

AGREEMENT
BY AND BETWEEN THE
HIGHWAY & HEAVY CONTRACTORS SIGNATORY HERETO AS NEGOTIATED
ON THEIR BEHALF BY THE AFL-CIO STEERING COMMITTEE OF
HIGHWAY CONTRACTORS, INC.
AND
INTERNATIONAL UNION OF OPERATING ENGINEERS
LOCAL 181
AFFILIATED WITH THE A. F. OF L. AND BUILDING TRADES DEPARTMENT

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INDEX

HEAVY AND HIGHWAY SHARED ARTICLES

ARTICLE		PAGE
	PREAMBLE	1
1	Procurement of Labor	1&2
2	Hours of Work & Overtime	2
3	Holidays	2
4	Wage Scales	3
5	Union Steward	3
6	No Work Stoppage	3
7	Union Security	3
8	Grievance Procedure	3&4
9	Fringe Benefits	4&5
10	Non-Discrimination	5
11	Administrative Dues	6

SECTION A - HIGHWAY AGREEMENT

A-1	Scope	6
A-2	Reporting Time	6
A-3	Work Rules	7
A-4	Payday	7
A-5	Sub-Contractor	8
A-6	Wage Carryover	8
A-7	Project Agreement	8
A-8	Inclusion	9

SECTION B - HEAVY AGREEMENT

B-1	Scope	13
B-2	Shift work	13
B-3	Reporting Time	13
B-4	Work Rules	14&15
B-5	Payday	15
B-6	Minor Equipment	15&16
B-7	Subcontractor	16
B-8	Jurisdictional Disputes	17
B-9	Project Agreement	17
B-10	Inclusion	17

AGREEMENT DURATION	17
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SIGNATORY CONTRACTORS	19
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It is understood and agreed by and between the parties signatory hereto that the following Article shall and will be incorporated in both Section A, Highway Agreement, and Section B, Heavy Agreement, as though written therein:

PREAMBLE

The recognition of the Contractor as to Local Union 181, International Union of Operating Engineers as the sole bargaining agent of all its employees in a unit, consisting of Operating Engineers who are employed by the Contractor on the site of the work or as otherwise provided herein is conditioned upon both parties complying with all State and Federal Laws.

Hiring procedure shall be part of the Agreement. The provisions of this Article and other provisions relating to the functioning of the hiring arrangements shall be posted by Employers in places where notices to employees are customarily posted. The hiring arrangement shall also be posted in the Union office.

Except as specifically provided, otherwise herein, the rights of management are retained by the Employer, including but not limited to the right to manage and direct the working forces, the right to hire, to transfer, to discharge for a just and reasonable cause other than upholding the provisions of this Agreement, to determine the need for the number of employees and the purpose for hiring.

This contract shall not be construed as covering, requiring, or limiting the employment of supervisors, superintendents, timekeepers, watchmen, or any other employees acting solely in the capacity as representatives of management. This contract is solely and strictly intended as a declaration of rights and privileges of the parties and of the duties and obligations which each assumes toward the other.

ARTICLE 1 - PROCUREMENT OF LABOR

The Union and the Employer recognize that the Union is in a position to aid the Employer in recruiting needed employees who can meet the standards of the trade and who can promote the efficiency and safety of the operations of the Employers. The Employer agrees to notify the Union, when new, additional or replacement employees are needed.

The priorities of referral set forth in the Local 181 Hiring Procedure shall be followed except that in cases where the Employer requires and calls for employees possessing special skills and abilities, the Union shall pass over any applicants on the register not possessing such special skill and abilities, and except that in cases where the Employer requests men by name. The Employer shall request only men who are registered out of work in Group A only, and they shall have been a former employee who has worked for the requesting Employer in the past year in the geographical area. All requests shall be in writing. Applicant must have been on the referral register at least five (5) days before employee can be requested by the Employer. If an employee is called back to the same Employer within five (5) working days, such employment shall be considered continuous employment and shall be counted as such. In cases where the Union does not have twenty-four (24) or more hours to fill an order for referral for a few-day job (5 or less days), the Union may pass over applicants on the register in order to promptly fill the order.

