trade has not returned to work. If the arbitrator determines that a lockout has occurred in violation of Section 1, he shall be empowered to award backpay to the employees who were locked out. The arbitrator shall retain jurisdiction to determine compliance with this section and Section 2 of this Article.

Section 6. Procedures contained in Article VIII shall not be applicable to any alleged violation of this Article, with the single exception that any employee discharged for violation of Section 1, above, may resort to the procedures of Article VIII to determine only if he was, in fact, engaged in that violation.

Section 7. PCI is a party-in-interest in all proceedings arising under this Article and Articles VIII and IX and shall be sent contemporaneous copies of all notifications required under these articles, and, at its option, may initiate or participate as a full party in any proceeding initiated under these articles.

ARTICLE VIII

DISPUTES AND GRIEVANCES

Section 1(a). This Agreement is intended to provide close cooperation between management and labor. PCI and the Building Trades Council shall each assign a representative to this Project for the purpose of assisting the Department, the International and Local Unions, together with the Contractors, to complete the construction of the Project economically, efficiently, continuously and without interruption, delays or work stoppages.

(b) PCI, Contractors, Unions, and employees collectively and individually, realize the importance to all parties to maintain continuous and uninterrupted performance of the work on the Project, and agree to resolve disputes in accordance with the arbitration provisions set forth in this Article.

Section 2. Any question arising out of and during the term of this Agreement involving its interpretation and application (other than trade jurisdictional disputes or alleged violations of Article VII, Section 1, or Article IX, Section 4) shall be considered a grievance and subject to resolution under the following procedures.

Step 1.(a) When any employee subject to the provisions of this Agreement feels he is aggrieved by a violation of this Agreement, he shall, through his Local Union business representative or job steward, within five (5) working days after the occurrence of the violation, give notice to the work site representative of the involved Contractor and to PCI stating the provision(s) alleged to have been violated. The business representative of the Local Union or the job steward and the work site representative of the involved Contractor shall meet and endeavor to adjust the matter within three (3) working days after timely notice has been given. If they fail to resolve the matter within the prescribed period, the grieving party may, within three (3) working days thereafter, pursue Step 2 of the grievance procedure provided the grievance is reduced to writing, setting forth the relevant information concerning the alleged grievance, including a short description thereof, the date on which the grievance occurred, and the provision(s) of the Agreement alleged to have been violated. Grievances and disputes settled at Step 1 shall be non-precedental, except as to the parties directly involved, unless endorsed by PCI within five (5) working days after resolution has been reached.

(b) Should the Local Union(s) or PCI or any other Contractor have a dispute with the other party and, if after conferring within ten (10) working days after the disputing party knew or should have known of the facts or occurrence giving rise to the dispute, a settlement is not reached within three (3) working days, the dispute shall be reduced to writing and be referred to the Project Labor Agreement Joint Administrative Committee ("JAC") under Article III for adjustment.

Step 2. The Business Manager of the involved Local Union or his designee, together with the International Union representative or his designee of that Union, the site representative of the involved Contractor, and the labor relations representative of PCI shall meet within seven (7) working days of the referral of the dispute to this second step to arrive at a satisfactory settlement thereof. If the parties fail to reach an agreement, the dispute may be appealed in writing in accordance with the provisions of Step 3 within seven (7) working days after the initial meeting at Step 2.

Step 3.(i) If the grievance shall have been submitted but not resolved under Step 2 or by the JAC in the case of a Local Union or Contractor dispute, either party may request in writing within seven (7) working days after the initial Step 2 meeting or the meeting of the JAC, that the grievance be submitted to an arbitrator selected from a permanent panel of three (3) arbitrators pre-selected by the parties to this Agreement. If the panel has not been agreed upon by the parties, arbitrator selection shall be made pursuant to the rules of the American Arbitration Association, which shall also govern the conduct of the arbitration hearing. The decision of the arbitrator shall be final and binding on all parties and the fee and expenses of such arbitration shall be borne equally by the involved Contractor and the involved Union(s).

