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2003-2008

AGREEMENT

between the

LABOR RELATIONS DIVISION

of the

**MICHIGAN ROAD BUILDERS
ASSOCIATION**

and the

**INTERNATIONAL UNION OF
OPERATING ENGINEERS
Local No. 324, 324-A, 324-B
and 324-C, AFL-CIO**

Effective June 1, 2003 - *6/1/08*



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AGREEMENT

THIS AGREEMENT, is made and entered into as of the 1st day of June, 2003, by and between the LABOR RELATIONS DIVISION of the MICHIGAN ROAD BUILDERS ASSOCIATION (hereinafter called the "Association"), and the INTERNATIONAL UNION OF OPERATING ENGINEERS Local No. 324, 324-A, 324-B and 324-C, AFL-CIO, (hereinafter called the "Union").

The Association is acting only as the collective bargaining agent in the negotiation and administration of this Agreement for those individual Contractor members of the Association who have authorized it so to act (hereinafter called the "Contractor") and in no event shall the Association be bound as principal or be held liable in any manner for any breach of this Agreement by any Contractor. It is further understood and agreed that the liabilities of the Contractor members of the Association who become parties to this Agreement shall be several and not joint.

ARTICLE I

Definitions

1. This Agreement shall govern all airport construction work (exclusive of building) railroad truck and trestle construction (exclusive of such work inside the property line of an industrial plant covered by the Detroit Associated General Contractors Agreement) and all highway work including roads, streets, bridge construction, parking lots, and asphalt plants, concrete plants and aggregate plants which are dedicated for a specific project, which the Contractors perform in the State of Michigan which comes within the jurisdiction of the International Union of Operating Engineers. This Agreement shall not apply to other types of construction work such as railroad construction work on industrial property, building site grading and building site drainage.

2. Highway construction work is defined as work performed to provide a facility to accommodate vehicular or pedestrian traffic and all work in connection with the construction of streets, roads, expressways, turnpikes, highway bridges, grade separations and parking lots including rest areas, sidewalks, pedestrian overpasses, bicycle paths, running tracks, bridle paths, guard rails, fences, storm sewers, combination storm-sanitary sewers and the relocation and rerouting of any utilities including sewers and waterlines.

3. Highway construction shall include all excavating, grading, paving and drainage for parking lots and roadways on building, subdivision or mobile home sites, but shall not include land-balancing, grading or other site preparation work or any other area of a building, subdivision or mobile home site. Excavated material from streets, roads or parking lots may be stockpiled on or off the building, subdivision or mobile home site.

4. Airport construction work is defined as including all work in connection with the construction of airfields, exclusive of buildings, including by way of illustration, drainage, taxiways and ramps.

5. Underground utility projects not included as part of a contract for highway construction, or initial construction of a new sanitary sewer system or new waterline system, or any utility projects constructed in tunnels where the tunnel exceeds 450 continuous feet in length (continuous length shall not be deemed broken by structures or appurtenances) shall be governed by the agreement between the Union and the Associated Underground Contractors, Inc.

6. (a) On bridge construction projects (except as modified below in paragraph 6 (b)), when a Class I Crane Operator is erecting structural components as part of a composite crew with Structural Ironworkers, the Base Rate and Vacation and Holiday pay shall be at the Crane Operator rate as set forth in the current agreement

between the Union and the Great Lakes Fabricators and Erectors Association.

(b) On completion of the Zilwaukee Bridge project, and on other bridge construction projects where the sum of the contract bid items for the furnishing and erecting of structural components exceeds \$10,000,000.00 and where the components are erected by members of the Structural Ironworkers Union then the contractor shall abide by all terms and conditions of the Agreement between the Union and the Great Lakes Fabricators and Erectors Association, Inc.

(c) Railroad track and trestle construction work shall include all work performed by the contractor that is ordinarily included in public or private property outside of buildings within the State of Michigan but excluding any such work that is within the property line of an industrial plant covered by the Detroit Associated General Contractors Agreement. The work shall include, but is not limited to, right of way clearing, excavating, grading and subgrading, ballasting, compacting and clean up on the project as well as the handling, distribution and placement of tracks and ties excluding work performed by Laborers.

ARTICLE II

GENERAL PROVISIONS

1. The Contractor shall not be hindered or prevented in using any type or quantity of tools or appliances and may secure materials or equipment from any market or source without interference of any kind.

2. This Agreement covers the entire understanding between the parties hereto. No oral rule, regulation or understanding which is not set forth herein will be of any force or effect upon the parties hereto. Any change or addition to this Agreement must be agreed to in writing by both parties to this Agreement and shall become a part of this Agreement by reference thereto.

3. A Business Representative of the Union may visit jobs, during working hours, on business for the Union but shall not hinder or interfere with the progress of the work. The Contractor agrees to assist in obtaining passes for official Union Representatives to enter all jobs.

4. The Contractor is to be the judge as to the satisfactory performance of work by an employee, including the Steward and may discharge any employee whose work is unsatisfactory or who fails to observe the safety precautions prescribed by the Contractor for the health, safety and protection of his employees.

5. The Contractor recognizes the right of the Union to select a working Steward from among the Contractor's employees in accordance with the Union's procedure. The Steward's activities shall be confined to the job site on which work is performed by his Contractor. The Steward shall be required to do a full day's work and shall be subject to discharge for the same reasons as applied to any other employee. The Steward shall not be discriminated against in any manner, including assignment of work and overtime, because of his Union representative position.

On any project where six (6) or more employees covered by this Agreement are working, the Steward will be one of the last two (2) employees laid off on the project provided that in the judgment of the Contractor the Steward can perform the required work. The Steward shall, however, have no seniority rights and when the Steward is laid off from a project, he shall have no right to be recalled to employment.

6. The Contractor and the Union acknowledge that they are subject to applicable laws regarding equal employment opportunity and fair employment practices and agree that they shall cooperate in taking necessary steps to comply with such laws and lawful regulations thereunder. Referral and selection of all employees shall be on the basis of qualifications without regard to race, creed, color, sex, age, religion, national origin or ancestry.

7. The Contractor agrees to register with the State of Michigan Construction Safety Commission, and to cooperate fully with its provisions on safety. All Contractors and employees covered under this Agreement shall abide by the Michigan Construction Safety Commission's rules and regulations.

8. The Contractor shall provide worker's compensation benefits for all employees covered by this Agreement as required by law. Upon request, the Contractor shall provide the Union with proof of workers' compensation coverage.

9. Whenever an employee is injured on the job so as to require prompt attention by a doctor or hospital, the Contractor shall provide transportation for the employee to the doctor or the hospital. Any injury requiring an employee to leave the job shall be reported to the Steward or the Union as soon as possible.

10. A worker who is required by the Contractor to take a drug test during working hours and misses work will be paid for the actual time necessary to take the drug test at the worker's straight time rate.

11. Upon request by either the Union or the Contractor, and upon reasonable advance notice, a Pre-Job Conference shall be held.

12. Fresh drinking water shall be furnished daily by the Contractor.

13. If a Mechanic provides his own truck with equipment, such as a compressor and welding machine, etc., at the Contractor's request to be used in connection with the repair of the Contractor's equipment, the Contractor and the Mechanic shall agree upon the amount to be paid the Mechanic for the use of his truck equipment.

14. It is recognized by the parties that in certain areas of the state, the Union construction market has been threatened by nonunion competition. Where the mutual

interests of the Union and the Association are served by cooperating to enable Association Contractor members to compete more effectively, it is agreed that the Association and the Union will meet to negotiate a market recovery rate on a job by job or an area by area basis.