The Union agrees to refer duly qualified applicants upon a non-discriminatory basis when so notified, and when furnishing same, shall do so in accordance with the minority percentages required of the Employer by the various federal agencies (inability to do so does not constitute a breach of contract by the Union). Such applicants shall be furnished under the above conditions in such numbers as may be necessary to properly execute the work contracted for by the Employer in the manner and under the conditions specified in this Agreement. The decision with regard to the hire and tenure of all employees shall be made by the Employer. The Contractor shall be the sole judge as to the qualifications of any applicant for employment.

At the Union's request, the Employer shall grant the Union a pre-job conference prior to starting work on a new project.

The Union and the Employer agree to establish an employment recruiting area. This recruiting area shall cover all counties of Kentucky with the exception of Boone, Campbell, Kenton, and Pendleton, and the following counties in the State of Indiana -- Bartholomew, Brown, Clark, Crawford, Dearborn, Decatur, Dubois, Floyd, Franklin, Gibson, Harrison, Jackson, Jefferson, Jennings, Lawrence, Martin, Ohio, Orange, Perry, Pike, Posey, Ripley, Scott, Spencer, Switzerland, Vanderburgh, Warrick, and Washington.

The Employer agrees to give preference of employment to equally qualified applicants residing within the above mentioned recruiting area, when same are available. This clause shall be applied to employment and reduction of force. The contractor will assist Local No. 181 in its efforts to get outside contractors to use local people on their projects. The Union and Employer both agree to recognize, cooperate with and actively participate in training programs.

ARTICLE 2 - HOURS OF WORK AND OVERTIME

Eight (8) hours shall constitute a day's work, and forty (40) hours a week's work, on a regularly scheduled work day established by the contractors and so established as to not interfere with shift work. Time and one-half shall be paid for all work in excess of eight (8) hours per day, forty (40) hours per week and all day Saturday. EXCEPTION: Where not prohibited by State or Federal law, Saturday shall be used as a make-up day, at straight time, for inclement weather only.

ARTICLE 3 - HOLIDAYS

Double time shall be paid for work done on the following days, which shall be considered as holidays. Sunday, New Years' Day, Decoration Day, Fourth of July, Thanksgiving Day, Friday after Thanksgiving and Christmas Day. No work to be done on Labor Day except to save lives and property. All work done on Labor Day under the above conditions shall be paid for at the rate of double time. All holidays falling on Sunday shall be observed on Monday following. Twenty-four (24) hours of the calendar day shall be recognized as the above mentioned holidays. When New Year's Day, Memorial Day, or the Fourth of July fall on Tuesday, Wednesday, or Thursday, they may be observed either on the Monday preceding or the Friday following the holiday, in lieu of the established regular holiday. This provision shall be in accordance with the Federal Executive Order on legal holidays. Employees performing pumping and employees performing curing of concrete on Sunday will be paid time and one-half unless other crafts are working at the double time rate in which case they will be paid double time.

ARTICLE 4 - WAGE SCALES

All wages and fringe benefits covered by this agreement shall be attached hereto and become a part hereof.

ARTICLE 5 - UNION STEWARD

I. The Business Representative of the Union may appoint Stewards, whose duty it shall be to see that the conditions of this contract are observed by either the Employer or the members of the Union or their representatives. In slack season he shall be the last employee to be laid off, providing he is qualified in the judgment of the Employer, and under no condition shall he be discriminated against because of his position as Steward. Under no condition, excluding drug and alcohol abuse, shall the Steward be discharged until the Business Representative has been given twenty-four (24) hours notice. Stewards shall not have authority to call a work stoppage for any reason.

II. There shall be no interference with workmen during working hours, except that the Business Representative of the Union may confer with the superintendent, foreman, or steward when necessary. The Business Representative shall notify management before entering job.