(ii) Failure of the grieving party to adhere to the time limits established herein shall render the grievance null and void. Failure of the respondent party to adhere to the time limits established herein shall constitute a default acceptance of the claims and remedy stipulated in the written grievance. The time limits established herein may be extended only by written consent of the parties involved at the particular step where the extension is agreed upon. The arbitrator shall have the authority to make decisions only on issues presented and shall not have the authority to change, amend, add to or detract from any of the provisions of this Agreement.

Section 3. No adjustment or decision may provide retroactivity exceeding sixty (60) calendar days prior to the date of the filing of a written grievance.

Section 4. PCI shall be notified by the involved Contractor of all actions at Steps 2 and 3 and shall, upon its request, be permitted to participate fully in all proceedings at these steps.

ARTICLE IX

JURISDICTIONAL DISPUTES

Section 1(a). Work shall be assigned by the Contractor based upon the appropriate agreements of record, decisions of record, previously provided local written agreements between and/or among the Unions, and custom and practice in the industry. Such assignments shall be disclosed by the Contractor at a pre-job conference held in accordance with industry practice, which pre-job conference will include a representative of PCI. Traditional building and construction work shall be assigned pursuant to the building and construction Schedule A=s. Work that is not traditional building and construction work will be assigned in accordance with the appropriate Schedule A=s for the particular segment of the industry which is involved.

(b) The Contractor will announce proposed work assignments at a pre-job jurisdictional assignment conference held in accordance with industry practice not later than fourteen (14) calendar days before commencing any work under this contract. The pre-job conference will include a representative of PCI. Any Union in disagreement with the proposed assignment shall notify the Contractor of its position in writing, with a copy to PCI, within seven (7) calendar days thereafter. Within seven (7) calendar days after the period allowed for Union notices of disagreement with the Contractor=s proposed assignments, but prior to the commencement of any work, the Contractor shall make final assignments in writing with copies to the Building Trades Council and PCI.

Section 2. Any jurisdictional dispute over the Contractor=s assignment of work shall be settled in accordance with one of the following procedures:

(a) Where the work in dispute involves traditional building and construction work, the parties agree that the dispute will be settled in accordance with the procedural rules and regulations of the Plan for the Settlement of Jurisdictional Disputes in the Construction Industry, effective June 1, 1984, or any successor plan (the APlan@).

(b)(1) Where the work in dispute is not traditional building and construction work, or is claimed by any of the parties to the dispute not to be traditional building and construction work, and a difference exists among the parties as to the appropriate procedure with jurisdiction to resolve the dispute, the dispute will be settled in accordance with the following procedure. If the dispute is not resolved among the parties within seven (7) calendar days, the dispute shall be referred, within five (5) working days thereafter, by any one of the Unions or the involved Contractor to the International Unions with which the disputing Unions are affiliated. The International Unions and the involved Contractor shall meet promptly to resolve the dispute. Any resolution shall be reduced to writing and signed by representatives of the involved Contractor and the International Unions.

(b)(2) In the event that the respective International Unions of the disputing Local Unions and the involved Contractor are unable to resolve the dispute within fifteen (15) calendar days from the date of referral, the dispute shall be referred by any of the interested parties to Dr. John T. Dunlop, who the parties agree shall be the permanent arbitrator under this Article to hear and decide issues arising from the work assignment which is the basis of the dispute. The parties

agree that the arbitrator shall, within twenty (20) calendar days of such referral, conduct a hearing and render a determination of the dispute.

(b)(3) In such a hearing, the arbitrator shall first determine whether the work is traditional building and construction work. If he determines that the work is traditional building and construction work, it shall be referred to the Plan for resolution. If he determines that the work is not traditional building and construction work, he shall proceed to determine the dispute on the merits.

(c) Any award or resolution made pursuant to this procedure, shall be final and binding on the disputing Unions and the involved Contractor under this Agreement only, and may be enforced in any court of competent jurisdiction in accordance with the Plan. Such award or resolution shall not establish a precedent on any construction work not covered by this Agreement. In all disputes under this Article, PCI shall be considered a party in interest, with a full right of participation.

Section 3. In making any determination hereunder, there shall be no authority to assign work to a double crew, that is, to more employees than the minimum required to perform the work involved; nor to assign the work to employees who are not qualified to perform the work involved. This does not prohibit the establishment, with the agreement of the involved Contractor, of composite crews where more than one (1) employee is needed for the job. The aforesaid determination shall decide only to whom the disputed work belongs.