ARTICLE III

1. Union Shop - It is agreed that as a condition of employment, all present and future employees covered by this Agreement shall become members of the Union after the seventh (7th) day following the beginning of their employment or the effective date of this Agreement, whichever is later. The continued employment by the Contractors of employees covered by this Agreement shall be conditioned upon payment by such employees of their periodic dues to the Union. It is agreed that "membership in good standing" for purposes of this section shall mean the payment of an amount equal to the Union's initiation fee, regular Union membership dues and fees that are germane to collective bargaining, contract administration and grievance adjustment, that are uniformly required as a condition of acquiring or retaining membership in the Union. The failure of any employee covered by this Agreement to make application to and become a member of the Union within the period of time herein indicated shall obligate the Contractor of such employee, upon written notice from a Union official to such effect and to the further effect that Union membership was and is available to such employee on the same terms and conditions as it is available to other applicants for membership, to forthwith discharge such employee.

2. Check-Off - The Contractors agree to honor, upon presentation by the Union, all assignments for initiation fees, membership dues and uniform assessments which have been properly signed by an employee and to deduct the amount stated therein from the wages earned by that employee and to pay the amount so deducted to the Union; provided, however, that this Section shall apply

only to those assignments which are not irrevocable for longer than one (1) year or until this Agreement expires, whichever occurs sooner, and to those assignments which in addition provide that they shall automatically renew themselves for successive yearly or applicable contract periods thereafter, whichever is the lesser, and which further provide the employee may revoke said assignment by giving written notice thereof to the Contractor and the Union at least sixty (60) days and not more than seventy-five (75) days before any periodic renewal date.

3. VACATION and HOLIDAY FUND

(a) Pursuant to the Amended and Restated Agreement and Declaration of Trust between the Union and the Associations governing the Operating Engineers' Local 324 Vacation and Holiday Fund of Michigan, dated November 11, 1975, which is incorporated herein by reference, employees may voluntarily execute a written authorization for an assignment of a part of their base wages for the payment of working dues which are uniformly required of all employees working within the jurisdiction of the Union. The Contractor appoints the Trustees of the Operating Engineers' Local 324 Vacation and Holiday Fund of Michigan as its agent for the receipt of said written authorizations and for the deduction of said working dues as hereinafter provided. Upon receipt of written authorization signed by the employee, the administrator shall deduct the amount authorized as working dues from Vacation and Holiday Fund contributions for said employee received by the administrator, prior to depositing such contributions into the Vacation and Holiday Fund.

(b) For any employee who has not executed an authorization for the assignment of working dues, the Fund will, upon written request, remit to the employee at regular intervals at such times as determined by the Trustees of the Fund, such a sum as would be remitted to the Union if such an authorization had been executed by the employee.

(c) The authorization for the assignment of working dues shall be revocable, at any time, upon not less than ninety (90) days prior written notice delivered by either registered or certified mail to the Operating Engineers' Local 324 Vacation and Holiday Fund of Michigan.

(d) The Union shall indemnify and save each Contractor, the Association, and the Trustees harmless against any duplication of payment and any, and all claims, demands, suits or other forms of liability that may arise out of or by reason of action taken by or not taken by the Contractor, the Association or the Trustees for the purpose of complying with this Section; provided, however, the Union shall not be responsible for any liability caused by the gross negligence or intentional misconduct of the Contractor, the Association or the Trustees.

(e) The Union agrees to bear all administrative costs involved in the deduction of the working dues from the Vacation and Holiday Fund and that there will be no cost to the Fund.

(f) It is mutually agreed and understood that the Contractor is not required to obtain the signed authorizations of assignment but that the Union shall be responsible for obtaining the authorizations from the employees.

ARTICLE IV CLASSIFICATIONS

1. All employees employed under this Agreement shall be classified in accordance with the classifications set forth in number four (4) of this Article. When a Contractor assigns an employee to perform job-site repair work on equipment covered under the terms of this Agreement such employee shall be covered under the terms of this Agreement.

2. If new or unclassified equipment or machinery which comes within the jurisdiction of the Union is used by a Contractor, the Contractor will fix a temporary

rate, which rate shall be within one of the rates and classifications specified in this Agreement and shall be based upon a comparison with the rate paid for other more nearly comparable classifications specified in this Agreement. Thereafter the designated representatives of the Union and the Association shall meet within ten (10) days after written request by the Union to the Association to negotiate a permanent rate. If agreement cannot be reached between the Association and the Union within twenty (20) days after commencement of negotiations thereon, the establishment of a permanent rate may be submitted to arbitration in accordance with Article X hereof at the request of either the Association or the Union; provided, however, that any permanent rate established shall be within one of the rates and classifications specified in this Agreement and shall be based upon a comparison with the rate for other more nearly comparable classifications specified in this Agreement. When a temporary rate is established and work is scheduled, the work shall be performed without interruption or slowdown.

ZONES

3. The geographical zones referred to in number four (4) of this Article are as follows:

Zone 1 is defined as including the following Counties within the State of Michigan; Genesee, Macomb, Monroe, Oakland, Washtenaw and Wayne.

Zone 2 is defined as including all the remaining Counties in the State of Michigan.

Wage Rates

4. The following job classifications and rate of wages shall apply to all work and every worker covered by this Agreement. The wage rates upon the effective dates shall apply on all work, both old and new, in the geographical Zones, as follows:

A Certified Crane Operator (CCO) who is working in a crew on a bridge project shall be paid the following hourly premium: Effective June 1, 1998.

- A. Swing boom truck operator over 12 tons - \$.50 per hour
- B. Hydraulic crane operator 75 tons and under - \$.75 per hour
- C. Hydraulic crane operator over 75 tons - \$1.00 per hour
- D. Lattice boom crane operator - \$1.50 per hour

CLASS I - WAGE RATES

Effective first full payroll period on or after June 1, 2003

	Zone 1	Zone 2
*Base Rate Per Hour	\$22.50	\$22.50
*Vacation & Holiday (Funded)	3.38	3.38
*Supplemental Vacation (Funded) .	.05	.05
Pension (Funded)	4.75	4.75
Health Care (Funded)	5.50	5.50
Apprentice (Funded) .....	.50	.50
Retiree Benefit (Funded) .....	.40	.40
324 Labor Management		
Education Committee .....	.04	.04
Defined Contribution Plan	<u>1.00</u>	<u>1.00</u>
	\$38.12	\$38.12
Industry Promotion Fund	<u>.09</u>	<u>.09</u>
Total	\$38.21	\$38.21

*Taxable income

The allocation between wages and fringe benefits may be adjusted 30 days before June 1 of each contract year.

CLASS I

Effective first full payroll period on or after June 1, 2004

	Zone 1	Zone 2
*Base Rate Per Hour	\$23.63	\$23.63
*Vacation & Holiday (Funded)	3.55	3.55
*Supplemental Vacation (Funded) .	.05	.05
Pension (Funded)	4.75	4.75
Health Care (Funded)	5.50	5.50
Apprentice (Funded) .....	.50	.50
Retiree Benefit (Funded) .....	.40	.40
324 Labor Management		
Education Committee .....	.04	.04
Defined Contribution Plan	<u>1.00</u>	<u>1.00</u>
	\$39.42	\$39.42
Industry Promotion Fund	<u>.095</u>	<u>.095</u>
Total	\$39.515	\$39.515

CLASS I

Effective first full payroll period on or after June 1, 2005

	Zone 1	Zone 2
*Base Rate Per Hour	\$24.77	\$24.77
*Vacation & Holiday (Funded)	3.71	3.71
*Supplemental Vacation (Funded) .	.05	.05
Pension (Funded)	4.75	4.75
Health Care (Funded)	5.50	5.50
Apprentice (Funded) .....	.50	.50
Retiree Benefit (Funded) .....	.40	.40
324 Labor Management		
Education Committee .....	.04	.04
Defined Contribution Plan	<u>1.00</u>	<u>1.00</u>
	\$40.72	\$40.72
Industry Promotion Fund	<u>.10</u>	<u>.10</u>
Total	\$40.82	\$40.82

*Taxable income

The allocation between wages and fringe benefits may be adjusted 30 days before June 1 of each contract year.