ARTICLE 6 - NO WORK STOPPAGE

There shall be no stoppage of work on account of any difference of opinion or dispute which may arise between this or any other unit or units of organized labor, or between other units of organized labor or between any unit of organized labor and any other division of the Highway Industry.

ARTICLE 7 - UNION SECURITY

The Employer agrees to operate projects under a Union Shop subject to the provisions of the Labor-Management Relations Act of 1947, as amended.

Any Employee who is not a member of the Union and any Employee who is hired on or after the effective date of this Agreement, shall be required to join the Union on or after the eighth day of his employment, following the effective date of this Agreement or following the date of his employment, whichever is latter. Such employees who become members of the Union must as a condition of continued employment maintain their membership in good standing.

ARTICLE 8 - GRIEVANCE PROCEDURE

It is agreed between the parties that all grievances, disputes, or claims, save the exceptions reserved below, which may arise, with respect to the enforcement or interpretation of any of the terms of this Agreement shall be resolved in the following manner:

EXCEPTION NO. 1 - If the dispute involves the jurisdiction of the Union with the jurisdiction of any other Union or Unions, then the dispute shall be resolved according to Law, provided however that an opportunity be first given to the Union to attempt to settle the jurisdictional dispute with the other Union within ten (10) days from the time the dispute arose.

EXCEPTION NO. 2 - If the dispute be one of interpretation of statute law, then such dispute shall be resolved according to Law.

STEP 1 - The dispute shall first be discussed between the job Steward and the Employer's Foreman and or Superintendent within two (2) working days of the date such complaint or grievance originated.

STEP 2 - If no Agreement is reached in Step One within two (2) working days following submission of the dispute in Step One, the dispute shall be referred to the Business Representative of the Union and the Employer's Representative for discussion and settlement.

STEP 3 - If no Agreement is reached in Step Two within five (5) working days following submission of the dispute in Step Two the dispute shall be referred by either party to a Joint Committee which shall consist of four (4) members-- two (2) to be appointed by the Contractor and two (2) to be appointed by the Union. The Joint Committee shall meet and render a decision within seven (7) working days following submission of the dispute in Step Three. It being the intent of the parties to settle all disputes through the Grievance Procedure.

STEP 4 - In the event of a deadlock of the Joint Committee then parties shall select an arbitrator by agreement, or the rules of either the American Arbitration Association or the Federal Mediation and Conciliation Service for selection of an arbitrator, and arbitration shall apply. The decision of the arbitrator shall be binding and final on all parties; however, the arbitrator shall not have the power to add to, subtract from, or alter, any of the terms of this Agreement.

The expenses and fee of the arbitrator shall be borne equally by the parties to this agreement.

Neither the Employer nor the Union or Union members shall engage in, permit , induce, or encourage any stoppage of work, slow down, strike, lockout, or concerted refusal to work by reason of any dispute or differences of opinion or policy between the parties hereto save and except the failure of the other party to abide by a decision of the Joint Committee, the Arbitrator, or a Judgment of a Court of Law.

ARTICLE 9 - FRINGE BENEFITS

I. It is agreed that effective January 1, 2004, the Employer will contribute monthly \$4.75 per hour to the International Union of Operating Engineers, Local 181, Health and Welfare Fund, and \$4.50 per hour to the Central Pension Fund of the International Union of Operating Engineers.

II. Aforesaid contributions shall be paid by the 10th of the month following the month of accrual and failure to pay by the 20th of the month shall be considered a violation of the Agreement.

III. The Employer agrees to be bound by the following Agreements and Declarations of Trust, and any Amendments to said Trust Agreements.

- 1. Central Pension Fund Trust - Dated September 7, 1960**
- 2. Operating Engineers Local 181, Health and Welfare Trust Fund - Dated April 7, 1968**

IV. Employer irrevocably designates as his representative among the Trustees of said funds such Trustees as are named in said Agreement and Declaration of Trust as Employer Trustees, together with their successors selected in the manner provided in said Agreement and Declaration of Trust as that document may be amended from time to time.