Section 4. There will be no strikes, work stoppages, slow downs, or other disruptive activity arising out of any jurisdictional dispute. Pending the resolution of the dispute, the work shall proceed as assigned by the Contractor. The award or resolution shall be confirmed in writing to the involved parties. There shall be no strike, work stoppage or interruption in protest of any such award or any resolution.

ARTICLE X
WAGES AND BENEFITS

Section 1. All employees covered by this Agreement shall be classified in accordance with work performed and paid the hourly wage rates for those classifications in compliance with the applicable prevailing wage determination for the duration of the Contractor's contract work. If the prevailing wage laws are repealed during the term of this Agreement, the Contractor shall pay the wage rates established under the Schedule A's, except as otherwise provided in this Agreement.

Section 2. All employees covered by this Agreement may be paid by check and shall be paid no later than the end of the work shift Friday. Any employee who is discharged or laid off shall be entitled to receive all accrued wages immediately upon discharge or layoff. Paychecks shall be drawn on a local bank, or the Contractor shall make local check-cashing facilities available to the employees. No more than one week's wages may be withheld. Notification of layoff shall be at the Contractor's discretion but not given later than the end of the work shift on the date the layoff is to be effective. Such notification may be verbal. The hiring hall shall be similarly notified of any layoffs no later than three (3) working days after the termination.

Section 3. The Contractor will pay contributions to the established employee benefits funds in the amounts designated in the appropriate Schedule A and to make all employee-authorized deductions in the amounts designated in the appropriate Schedule A; provided, however, that the Contractor and the Union agree that only such bona fide employee benefits as accrue to the direct benefit of the employees (such as pension and annuity, health and welfare, vacation, apprenticeship, training funds, etc.) shall be included in this requirement and required to be paid by the Contractor on this Project. Bona fide jointly-trusted benefit plans or authorized employee deduction programs established or negotiated under the applicable Schedule A or by the parties to this Agreement during the life of this Agreement may be added, subject to the limitations upon such negotiated changes contained in Article XVIII, Section 2 of this Agreement. Such contributions shall be made in compliance with the applicable prevailing wage determination and shall be due and payable on the due date contained in the applicable Schedule A.

The Contractor adopts and agrees to be bound by the written terms of the legally established trust agreements specifying the detailed basis on which payments are to be made into, and benefits paid out of, such Trust Funds. The Contractor authorizes the parties to such Trust Funds to appoint Trustees and successor Trustees to administer the Trust Funds and hereby ratifies and accepts the Trustees so appointed as if made by the Contractor.

Section 4. Contractors of whatever tier shall make regular and timely contributions required by Section 3 of this Article in amounts and on the time schedule set forth in the appropriate Schedule A. Delinquency in remission of contributions is a breach of this Agreement. If a Contractor or subcontractor is delinquent in any such contributions, the Union or the Trust Fund shall provide timely notification to PCI after efforts by the Fund to resolve the delinquency have been exhausted, and provide documentary evidence of the delinquency endorsed by the Fund. Upon such notification, PCI will attempt to resolve the delinquency among the Contractor or subcontractor, the Union and the Fund. If the delinquency is not resolved within ten (10) days

thereafter, the Contractor, in the case of a delinquent subcontractor, shall withhold an amount to cover the delinquency from any retained funds otherwise due and owing to the subcontractor and shall not release such withholding until the subcontractor is in compliance, provided, however, that if the delinquent amount is undisputed in whole or in part between the Fund and the delinquent subcontractor, the Contractor shall issue a joint check payable to the Fund and the subcontractor in the amount of the undisputed delinquency. In the case of a delinquent prime Contractor, PCI shall notify the SNWA of the delinquency and request the SNWA to withhold, in an appropriate amount, any funds due and owing to the Contractor. Pursuant to the announced commitment of the SNWA, the Contractor shall be subject to withholding of retained amounts which may only be released upon the Contractor's resolution of the delinquency as evidenced by a written statement endorsed by the Fund. Where there is no dispute as to the amount of the delinquency, retained amounts may be released by a joint check payable to the Contractor and the Fund in the amount of any undisputed delinquency.