CLASS I

**Effective first full payroll period
on or after June 1, 2006**

	Zone 1	Zone 2
*Base Rate Per Hour	\$25.94	\$25.94
*Vacation & Holiday (Funded)	3.89	3.89
*Supplemental Vacation (Funded) .	.05	.05
Pension (Funded)	4.75	4.75
Health Care (Funded)	5.50	5.50
Apprentice (Funded) .....	.50	.50
Retiree Benefit (Funded) .....	.40	.40
324 Labor Management		
Education Committee .....	.04	.04
Defined Contribution Plan	<u>1.00</u>	<u>1.00</u>
	\$42.07	\$42.07
Industry Promotion Fund	<u>.105</u>	<u>.105</u>
Total	\$42.175	\$42.175

CLASS I

**Effective first full payroll period
on or after June 1, 2007**

	Zone 1	Zone 2
*Base Rate Per Hour	\$27.16	\$27.16
*Vacation & Holiday (Funded)	4.07	4.07
*Supplemental Vacation (Funded) .	.05	.05
Pension (Funded)	4.75	4.75
Health Care (Funded)	5.50	5.50
Apprentice (Funded) .....	.50	.50
Retiree Benefit (Funded) .....	.40	.40
324 Labor Management		
Education Committee .....	.04	.04
Defined Contribution Plan	<u>1.00</u>	<u>1.00</u>
	\$43.47	\$43.47
Industry Promotion Fund	<u>.11</u>	<u>.11</u>
Total	\$43.58	\$43.58

***Taxable income**

The allocation between wages and fringe benefits may be adjusted 30 days before June 1 of each contract year.

Asphalt Plant Operator

Crane Operator**

Dragline Operator

Shovel Operator

Locomotive Operator

Paver Operator (5 bags or more)

Elevating Grader Operator

Pile Driving Operator

Roller Operator (asphalt)

Blade Grader Operator

Trenching Machine Operator (ladder or wheel type)

Auto-Grader

Slip Form Paver

Self-Propelled or Tractor Drawn Scraper

Conveyor Loader Operator (Euclid type)

Endloader Operator (1 yard capacity and over)

Bulldozer

Hoisting Engineer

Tractor Operator

Finishing Machine Operator (asphalt)

Mechanic

Pump Operator (6" discharge or over, gas diesel,
powered or generator of 300 amp or larger)

Shouldering or Gravel Distributing Machine
Operator (self-propelled)

Backhoe (with over 3/8 yard bucket)

Side Boom Tractor (type D-4 or equivalent or larger)

Tube Finisher (slip form paving)

Gradall (and similar type machine)

Asphalt Paver (self-propelled)

Asphalt Planer (self-propelled)

Batch Plant (concrete-central mix)

Slurry Machine (asphalt)
 Concrete Pump (3" and over)
 Roto Mill
 Swinging Boom Truck (over 12 ton capacity)
 Hydro Demolisher (Water Blaster)
 Farm type tractor with attached pan

**On bridge construction projects when a Class I Crane Operator is erecting structural components as part of a composite crew with Structural Ironworkers, the Base Rate and Vacation and Holiday pay shall be at the Crane Operator rate as set forth in the current agreement between the Union and the Great Lakes Fabricators and Erectors Association.

CLASS II - WAGE RATES

Effective first full payroll period
 on or after June 1, 2003

	Zone 1	Zone 2
*Base Rate Per Hour	\$17.57	\$17.43
*Vacation & Holiday (Funded)	2.63	2.62
*Supplemental Vacation (Funded) .	.05	.05
Pension (Funded)	4.75	4.75
Health Care (Funded)	5.50	5.50
Apprentice (Funded) .....	.50	.50
Retiree Benefit (Funded) .....	.40	.40
324 Labor Management		
Education Committee .....	.04	.04
Defined Contribution Plan	<u>1.00</u>	<u>1.00</u>
	\$32.44	\$32.29
Industry Promotion Fund	<u>.09</u>	<u>.09</u>
Total	\$32.53	\$32.38

*Taxable income

The allocation between wages and fringe benefits may be adjusted 30 days before June 1 of each contract year.

CLASS II

Effective first full payroll period
 on or after June 1, 2004

	Zone 1	Zone 2
*Base Rate Per Hour	\$18.48	\$18.35
*Vacation & Holiday (Funded)	2.77	2.75
*Supplemental Vacation (Funded) .	.05	.05
Pension (Funded)	4.75	4.75
Health Care (Funded)	5.50	5.50
Apprentice (Funded) .....	.50	.50
Retiree Benefit (Funded) .....	.40	.40
324 Labor Management		
Education Committee .....	.04	.04
Defined Contribution Plan	<u>1.00</u>	<u>1.00</u>
	\$33.49	\$33.34
Industry Promotion Fund	<u>.095</u>	<u>.095</u>
Total	\$33.585	\$33.435

CLASS II

Effective first full payroll period
 on or after June 1, 2005

	Zone 1	Zone 2
*Base Rate Per Hour	\$19.39	\$19.26
*Vacation & Holiday (Funded)	2.91	2.89
*Supplemental Vacation (Funded) .	.05	.05
Pension (Funded)	4.75	4.75
Health Care (Funded)	5.50	5.50
Apprentice (Funded) .....	.50	.50
Retiree Benefit (Funded) .....	.40	.40
324 Labor Management		
Education Committee .....	.04	.04
Defined Contribution Plan	<u>1.00</u>	<u>1.00</u>
	\$34.54	\$34.39
Industry Promotion Fund	<u>.10</u>	<u>.10</u>
Total	\$34.64	\$34.49

*Taxable income

The allocation between wages and fringe benefits may be adjusted 30 days before June 1 of each contract year.

CLASS II

Effective first full payroll period
on or after June 1, 2006

	Zone 1	Zone 2
*Base Rate Per Hour	\$20.35	\$20.22
*Vacation & Holiday (Funded)	3.05	3.03
*Supplemental Vacation (Funded) .....	.05	.05
Pension (Funded)	4.75	4.75
Health Care (Funded)	5.50	5.50
Apprentice (Funded) .....	.50	.50
Retiree Benefit (Funded) .....	.40	.40
324 Labor Management		
Education Committee .....	.04	.04
Defined Contribution Plan	<u>1.00</u>	<u>1.00</u>
	\$35.64	\$35.49
Industry Promotion Fund	<u>.105</u>	<u>.105</u>
Total	\$35.745	\$35.595

CLASS II

Effective first full payroll period
on or after June 1, 2007

	Zone 1	Zone 2
*Base Rate Per Hour	\$21.30	\$21.17
*Vacation & Holiday (Funded)	3.20	3.18
*Supplemental Vacation (Funded) .....	.05	.05
Pension (Funded)	4.75	4.75
Health Care (Funded)	5.50	5.50
Apprentice (Funded) .....	.50	.50
Retiree Benefit (Funded) .....	.40	.40
324 Labor Management		
Education Committee .....	.04	.04
Defined Contribution Plan	<u>1.00</u>	<u>1.00</u>
	\$36.74	\$36.59
Industry Promotion Fund	<u>.11</u>	<u>.11</u>
Total	\$36.85	\$36.70

*Taxable income

The allocation between wages and fringe benefits may be adjusted 30 days before June 1 of each contract year.