V. If any Employer, after forty-eight (48) hours of written notice by Certified Mail of default, fails to pay Pension, Health and Welfare, Apprenticeship Training or Wages, the arbitration procedure herein provided shall become inoperative and the Union shall have the right to resort to all legal and economic remedies, including the right to strike and picket until such failure to pay has been corrected.

VI. It is mutually agreed that the Operating Engineers, Local 181, Apprenticeship and Training standards registered with the Bureau of Apprenticeship and Training and the U. S. Department of Labor is a part of this Agreement as is set forth herein.

It is agreed that, effective January 1, 2004, each Employer signatory to this Agreement, or facsimile thereof, will contribute to the Operating Engineers Apprenticeship and Training Fund, forty (\$0.40) cents per hour for each hour worked or paid for, on all employees covered by this Agreement. Employer contributions shall be paid by the tenth (10th) of the month following the month of accrual and failure to pay by the 30th of said month shall be considered a violation of the Agreement, subject to Section V.

VII. Upon written notice to the Employer from the Union at least sixty (60) days prior to each anniversary date of the Agreement the Employer agrees to increase its hourly contributions to the aforesaid Health and Welfare Fund, Pension Fund, or Apprenticeship and Training Fund, in the amount specified by the Union. The hourly wage scale then in effect shall be lowered in an amount equal to the increase in the hourly contributions to the Health and Welfare Fund, Pension Fund, or Apprenticeship and Training Fund.

ARTICLE 10 - NON-DISCRIMINATION

The Employer and Union mutually agree that they shall comply with Executive Order 11246 and/or Title VII of the Civil Rights Act of 1964 and all other directives issued by the Federal Government or the State of Kentucky pertaining to Equal Employment Practices in accepting members, or in the selection and/or hiring of employees covered by this bargaining unit. Whenever reference is made to gender in this Agreement, the same shall be interpreted and construed as including both male and female.

ARTICLE 11 - ADMINISTRATIVE DUES

The Employer agrees to deduct from the pay of employees covered by this Agreement an administrative dues deduction. Before any such deduction is made, the Union shall furnish to the Employer a properly signed authorization card for the employee permitting such deduction. Such deduction shall be remitted to the Local Union on a monthly basis on the forms and in the manner prescribed by the Local Union.

The Union agrees to hold the Employer harmless from any and all suits, claims or legal proceedings which arise as a result of enforcement of this Article or compliance with this Article by the Employers. Exception: any administrative dues monies withheld will be deemed as wages and collection thereof will be in accordance with Article 9.

SECTION A, HIGHWAY AGREEMENT

ARTICLE A-1 - SCOPE OF THE AGREEMENT

Highway Construction shall include but not be limited to the construction, or modification, or addition, or repair of railroad and highway bridges (including setting of super structure steel on bridges), pile driving, piers, abutments, retaining walls, viaducts, pedestrian tunnels, subways, track elevation projects, railroad construction; sanitary sewers, waterlines, underground utilities, pre-fabricated package bid sewer and/or water treatment plants; aqueducts, irrigation projects; flood control projects, reservoirs, water supply projects; transmission lines and all work let by the Kentucky Department of Transportation except building construction; all work normally included in highway or street construction contracts when let by Federal, State, Counties, municipalities or their agencies and other political sub-division, except that covered in Heavy, Section B, of this agreement, or building contracts; airport construction, including but not limited to, flight strips, runways, taxi strips, holding areas, aprons and construction required and incidental to this work; cross-country railroads, including highway and railroad bridges; all reclamation work, overburden excavation or any excavation related to mining; all subdivision excavation including underground utilities, grading, drainage, and paving; inland dredging and/or open waste containments not incidental to new construction; building site projects: all site preparation including all excavation and embankments, all utilities, roads, streets, parking lots, paving, railroads, new pits or holding ponds or liquid storage areas, hazardous waste removal and containment areas.