ARTICLE XI
HOURS OF WORK, OVERTIME, SHIFTS AND HOLIDAYS

Section 1. **Work Day and Work Week.** Eight (8) hours per day between the hours of 5:00 A.M. and 4:30 P.M., plus one-half (2) hour unpaid for lunch, approximately mid-way through the shift, shall constitute the standard work day. Forty (40) hours per week shall constitute a regular week's work. The work week will start on Monday and conclude on Sunday. A uniform starting time will be established for all crafts on each project or segment of the work. Nothing herein shall be construed as guaranteeing any employee eight (8) hours per day or forty (40) hours per week. The Union(s) shall be informed of the work starting time set by the Contractor at the pre-job conference which may be changed thereafter upon three (3) days' notice to the Union(s) and the workers.

Section 2. **Starting Times.** Employees shall be at their place of work at the starting time and shall remain at their place of work (as designated by the Contractor) performing their assigned functions until quitting time, which is defined as fifteen (15) minutes before the scheduled end of the shift. These fifteen (15) minutes shall be used for pickup, clean up and travel. The place of work shall be defined as the gang or toolbox, or equipment at the employee's assigned work location or the place where the foreman gives instructions. The parties reaffirm their policy of a fair day's work for a fair day's wage. There shall be no pay for time not worked unless the employee is otherwise engaged at the direction of the Contractor.

Section 3. **Overtime.** Overtime shall be defined as all hours worked in excess of eight (8) daily, Monday through Friday, and all hours worked on Saturday, Sunday and holidays and shall be paid as follows:

- (a) One and one-half (1 ½) times the straight time rate of pay, Monday through Friday and the first eight (8) hours on Saturday;
- (b) Two (2) times the straight time rate of pay on all hours in excess of eight (8) on Saturday and all hours on Sunday and holidays.

There will be no restriction on the Contractor's scheduling of overtime or the non-discriminatory designation of employees who will work. Steward overtime shall be as provided in the applicable Schedule A, provided the steward is qualified to perform the work available. There shall be no pyramiding of overtime pay under any circumstances.

Section 4(a). **Shifts.** Shift work may be performed at the option of the Contractor(s) upon three (3) working days' prior notice to the Union, unless a shorter notice period is provided in the applicable Schedule A, and shall continue for a period of not less than five (5) working days. Saturdays and Sundays, if worked, may be used for establishing the five (5) day minimum work shift. If two (2) shifts or three (3) shifts are worked, the second shift shall consist of seven and one-half (7 ½) hours of continuous work exclusive of one-half (2) hour unpaid lunch period for eight (8) hours= pay, and the third shift shall consist of seven (7) hours of continuous work exclusive of one-half (2) hour unpaid lunch period for eight (8) hours= pay. The last shift starting on or before 6:00 P.M. Friday shall be considered Friday work time; while the first shift

ending at or after 6:00 A.M. on Monday shall be considered Monday work time. The shift starting at or after 6:00 A.M. is designated as the first shift, with the second shift following.

(b) The Contractor may, upon five (5) working days' notice to the appropriate union(s), establish a work week of four (4) consecutive ten (10) hour work days (exclusive of one-half hour unpaid lunch, approximately midway through the shift). Such work week will start on Monday and conclude on Thursday, and shall continue for a period of not less than two (2) workweeks. Pay compensation shall be at straight time for the first ten (10) hours. If the Contractor works a second ten (10) hour shift, compensation will be at straight time for the first ten (10) hours plus the one-half (2) hour second shift premium.

Section 5. Holidays. Recognized holidays on this Project shall be New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Veterans' Day, Thanksgiving Day, Friday after Thanksgiving Day, and Christmas Day. Work performed on holidays shall be paid at double the straight time rate of pay. If a designated holiday falls on Saturday, it shall be observed on the preceding Friday and a holiday falling on Sunday shall be observed on the following Monday.