Screening Plant Operator

Washing Plant Operator

Crusher Operator

Backhoe (with 3/8 yard bucket or less)

Side Boom Tractor (smaller than D-4 type or equivalent)

Sweeper (Wayne type and similar equipment)

Vacuum Truck Operator

Batch Plant (concrete-dry batch)

Grease Truck

CLASS II - GREASE TRUCK - WAGE RATES

Effective first full payroll period
on or after June 1, 2003

	Zone 1	Zone 2
*Base Rate Per Hour	\$17.78	\$17.65
*Vacation & Holiday (Funded)	2.67	2.65
*Supplemental Vacation (Funded) .....	.05	.05
Pension (Funded)	4.75	4.75
Health Care (Funded)	5.50	5.50
Apprentice (Funded) .....	.50	.50
Retiree Benefit (Funded) .....	.40	.40
324 Labor Management		
Education Committee .....	.04	.04
Defined Contribution Plan	<u>1.00</u>	<u>1.00</u>
	\$32.69	\$32.54
Industry Promotion Fund	<u>.09</u>	<u>.09</u>
Total	\$32.78	\$32.63

*Taxable income

The allocation between wages and fringe benefits may be adjusted 30 days before June 1 of each contract year.

CLASS II - GREASE TRUCK
Effective first full payroll period
on or after June 1, 2004

	Zone 1	Zone 2
*Base Rate Per Hour	\$18.91	\$18.78
*Vacation & Holiday (Funded)	2.84	2.82
*Supplemental Vacation (Funded)	.05	.05
Pension (Funded)	4.75	4.75
Health Care (Funded)	5.50	5.50
Apprentice (Funded)	.50	.50
Retiree Benefit (Funded)	.40	.40
324 Labor Management		
Education Committee	.04	.04
Defined Contribution Plan	<u>1.00</u>	<u>1.00</u>
	\$33.99	\$33.84
Industry Promotion Fund	<u>.095</u>	<u>.095</u>
Total	<u>\$34.085</u>	<u>\$33.935</u>

CLASS II - GREASE TRUCK
Effective first full payroll period
on or after June 1, 2005

	Zone 1	Zone 2
*Base Rate Per Hour	\$20.04	\$19.91
*Vacation & Holiday (Funded)	3.01	2.99
*Supplemental Vacation (Funded)	.05	.05
Pension (Funded)	4.75	4.75
Health Care (Funded)	5.50	5.50
Apprentice (Funded)	.50	.50
Retiree Benefit (Funded)	.40	.40
324 Labor Management		
Education Committee	.04	.04
Defined Contribution Plan	<u>1.00</u>	<u>1.00</u>
	\$35.29	\$35.14
Industry Promotion Fund	<u>.10</u>	<u>.10</u>
Total	<u>\$35.39</u>	<u>\$35.24</u>

***Taxable income**

The allocation between wages and fringe benefits may be adjusted 30 days before June 1 of each contract year.

CLASS II - GREASE TRUCK
Effective first full payroll period
on or after June 1, 2006

	Zone 1	Zone 2
*Base Rate Per Hour	\$21.22	\$21.09
*Vacation & Holiday (Funded)	3.18	3.16
*Supplemental Vacation (Funded)	.05	.05
Pension (Funded)	4.75	4.75
Health Care (Funded)	5.50	5.50
Apprentice (Funded)	.50	.50
Retiree Benefit (Funded)	.40	.40
324 Labor Management		
Education Committee	.04	.04
Defined Contribution Plan	<u>1.00</u>	<u>1.00</u>
	\$36.64	\$36.49
Industry Promotion Fund	<u>.105</u>	<u>.105</u>
Total	<u>\$36.745</u>	<u>\$36.595</u>

CLASS II - GREASE TRUCK
Effective first full payroll period
on or after June 1, 2007

	Zone 1	Zone 2
*Base Rate Per Hour	\$22.43	\$22.30
*Vacation & Holiday (Funded)	3.37	3.35
*Supplemental Vacation (Funded)	.05	.05
Pension (Funded)	4.75	4.75
Health Care (Funded)	5.50	5.50
Apprentice (Funded)	.50	.50
Retiree Benefit (Funded)	.40	.40
324 Labor Management		
Education Committee	.04	.04
Defined Contribution Plan	<u>1.00</u>	<u>1.00</u>
	\$38.04	\$37.89
Industry Promotion Fund	<u>.11</u>	<u>.11</u>
Total	<u>\$38.15</u>	<u>\$38.00</u>

***Taxable income**

The allocation between wages and fringe benefits may be adjusted 30 days before June 1 of each contract year.

CLASS III - WAGE RATES

Effective first full payroll period
on or after June 1, 2003

	Zone 1	Zone 2
*Base Rate Per Hour	\$17.08	\$16.95
*Vacation & Holiday (Funded)	2.56	2.54
*Supplemental Vacation (Funded)	.05	.05
Pension (Funded)	4.75	4.75
Health Care (Funded)	5.50	5.50
Apprentice (Funded)	.50	.50
Retiree Benefit (Funded)	.40	.40
324 Labor Management		
Education Committee	.04	.04
Defined Contribution Plan	1.00	1.00
	\$31.88	\$31.73
Industry Promotion Fund	.09	.09
Total	\$31.97	\$31.82

*Taxable income

The allocation between wages and fringe benefits may be adjusted 30 days before June 1 of each contract year.

CLASS III

Effective first full payroll period
on or after June 1, 2004

	Zone 1	Zone 2
*Base Rate Per Hour	\$17.99	\$17.86
*Vacation & Holiday (Funded)	2.70	2.68
*Supplemental Vacation (Funded)	.05	.05
Pension (Funded)	4.75	4.75
Health Care (Funded)	5.50	5.50
Apprentice (Funded)	.50	.50
Retiree Benefit (Funded)	.40	.40
324 Labor Management		
Education Committee	.04	.04
Defined Contribution Plan	1.00	1.00
	\$32.93	\$32.78
Industry Promotion Fund	.095	.095
Total	\$33.025	\$32.875

CLASS III

Effective first full payroll period
on or after June 1, 2005

	Zone 1	Zone 2
*Base Rate Per Hour	\$18.90	\$18.77
*Vacation & Holiday (Funded)	2.84	2.82
*Supplemental Vacation (Funded)	.05	.05
Pension (Funded)	4.75	4.75
Health Care (Funded)	5.50	5.50
Apprentice (Funded)	.50	.50
Retiree Benefit (Funded)	.40	.40
324 Labor Management		
Education Committee	.04	.04
Defined Contribution Plan	1.00	1.00
	\$33.98	\$33.83
Industry Promotion Fund	.10	.10
Total	\$34.08	\$33.93

*Taxable income

The allocation between wages and fringe benefits may be adjusted 30 days before June 1 of each contract year.

CLASS III

Effective first full payroll period
on or after June 1, 2006

	Zone 1	Zone 2
*Base Rate Per Hour	\$19.86	\$19.73
*Vacation & Holiday (Funded)	2.98	2.96
*Supplemental Vacation (Funded)	.05	.05
Pension (Funded)	4.75	4.75
Health Care (Funded)	5.50	5.50
Apprentice (Funded)	.50	.50
Retiree Benefit (Funded)	.40	.40
324 Labor Management		
Education Committee	.04	.04
Defined Contribution Plan	1.00	1.00
	\$35.08	\$34.93
Industry Promotion Fund	.105	.105
Total	\$35.185	\$35.035

CLASS III

Effective first full payroll period
on or after June 1, 2007

	Zone 1	Zone 2
*Base Rate Per Hour	\$20.82	\$20.69
*Vacation & Holiday (Funded)	3.12	3.10
*Supplemental Vacation (Funded)	.05	.05
Pension (Funded)	4.75	4.75
Health Care (Funded)	5.50	5.50
Apprentice (Funded)	.50	.50
Retiree Benefit (Funded)	.40	.40
324 Labor Management		
Education Committee	.04	.04
Defined Contribution Plan	<u>1.00</u>	<u>1.00</u>
	\$36.18	\$36.03
Industry Promotion Fund	<u>.11</u>	<u>.11</u>
Total	\$36.29	\$36.14

***Taxable income**

The allocation between wages and fringe benefits may be adjusted 30 days before June 1 of each contract year.

- Air Compressor Operator (600 cubic Ft. Per min. or more)
- Air Compressors (two or more - less than 600 cfm)
- Wagon Drill Operator
- Concrete Breaker
- Tractor Operator (farm type with attachment)

CLASS IV - WAGE RATES

Effective first full payroll period
on or after June 1, 2003

	Zone 1	Zone 2
*Base Rate Per Hour	\$16.93	\$16.67
*Vacation & Holiday (Funded)	2.54	2.50
*Supplemental Vacation (Funded)	.05	.05
Pension (Funded)	4.75	4.75
Health Care (Funded)	5.50	5.50
Apprentice (Funded)	.50	.50
Retiree Benefit (Funded)	.40	.40
324 Labor Management		
Education Committee	.04	.04
Defined Contribution Plan	<u>1.00</u>	<u>1.00</u>
	\$31.71	\$31.41
Industry Promotion Fund	<u>.09</u>	<u>.09</u>
Total	\$31.80	\$31.50

CLASS IV

Effective first full payroll period
on or after June 1, 2004

	Zone 1	Zone 2
*Base Rate Per Hour	\$17.84	\$17.58
*Vacation & Holiday (Funded)	2.68	2.64
*Supplemental Vacation (Funded)	.05	.05
Pension (Funded)	4.75	4.75
Health Care (Funded)	5.50	5.50
Apprentice (Funded)	.50	.50
Retiree Benefit (Funded)	.40	.40
324 Labor Management		
Education Committee	.04	.04
Defined Contribution Plan	<u>1.00</u>	<u>1.00</u>
	\$32.76	\$32.46
Industry Promotion Fund	<u>.095</u>	<u>.095</u>
Total	\$32.855	\$32.555

***Taxable income**

The allocation between wages and fringe benefits may be adjusted 30 days before June 1 of each contract year.

CLASS IV
Effective first full payroll period
on or after June 1, 2005

	Zone 1	Zone 2
*Base Rate Per Hour	\$18.76	\$18.50
*Vacation & Holiday (Funded)	2.81	2.77
*Supplemental Vacation (Funded)	.05	.05
Pension (Funded)	4.75	4.75
Health Care (Funded)	5.50	5.50
Apprentice (Funded)	.50	.50
Retiree Benefit (Funded)	.40	.40
324 Labor Management		
Education Committee	.04	.04
Defined Contribution Plan	1.00	1.00
	<u>\$33.81</u>	<u>\$33.51</u>
Industry Promotion Fund	.10	.10
Total	<u>\$33.91</u>	<u>\$33.61</u>

CLASS IV
Effective first full payroll period
on or after June 1, 2006

	Zone 1	Zone 2
*Base Rate Per Hour	\$19.71	\$19.45
*Vacation & Holiday (Funded)	2.96	2.92
*Supplemental Vacation (Funded)	.05	.05
Pension (Funded)	4.75	4.75
Health Care (Funded)	5.50	5.50
Apprentice (Funded)	.50	.50
Retiree Benefit (Funded)	.40	.40
324 Labor Management		
Education Committee	.04	.04
Defined Contribution Plan	1.00	1.00
	<u>\$34.91</u>	<u>\$34.61</u>
Industry Promotion Fund	.105	.105
Total	<u>\$35.015</u>	<u>\$34.715</u>

*Taxable income
 The allocation between wages and fringe benefits may be adjusted 30 days before June 1 of each contract year.

CLASS IV
Effective first full payroll period
on or after June 1, 2007

	Zone 1	Zone 2
*Base Rate Per Hour	\$20.67	\$20.41
*Vacation & Holiday (Funded)	3.10	3.06
*Supplemental Vacation (Funded)	.05	.05
Pension (Funded)	4.75	4.75
Health Care (Funded)	5.50	5.50
Apprentice (Funded)	.50	.50
Retiree Benefit (Funded)	.40	.40
324 Labor Management		
Education Committee	.04	.04
Defined Contribution Plan	1.00	1.00
	<u>\$36.01</u>	<u>\$35.71</u>
Industry Promotion Fund	.11	.11
Total	<u>\$36.12</u>	<u>\$35.82</u>

*Taxable income
 The allocation between wages and fringe benefits may be adjusted 30 days before June 1 of each contract year.

- Boiler Fireman
- Oiler
- Fireman
- Mechanic's Helper
- Trencher (service)
- Flexplane Operator
- Cleftplane Operator
- Grader Operator Self-Propelled Fine-Grade or Form (concrete)
- Finishing Machine Operator (concrete)
- Boom or Winch Hoist Truck Operator
- Endloader Operator (under 1 yard capacity)
- Roller Operator (other than asphalt)
- Curing Equipment Operator (self-propelled)
- Concrete Saw Operator (40 h.p. or over)
- Power Bin Operator

Plant Drier Operator (asphalt)
Vibratory Compaction Equipment Operator (6 ft.
wide or over)
Guard Post Driver Operator (power driven)
All Mulching Equipment
Stump Remover
Concrete Pump (under 3")
Mesh Installer (self-propelled)
Tractor Operator (farm type)
End Dumps when operated by an Operating
Engineer
Skid Steer

5. Upon written agreement between the Association and the Operating Engineers Local No. 324, the Union may divert a part of the base wages provided in this Agreement to fund Vacation and Holiday Fund payments, Pension payments, Health and Welfare payments, Apprentice payments or payments to the Retiree Benefit Fund. The written agreement between the Association and the Operating Engineers Local No. 324 shall state the amount, or amounts, to be diverted from the base wages. The Contractors shall thereafter make the appropriate contribution(s) to the Fund(s) and the base wage rates shall be reduced accordingly.

ARTICLE V

The Agreements and Declarations of Trust establishing the Funds and Committee set forth below are made a part of this Agreement by reference, and the Contractor agrees to be bound by and comply with said Trust Agreements, any Amendments thereto, all related agreements, rules, regulations, reporting forms and other requirements lawfully established by the Trustees of said Funds and Committee, not in conflict with the terms of this Collective Bargaining Agreement.

Operating Engineers' Local 324 Health Care Plan
Operating Engineers' Local 324 Pension Fund
Operating Engineers' Local 324 Defined Contribution Plan
Operating Engineers' Local 324 Vacation and Holiday Fund
Operating Engineers' Local 324 Retiree Benefit Fund
Operating Engineers' Local 324 Labor Management Education Committee
Operating Engineers' Local 324 Joint Apprenticeship Training and Journeyman Retraining Fund

The Labor Relations Division of the Michigan Road Builders Association shall be entitled to designate a Trustee on each of the Funds, and Committee listed above and if any other Association or Employer group participating in such Fund or Committee is permitted to designate more than one (1) Trustee to any particular Fund or Committee the Labor Relations Division of the Michigan Road Builders Association shall be entitled to designate a like number of Trustees.

Health Care Plan

1. Effective the first full payroll period on or after June 1, 2003, the Contractors agree to pay into the Operating Engineers' Local 324 Health Care Plan **five dollars and fifty cents (\$5.50)** per hour for each hour paid each employee doing work covered by this Agreement. Allocations for June 2004, June 2005, June 2006 and June 2007 will be determined at that time. All Health Care contributions shall be computed on actual hours paid, without regard to whether the employee was paid on straight-time or overtime. These contributions shall be deposited each month, or at such other regular intervals as may be determined by the Trustees of said Health Care Plan, to such depository as may be designated by said Trustees.