Section 6(a). Reporting Pay. Employees reporting for work and for whom no work is provided, except when given notification not to report to work, shall receive two (2) hours pay for an eight-hour (8) shift, and three (3) hours pay for a ten-hour (10) shift, at the regular straight time hourly rate. Employees who are directed to start work shall receive four (4) hours pay for an eight-hour shift, and five (5) hours pay for a ten-hour (10) shift, at the regular straight time hourly rate. Employees who work beyond four (4) hours shall be paid eight (8) hours pay, for an eight-hour (8) shift, and employees who work beyond five (5) hours shall be paid ten (10) hours pay, at the regular straight time hourly rate, except that in circumstances beyond the Contractor's control, they shall be paid for actual hours worked. Whenever reporting pay is provided for employees, they will be required to remain at the Project site available for work for such time as they receive pay, unless released earlier by the principal supervisor of the Contractor(s) or their designated representative. Each employee shall furnish his Contractor with his current address and telephone number, and shall promptly report any changes in each to the Contractor.

(b) When an employee who is sent to the jobsite from the Union referral facility in response to a request by the Contractor for an employee for one (1) day starts work, the employee will be paid a minimum of eight (8) hours for an eight (8) hour shift or a minimum of ten (10) hours for a ten (10) hour shift.

(c) **Call Out Pay.** Any employee called out to work outside of his shift shall receive a minimum of four hours pay at the appropriate rate, including any applicable premium. This does not apply to time worked as an extension (before or after) of the employee's normal shift.

(d) When an employee leaves the job or work location of his own volition or is discharged for cause or is not working as a result of the Contractor's invocation of Article XIII, Section 3, the employee shall be paid only for the actual time worked.

- (e) In all cases, if the employee is reporting on a day on which a premium rate is paid, reporting pay shall be calculated at that rate.

Section 7. Time Keeping. The Contractor may utilize brassing systems to check employees in and out. Each employee must check himself in and out. The Contractor will provide adequate facilities for checking in and out in an expeditious manner.

Section 8. Meal Period. The Contractor will schedule a meal period not more than one-half (2) hour's duration at the work location at approximately at the mid-point of the scheduled work shift (four (4) hours in a five (5)-day work week, five (5) hours in a four (4)-day work week), consistent with Section 1; provided, however, that the Contractor may, for efficiency of the operation, establish a schedule which coordinates the meal periods of two (2) or more crafts. If an employee is required to work through his meal period, he shall be compensated in a manner established in the applicable Schedule A.

ARTICLE XII **APPRENTICES**

Section 1. The parties recognize the need to maintain continuing support of programs designed to develop adequate numbers of competent workers in the construction industry, and the Contractor(s) will employ apprentices in their respective crafts to perform work within their capabilities and customarily performed by the craft in which they are indentured.

Section 2. The Union agrees to cooperate with the Contractor in furnishing apprentices as requested up to the maximum percentage allowable under the applicable State Apprenticeship program standards and the prevailing wage determination and there shall be no restrictions on the utilization of apprentices in performing the work of their craft provided they are properly supervised. If the Schedule A and prevailing wage determination permit, other non-journeyman classifications may be utilized at the Contractor's discretion as part of the applicable ratio.

ARTICLE XIII
SAFETY, PROTECTION OF PERSON AND PROPERTY

Section 1(a). It shall be the responsibility of each contractor to ensure safe working conditions and employee compliance with any safety rules contained herein or established by the Owner, PCI or the Contractor. It is understood that the employees have an individual obligation to use diligent care to perform their work in a safe manner and to protect themselves and the property of the Contractor and the Owner.

- (b) Employees shall be bound by the safety, security and visitor rules and environmental compliance requirements established by the Contractor, PCI or the Owner. These rules will be published and posted in conspicuous places throughout the work site. An employee's failure to satisfy his obligations under this Section will subject him to discipline, including discharge.
- (c) The use, sale, transfer, purchase and/or possession of a controlled substance, alcohol and/or firearms during work hours or while on the Owner's premises is prohibited. Accordingly, the parties have agreed to appropriate procedures and safeguards for the testing of employees for prohibited or controlled substances set forth in the attached Appendix A.

Section 2. The inspection of incoming shipments of equipment, machinery and construction materials of every kind shall be performed at the discretion of the Contractor by individuals of its choice. All employees shall comply with the security procedures established by the Owner, PCI and/or Contractor.

Section 3. A Contractor may suspend all or a portion of the job to protect the life and safety of an employee. In such cases, employees will be compensated only for the actual time worked; provided, however, that where the contractor requests employees to remain at the site and available for work, the standby time shall be considered time worked and compensated at the appropriate rate of pay.

Section 4. The Contractor shall provide adequate supplies of drinking water and sanitary facilities for all employees.

Section 5(a). **Workers' Compensation**. All employees working under this Agreement shall be covered as required by the provisions of Nevada law affecting workers' compensation benefits. Should Nevada law be amended during the life of this agreement to establish a system of dispute prevention and dispute resolution as a substitute for the dispute resolution processes otherwise contained in the Nevada Workers' Compensation Law, and to include better access to and delivery of medical care for employees affected by occupational injury or disease, the parties to this Agreement will undertake, upon the request of either party, to negotiate procedures to apply the amended law to the workers' compensation rights, procedures and benefits under this Agreement.

Section 6. Joint Labor-Management Safety Sub-Committee. PCI and the Building Trades Council shall each designate three (3) representatives to sit as a Joint Safety Sub-Committee of the Joint Administrative Committee. The Sub-Committee shall be jointly chaired by the site safety representative of PCI (or designee) and a representative of the Unions appointed by the Building and Construction Trades Department. The Sub-Committee shall meet at the call of the Joint Chairs, to receive reports on safety programs instituted by the Owner, PCI and the individual Contractors on the Project site and to discuss and advise such parties to the Agreement with regard to recommended safety programs and procedures to maintain the highest level of occupational safety on the Project site. The Joint Chairs shall rotate the position of Meeting Chair on a monthly basis. It is understood that the sub-committee's purpose is to assist the Contractors in fulfilling their obligations to assure a safe and healthy work environment, and that in performing the functions assigned to it, neither the sub-committee nor its members are assuming the Contractors' responsibilities.

ARTICLE XIV
NON-DISCRIMINATION

Section 1. The Contractor and Union agree that they will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age, marital status or physical or mental disability in any manner prohibited by law or regulation. Any complaints regarding the application of this provision shall be brought to the immediate attention of the involved Contractor and PCI for consideration and resolution.

Section 2. It is recognized that special procedures may be established by joint agreement of the parties to this Agreement and governmental agencies for the training and employment of persons who have not previously qualified to be employed on construction projects of the type covered by this Agreement. The parties agree that they will make all good faith efforts to assist in the proper implementation of such orders, regulations or agreements for the general benefit of the residents of Southern Nevada.

Section 3. It is recognized that the SNWA may adopt certain policies and commitments for the utilization of business enterprises owned and/or controlled by minorities and/or women. The parties shall jointly endeavor to assure that these commitments, and any amendments that may be adopted by the SNWA during the life of this Agreement, are fully met and that any provisions of this Agreement which may appear to interfere with any minority- or women-owned business enterprise successfully bidding for work within the scope of this Agreement shall be carefully reviewed, and adjustments made as may be appropriate and agreed upon among the parties, to assure full compliance with the spirit and the letter of the Owner's policies and commitments and all applicable Federal, state and local rules and regulations relating to employment and utilization of minorities and minority- and/or women-owned businesses.

ARTICLE XV
TRAVEL AND SUBSISTENCE

Travel expenses, travel time, subsistence allowance and parking reimbursements shall not be applicable to work under this Agreement except to the extent provided for in any applicable prevailing wage determination.

ARTICLE XVI
WORKING CONDITIONS

Section 1. There will be no organized breaks or other non-working time established during working hours. Individual nonalcoholic beverage containers will be permitted at the employee's work location.

Section 2. The Owner and/or PCI shall establish such reasonable Project rules as the Owner or PCI deems appropriate and not inconsistent with this Agreement. These rules will be explained at the pre-job conference and posted at the Project site by the Contractor and may be amended thereafter as necessary. Failure to observe these rules and regulations by any employee may be grounds for discipline, including discharge.

Section 3. There shall be no restrictions on the emergency use of any tools by any qualified employee or supervisor; or on the use of any tools or equipment for the performance of work within the jurisdiction, provided the employee can safely use the tools and/or the equipment involved.

Section 4. Recognizing the nature of the work being conducted on the site, employee access by a private automobile may be limited to certain roads and/or parking areas.