Pension

2. Effective the first full payroll period on or after June 1, 2003, the Contractors agree to pay into the Operating Engineers' Local 324 Pension Fund **four dollars and seventy-five cents (\$4.75)** per hour for each hour paid each employee doing work covered by this Agreement. Effective June 2004, June 2005, June 2006 and June 2007 contributions are to be allocated at that time. All pension contributions shall be computed on actual hours paid, without regard to whether the employee was paid on straight-time or overtime. These contributions shall be deposited each month or at such other regular intervals as may be determined by the Trustees of said Pension Fund, to such depository as may be designated by the Trustees.

Defined Contribution Plan

3. Effective the first full payroll period on or after June 1, 2003, the Contractors agree to pay into the Operating Engineers' Local 324 Defined Contribution Plan (DC Plan) **one dollar (\$1.00)** per hour for each hour paid each employee doing work covered by this Agreement. Effective June 2004, June 2005, June 2006 and June 2007 contributions are to be allocated at that time. All Defined Contribution Plan contributions shall be computed on actual hours paid, without regard to whether the employee was paid on straight-time or overtime. These contributions shall be deposited each month or at such other regular intervals as may be determined by the Trustees of said Defined Contribution Plan, to such depository as may be designated by the Trustees.

Vacation and Holiday Fund

4. (a) The Contractor agrees to pay into the Operating Engineers' Local 324 Vacation and Holiday Fund the sum of **fifteen percent (15%)** of the gross wages earned by each employee working under the terms of this Agreement.

(b) In addition to the payment provided for in paragraph (a) immediately above, the Contractor agrees to pay into the Operating Engineers' Local 324 Vacation and Holiday Fund the sum of **five cents (\$.05)** per hour for each hour paid each employee working under the terms of this Agreement, as Supplemental Vacation and Holiday pay.

This **five cents (\$.05)** per hour contribution to the Vacation and Holiday Fund shall be computed on actual hours paid, without regard to whether the employee was paid on straight-time or overtime.

(c) The payment into the Vacation and Holiday Fund shall be part of, and shall be included in, the employee's earnings for the purpose of computing all payroll withholdings such as income taxes, social security and other required deductions, and then shall be subtracted from the employee's weekly earnings and transmitted by the Contractor to such bank as shall be designated by the Trustees of said Vacation and Holiday Fund in December of each year.

Retiree Benefit Fund

5. (a) The Contractors agree to pay into the Operating Engineers' Local 324 Retiree Benefit Fund the sum of **forty cents (\$.40)** per hour for each hour paid such employee doing work covered by this Agreement. All contributions to said Fund shall be computed on actual hours paid, without regard to whether the employee was paid on straight-time or overtime. These contributions shall be deposited each month or at such other regular intervals as may be determined by the Trustees of said Retirees Benefit Fund, to such depository as may be designated by the Trustees.

(b) Contributions to the Retiree Benefit Fund shall be contingent upon and subject to obtaining and retaining such approval of the Internal Revenue Service as may be necessary to establish the deductibility for income tax purposes of any and all contributions made by the Con-

tractors as being qualified for tax exemption under applicable provisions of the Internal Revenue Code.

Labor Management Education Committee

6. (a) Effective the first full pay period commencing on or after June 1, 2003 the Employer agrees to pay to Operating Engineers Local 324 Labor Management Education Committee, for each employee covered by this Agreement the sum of four cents (\$.04) per hour for all hours paid each employee.

(b) All Labor-Management Education Committee contributions shall be computed on actual hours paid without regard to whether the employee was working on straight time or overtime. These contributions shall be deposited each month, or at such other regular intervals as may be determined by the Trustees of the Operating Engineers Local 324 Labor-Management Education Committee, to such depository as may be designated by said Trustees.

Work in Upper Peninsula

Upon written request of the Union a Contractor performing work under this Agreement in the Upper Peninsula of the State of Michigan shall send a copy of the monthly reporting form for contributions made to the Health Care Plan, Pension Fund, Defined Contribution Plan, Vacation and Holiday Fund, Retiree Benefit Fund, Apprentice Fund, Local 324 Labor Management Education Committee and Industry Promotion Fund to the Local Union 324 Office in Escanaba, Michigan.

ARTICLE VI

Apprentice Program

1. The parties agree that it is in their mutual interest, and in the interest of the road building industry, that new employees be trained in the operation of the equipment covered by this Agreement. When eight (8) or more engineers covered by this Agreement (exclusive of those

under Class IV), are working for a Contractor on a job site, the Contractor shall employ one (1) Apprentice Engineer, if available, on such job site. When twenty (20) engineers are employed on the job site, two (2) Apprentice Engineers shall be employed, if available. When fifty (50) engineers are employed on the job site, three (3) Apprentice Engineers shall be employed, if available; and one (1) additional Apprentice Engineer shall be employed, if available, for each fifty (50) engineers until a maximum of five (5) Apprentice Engineers are employed.

A job site is that area of work covered by a single contract, and when the Contractor is awarded work that is continuous or adjacent under more than one contract, the work performed under each contract shall be deemed a separate job site. The Apprentice Engineer shall be assigned to work with the various engineers and to do other work within the jurisdiction of the Union as directed by the Contractor.

The starting rate for Apprentice Engineers shall be seventy percent (70%) of Class I Operators base rate, plus the payment of all fringe benefits. The Apprentice Engineer shall be increased five percent (5%) for every six (6) months thereafter during his three (3) year training period; provided, however, he/she has scored a passing grade on the validated competency test to be given at each six (6) month interval in the training program.

The Contractors agree to abide by all conditions established by the Operating Engineers' Local 324 Joint Apprenticeship Training and Journeyman Retraining Trust Fund with respect to the conduct of the training program, provided the same are not in conflict with the terms of this Agreement.

2. When an Apprentice Engineer is employed by a Contractor, the Coordinator of the Fund shall certify to the Contractor, in writing, the amount of training previously completed by the Apprentice.

3. The Contractor agrees to pay into the Operating Engineers' Local 324 Joint Apprenticeship Training and Journeyman Retraining Program Fund the sum of **fifty cents (\$.50)** per hour for each hour paid each employee working under this Agreement (except Oilers and Apprentices) in accordance with the rules of the Operating Engineers' Local 324 Joint Apprenticeship Training and Journeyman Retraining Committee. These contributions shall be computed on actual hours paid, without regard to whether the employee was paid on straight-time or overtime, and shall be reported on the forms provided for and sent to such depository as shall be named by the Joint Apprenticeship Training and Journeyman Retraining Committee Trustees.

4. The Labor Relations Division of the Michigan Road Builders Association shall be entitled to designate a Trustee on the Joint Apprenticeship Training and Journeyman Retraining Fund, who shall also serve on the Joint Apprenticeship Training and Journeyman Retraining Committee.

On-the Job Trainees

5. Whenever the Contractor is required to hire on-the-job trainees pursuant to regulations of the Federal Highway Administration (FHWA) or the Michigan Department of Transportation (MDOT), the Contractor shall utilize Registered Apprentices of the Operating Engineers' Local 324 Joint Apprenticeship Training and Journeyman Retraining Program to satisfy such requirements, provided that the use of such apprentices complies with the Contractor's equal opportunity obligations under FHWA or MDOT regulations and Executive Order 11246.

In the event the Joint Apprenticeship Program is unable to furnish an apprentice to meet MDOT specifications within 72 hours, the employer may then seek such employee elsewhere.

ARTICLE VII

INDUSTRY PROMOTION FUND

1. The Contractor agrees to pay into the Michigan Road Builders Association Industry Promotion Fund the sum of **nine cents (\$.09)** effective June 1, 2003, **nine and one-half cents (\$.095)** effective June 1, 2004, **ten cents (\$.10)** effective June 1, 2005, **ten and one-half cents (\$.105)** effective June 1, 2006, and **eleven cents (\$.11)** effective June 1, 2007 per hour for all hours paid each employee working under this Agreement, without regard to whether the employee was working on straight-time or overtime.

2. The contributions to the Industry Promotion Fund shall be deposited each month, or at such other regular intervals as may be determined by the Association, to the depository designated by the Association, and such contributions shall be reported on such forms as may be designated by the Association.

3. The activities of the Industry Promotion Fund shall be determined by the Association and shall be financed from the payments herein provided for.

4. The Contractor hereby agrees that the designated representative of the Association shall be permitted, upon request, to audit the payroll records of the Contractor to determine compliance with this Article.

5. A contractor who elects not to make the aforementioned contribution to the Michigan Road Builders Association Industry Promotion Fund shall notify the Union, in writing, and in lieu of making said contribution to the Industry Promotion Fund shall pay **nine cents (\$.09)** per hour to Operating Engineers' Local 324 Health Care Plan for actual hours paid each employee working under this Agreement. Said **nine cents (\$.09)** per hour, to be in addition to the contribution provided for in Article V, (1) of this Agreement.

ARTICLE VIII

OVERTIME

1. When a single shift is worked on an eight (8) hour per day schedule, eight (8) hours of continuous employment, except for lunch periods, shall constitute a day's work beginning on Monday through Friday of such week except where the Contractor schedules work on a four (4) ten (10) hour day work schedule (see paragraph 3). Where work is performed in excess of eight (8) hours on any of those days, time and one-half (1-1/2) the regular rate of wages shall be paid.

Shift Work

2. Where two (2) or more shifts are worked, five (5) eight (8) hour shifts from midnight Sunday to midnight Friday shall constitute a regular week's work and such time shall be paid for at the regular rate of wages; provided, however, that employees working on the second (2nd) and third (3rd) shifts shall be allowed a one-half (1/2) hour lunch period in each shift to be paid for as working time. The paid lunch period on multiple shifts shall apply whether the shifts are eight (8) hours duration or longer. Where work is performed in excess of eight (8) hours on any shift, time and one-half (1 1/2) the regular rate of wages shall be paid.

Four Ten-Hour Day Work Schedule

3. (a) The Contractor shall have the option of scheduling work on the basis of four (4) ten (10) hour days, Monday through Friday, at straight-time, for any workweek on a company-wide basis, a work crew basis or a project basis.

(b) The four (4) ten (10) hour days shall be scheduled on a weekly basis, Monday through Friday, on a Monday through Thursday or Tuesday through Friday schedule.

(c) Any work over ten (10) hours in a day, or forty (40) hours in a week, and all work performed on Saturdays,

Sundays and holidays shall be at time and one-half (1-1/2).

(d) In the event work is unable to be performed on account of weather, Monday through Thursday, the Friday work may be scheduled for ten (10) hours, at straight time, as a make-up day.

(e) The Contractor may work split crews; provided, however, when four (4) ten (10) hour days are scheduled, the Contractor shall not bring in workers not scheduled to work four (4) ten (10) hour days to avoid the payment of overtime when the Contractor elects to work that job five (5) days in the week.

(f) When the Contractor elects to work four (4) ten (10) hour days under this Section, the Contractor will call the Local Union and offer to hold a pre-job conference to inform the Union of the contemplated work schedule for the job.

(g) In any week in which the Contractor schedules work on the basis of four (4) ten (10) hour days, the employees scheduled to work on a four (4) ten (10) hour day basis shall be paid on Thursday.

(h) Whenever a contractor has scheduled his employees on a four (4) ten (10) hour day basis, the provisions of this section shall be applicable provided, the term five (5) hours shall apply in place of the term "four (4) hours" and "ten (10) hours" shall apply in the place of the term "eight (8) hours".

Saturdays-Sundays-Holidays

4. (a) For all time worked on Saturdays, Sundays and holidays, the employee shall be paid at the rate of one and one-half (1-1/2) times the regular rate of wages.

- (b) The following days are recognized as holidays:
- | | |
|---------------|------------------|
| Memorial Day | Independence Day |
| Labor Day | Thanksgiving Day |
| Christmas Day | New Year's Day |

(c) No work shall be done on Labor Day except in extreme emergencies.

Show-Up and Paid-for Time

(d) When an employee covered by this Agreement is ordered to report on the job but is not needed on that day, he shall be paid two (2) hours for show-up time, during which time he shall do any work required in his jurisdiction except operation of machines. If he is held on the job for more than two (2) hours, or starts to operate equipment, he shall receive not less than four (4) hours pay. Any employee performing work in excess of four (4) hours on any workday shall be paid for all hours worked, in accordance with the terms of this Agreement, but in any event he shall be paid for not less than eight (8) hours. No employee shall be required to work longer than six (6) continuous hours without a lunch period.

5. (a) When there is no oiler employed on a job and the operator is required to do the oiling outside the regular working hours of the day, he shall be paid forty (40) minutes at time and one-half (1-1/2) his straight time rate.

(b) Truck cranes, irrespective of capacity, may be moved only by an employee who is working under any job classification of this Agreement.

(c) Any employee may be temporarily shifted by the Contractor from any classification of work to another classification of work providing the employee is capable of performing the other work and is paid the rate of wages for the classification which provides the highest wage rate.

Pay Provisions

6. (a) All wages shall be paid to the employees at least once a week on the job site. The weekly payday established by the Contractor for a particular job site shall remain the same for the life of the job. Employees shall be paid in United States currency or check drawn on a Michigan bank.

The Contractor agrees that payroll checks will be on the job site no later than two (2) hours after the start of the shift on payday so that employees may receive their checks before leaving the job site when they are not required to start work; provided, however, alternative mutually agreed to arrangements for obtaining payroll checks may be made between an employee and the Contractor. If the regular payday falls on a holiday, the employees will be paid the day before the holiday.

(b) Pay stubs or other written form will be given to the employee weekly showing the following information:

1. Straight-time hours worked and hourly rate of pay;
2. Overtime hours worked;
3. Deductions for Federal, State and City income taxes, Vacation and Holiday pay;
4. All deductions will be identified and listed.

Discharge and Voluntary Quit

(c) If an employee is discharged or laid off from the job site, and the lay off will be for three or more days, he shall be paid within two (2) hours of the time of discharge, or he shall be paid straight time for any time he is required to wait beyond such two (2) hours. This shall be construed to apply during normal working hours only. If, however, an employee quits of his own accord, he shall wait until the next regular payday; if the employee does not reside in the area of the job, his check shall be mailed to his home address.

(d) At the request of the employee the Contractor will furnish a written statement stating the reason for any termination of employment.

ARTICLE IX

Subcontracting

The Contractor expressly agrees that in the event he subcontracts any work covered by this Agreement, to be

performed on the job site, he will not so subcontract with any subcontractor unless the subcontractor agrees that in the performance of the work he will comply with all the rates, terms and conditions of this Agreement, except Article III.

ARTICLE X

Arbitration

1. All differences and disputes as to the proper meaning or application of the terms of this Agreement, or any claimed violation thereof, shall be settled in accordance with the procedure herein provided. During the life of this Agreement the Contractor shall not engage in any lock-out and the Union and the employees shall not cause, participate in, or approve any strike or work stoppage of any sort. Except as herein otherwise provided the violation of payment of rates of pay, overtime work, vacation and holiday, health care, pension, retiree benefit, labor management education committee, or apprenticeship fund contributions, as provided in this Agreement, shall not be considered as subject to arbitration, and the Union may take economic action against the Contractor for violation of such payments, provided it gives seventy-two (72) hours written or telegraphic notice to the Association and the Contractor concerned prior to taking such economic action. The Joint Arbitration Board shall have no power to modify, change, amend or abrogate this Agreement in any way.