ARTICLE XVII
SAVINGS AND SEPARABILITY

Section 1. It is not the intention of either the Contractor or the Union parties to violate any laws governing the subject matter of this Agreement. The parties hereto agree that in the event any provisions of the Agreement are finally held or determined to be illegal or void as being in contravention of any applicable law, the remainder of the Agreement shall remain in full force and effect unless the part or parts so found to be void are wholly inseparable from the remaining portions of this Agreement. Further, the Contractor and Union agree that if and when any provisions of this Agreement are finally held or determined to be illegal or void by a court of competent jurisdiction, the parties will promptly enter into negotiations concerning the substance affected by such decision for the purpose of achieving conformity with the requirements of any applicable law and the intent of the parties hereto.

Section 2. The parties recognize the right of the Owner to withdraw, at its absolute discretion, the utilization of this Agreement as part of any bid specification should a court of competent jurisdiction issue any order which could result, temporarily or permanently, in delay of the bidding, awarding, and/or construction work on the Project. Notwithstanding such an action by the Owner, or such court order, the Parties agree that the Agreement shall remain in full force and effect on the Project, to the maximum extent legally possible.

Section 3. The occurrence of events covered by Sections 1 and/or 2 above shall not be construed to waive the prohibitions of Article VII.

ARTICLE XVIII
DURATION OF THE AGREEMENT

This Project Labor Agreement shall be effective on the date approved by the SNWA, and shall continue in effect for the duration of the Project Construction work described in Article II hereof.

Section 1(a). Turnover. Construction of any phase, portion, section or segment of the Project shall be deemed complete when such phase, portion, section or segments has been turned over to the Owner by the Contractor and the Owner has accepted such phase, portion, section or segment. As areas and systems of the Project are inspected and construction tested and/or approved by the Construction Manager and accepted by the Owner or third parties with the approval of the Owner, the Agreement shall have no further force or effect on such items or areas, except when the Contractor is directed by the Construction Manager or Owner to engage in repairs or modifications required by its contract(s) with the Owner or the Construction Manager.

- (b) **Notice.** Notice of each final acceptance received by the Contractor will be provided to the Building Trades Council with a description of what portion, segment, etc. has been accepted. Final acceptance may be subject to a "punch" list, and in such case, the Agreement will continue to apply to each such item on the list until it is completed to the satisfaction of the Owner and Notice of Acceptance is given by the Owner to the Contractor.
- (c) **Termination.** Final termination of all obligations, rights and liabilities and disagreements shall occur upon receipt by the Union of a notice from PCI or the Owner saying that no work remains within the scope of the Agreement for PCI or its successor.

Section 2. Schedule A's incorporated as part of this Project Agreement shall continue in full force and effect until the contractor and/or union parties to the Collective Bargaining Agreements which are the basis for such Schedule A's notify PCI in writing of mutually agreed upon changes in such Agreements and their effective date(s).

The parties agree to recognize and implement such changes on their effective dates, provided, however, that any provisions negotiated in said collective bargaining agreements will not apply to work covered by this Agreement if such provisions are less favorable to the Contractor for work covered by this Agreement than those uniformly required of contractors for construction work normally covered by those Agreements; nor shall any provision be recognized or applied if it may be construed to apply exclusively or predominantly to work covered by this Agreement. Any disagreement between the parties over the incorporation into a Schedule A of any such provision agreed upon in the negotiation of the local Collective Bargaining Agreement which serves as the basis for the Schedule A shall be referred to John Kagel for resolution under the procedures established in Article VIII. As part of this understanding, the Contractor agrees and consents to pay the increased contributions to the relevant jointly administered trust funds pursuant to the provisions of any collective bargaining agreements negotiated by the unions during the work performed

on the Project retroactively to the expiration date of the applicable Schedule A, provided, however, if the provisions of any such new collective bargaining agreement provide said increases shall not become effective until a later date after the date following the expiration date, then that later date shall prevail.

Section 3. The Union agrees that there will be no strikes, work stoppages, sympathy strikes, picketing, slowdowns, or any other disruptive activity affecting the Project by any Union involved in the negotiation of such local Collective Bargaining Agreements and the resulting Schedule A's, nor shall there be any lockout on this Project affecting the Union during the course of such negotiations.