2. Any employee who believes he has a grievance shall, with a representative of the Union, take the matter up with the authorized representative of the Contractor and they shall make an earnest effort to settle the same with reasonable speed. If the grievance is not settled, the employee shall, within ten (10) calendar days after the event or action upon which the grievance is based, submit the same to the Union, in writing, with a copy to the Contractor, setting forth the time the grievance arose and the facts upon which the grievance is

based, whereupon the authorized representatives of the Union and the Contractor shall meet within two (2) days, excluding Saturdays, Sundays and holidays, and attempt to settle the grievance.

3. If any grievance is not settled as provided in number two (2) above, then the Union or the Contractor may submit the grievance to the Joint Arbitration Board, as herein provided, or at the option of the party requesting arbitration as provided in number eleven (11) of this Article.

4. If the Union desires to submit a grievance or dispute to arbitration, it shall notify the Secretary of the Association, in writing, within thirty (30) days from the date of the event or action upon which the grievance is based. If the Association or the Contractor desires to submit a grievance to arbitration they, or either of them, shall notify the Business Manager of the Union, in writing, within thirty (30) days from the date of the event or action upon which the grievance is based.

5. Within five (5) calendar days after receipt of a written request for arbitration by either the Business Manager of the Union or the Secretary of the Association, the Union shall designate two (2) representatives and the Association shall designate two (2) representatives to serve as a Joint Grievance Board. Each party shall notify the other, in writing, of its designated representatives within such five (5) day period.

6. Within ten (10) days after their selection, or such other time as may be mutually agreed upon, the members of the Joint Arbitration Board shall meet to hear and resolve the grievance or dispute. All four (4) members of the Joint Arbitration Board shall constitute a quorum and must be present at all hearings. The members of the Board shall select one (1) of their number to act as Secretary. In the event a member of the Board is unable to meet, the party appointing such member may appoint an alternate to act in his place.

7. Decisions of the Joint Arbitration Board shall be rendered by a majority vote of the entire Board and the Board members shall issue a written statement, with respect to their disposition of the grievance or dispute submitted to the Board, within (10) days after the hearing before the Board.

8. In the event any member of the Joint Arbitration Board fails or refuses to meet within the time provided herein, then either the Union or the Association may submit the grievance or dispute to an impartial arbitrator as provided in number eleven (11) of this Article.

9. The decision of a majority of the members of the Joint Arbitration Board shall be final and binding upon the Contractor, the Union and the employee or employees involved.

10. In the event the Joint Arbitration Board fails to render a majority decision, for any reason, within the time hereinbefore provided, then either the Union, the Contractor or the Association may submit the grievance or dispute to a mutually acceptable impartial arbitrator.

11. If the Union and the Contractor, or the Union and the Association, cannot agree upon a mutually acceptable arbitrator within five (5) calendar days following the failure of the Board, or if the Union, the Contractor or the Association requests that the dispute be submitted to a single impartial arbitrator, then either party may request the American Arbitration Association to designate an arbitrator according to said Association's rules and procedures. The fee charged by the American Arbitration Association and the arbitrator's fee and expense charges shall be shared equally between the Union and the Contractor or the Union and the Association.

12. The impartial arbitrator shall confine his decision to the dispute in question and he shall have no authority to add to, subtract from or in any way modify the terms of

this Agreement. The arbitrator's decision shall be final and binding upon the Contractor, the Union and the employee or employees involved.

13. It is mutually agreed that the provisions of this Article shall not apply if the dispute arises over failure or refusal of a Contractor to pay the wage rates, overtime, vacation and holiday, supplemental vacation, health care, pension, retiree benefit, labor management education committee, or apprenticeship fund payments provided for in this Agreement; provided, however, that any dispute concerning an employee's proper wage rate, classification or eligibility for any of the payments herein provided for shall be subject to arbitration.

14. Wage and overtime claims will not be considered after thirty (30) days following the pay period for which said claims are made.

ARTICLE XI

Equal Treatment

If the Union shall furnish workmen to any Contractor doing work covered by this Agreement within the State of Michigan upon any more favorable terms and conditions (including wage rates) than those contained herein, the Union agrees that such more favorable terms and conditions shall automatically be extended to the Contractors covered by this Agreement.

ARTICLE XII

INVALIDITY

In the event that any portion of this Agreement is declared to be and becomes inoperative under State or Federal law, the balance of the Agreement shall remain in full force and effect and the parties hereto agree to meet and renegotiate the inoperative portion of the Agreement.

ARTICLE XIII

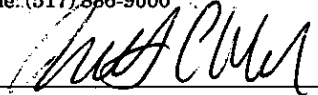
Termination

This Agreement shall remain in full force and effect until the first day of June, 2008, and thereafter shall continue in force from year to year, unless either party hereto shall notify the other party in writing at least sixty (60) days prior to the end of the current term or, as the case may be, sixty (60) days prior to the end of any additional contract year, of its intention to make changes in or terminate this Agreement. Such written notice shall specify any changes or amendments desired by the party giving such notice and shall be sent by registered mail to the other party.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

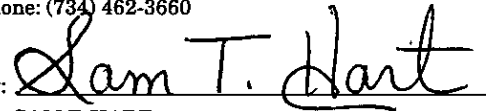
**LABOR RELATIONS DIVISION OF THE
MICHIGAN ROAD BUILDERS ASSOCIATION**

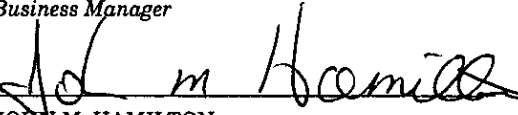
924 Centennial Way, Suite 460
Lansing, Michigan 48917
Phone: (517) 886-9000


By: 
ANTHONY MILO,
Executive Vice President

**INTERNATIONAL UNION OF OPERATING
ENGINEERS LOCAL No. 324, 324-A,
324-B and 324-C, AFL-CIO**

37450 Schoolcraft Rd., Suite 110
Livonia, Michigan 48150
Phone: (734) 462-3660

By: 
SAM T. HART,
Business Manager

By: 
JOHN M. HAMILTON,
President


By: 
LEO L. BODETTE,
Recording-Corresponding Secretary

MEMORANDUM OF UNDERSTANDING


In interpreting and applying Article IX (Subcontracting) of this Agreement it is understood and agreed that the Contractor shall not be liable for any subcontractor's failure to comply with the rates, terms and conditions of this Agreement, except where the subcontractor is a corporation or other business entity in which the contractor has a controlling ownership interest (i.e. at least 50% ownership interest) and except to the extent of any liability the Contractor may have by law with respect to work covered by the federal Davis Bacon Act, the Michigan Prevailing Wage Rate Act or a prevailing wage rate law of a Local Unit of Government.

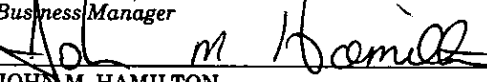
Nothing in this Memorandum of Understanding shall negate the contractor's responsibility under Article IX of the Agreement.

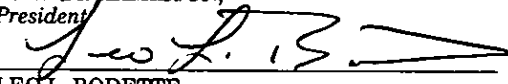
LABOR RELATIONS DIVISION OF THE
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By: 
ANTHONY MILO,
Executive Vice President

INTERNATIONAL UNION OF OPERATING
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NOTES



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