ARTICLE A-2 - REPORTING TIME

If the services of an Engineer or Apprentice are not required, he shall be notified the day previous, and not later than ten (10) minutes before the regular quitting time by the foreman or whoever may be in charge, otherwise any employee reporting for work shall receive two (2) hours pay.

ARTICLE A-3 - WORK RULES

- I. When an Engineer or Apprentice shall operate more than one (1) rig on one (1) shift and there is a difference in the scale of wages, he shall be paid the higher scale.
- II. The employee shall remain on the job, if required, for the length of time for which he is paid, during which he shall do what is required of him pertaining to machine on job.
- III. Operating Engineers must clean and keep in repair the machinery and/or equipment within their jurisdiction. When this work is done outside of regular working hours, the regular overtime rate shall be paid. Master Mechanic and Mechanics must be members of Local 181.
- IV. All machines under jurisdiction of the International Union of Operating Engineers, termed as automatic machines must be started, stopped and serviced by members of the International Union of Operating Engineers.
- V. Heat and/or curtains shall be provided for all equipment wherever practical from November 1 to April 1. Umbrellas shall be provided on all tractors wherever practical during summer months. Iced drinking water shall be furnished from April 1 to November 1.
- VI. The Employer shall maintain an adequate first aid kit on all jobs where the employees covered by this agreement are employed and such kit shall be made easily accessible and available at all times. In case of injury sustained by an employee in the course of employment and requiring immediate medical attention, the Employer shall provide transportation to the physician's office, clinic or hospital, and the employee's home, if necessary. If the employee returns to work on the same day, he shall suffer no loss of time, and if sent home, or to the hospital, shall be paid for the balance of the day's work period in which the injury was sustained.

ARTICLE A-4 - PAYDAY

The Contractor shall pay once each week. If a member of the Union is discharged, he shall be paid in full immediately, and in case a member is laid off, he shall be paid in full within twenty-four (24) hours. The wage rate and the number of hours worked during the pay period will be shown on each pay stub. Accompanying each payment of wages shall be a separate statement, identifying the employer, showing the total earnings, the amount of deductions and purpose, and net earnings.

ARTICLE A-5 - SUBCONTRACTORS

Contractors and Subcontractors

When the Employer signatory to this Agreement subcontracts any of his work covered by this Agreement that the Employer normally, customarily, and traditionally performs, it shall be subcontracted subject to all terms and conditions of this Agreement, and the Employees of such Subcontractor or Subcontractors shall be required to become members of the Union as a condition of employment, as provided under Article 7 of the Agreement, except by mutual agreement of the parties.

At the request of the Union, the Employer agrees to arrange a Pre-Job Conference between the Subcontractor or Subcontractors covering all work that the Employer has subcontracted.

Subcontractors performing work covered by this Agreement agree to all terms and conditions of this Agreement and shall be required to execute the necessary documents to implement the operation of all fringe benefit programs.

ARTICLE A-6 - WAGE CARRYOVER

On all projects let for bid after January 1, 2004, the minimum basic hourly rates, the pension contribution hourly rate, and the training contribution hourly rate, shall be the Collective Bargaining Agreement rates in effect at the time the project was advertised; the health and welfare contribution hourly rate shall be the hourly rate currently in effect when the work is performed. The Collective Bargaining Agreement basic hourly rates, the pension contribution hourly rate, and the training contribution hourly rate shall continue for a period of twelve (12) months, from the bid date, or until completion of the project, whichever occurs earlier. The health and welfare contribution rate shall be the current rate in effect when the work is performed. After the expiration of the aforementioned twelve (12) months, all hourly contribution rates and wages paid to employees covered by this Agreement on the project shall be paid at the current rate as set out in the Agreement in effect at this time.

ARTICLE A-7 - PROJECT AGREEMENT

I. It is mutually agreed that on projects for which no predetermined wage rate is established the Secretary-Manager of Highway Contractors, Inc. may request to negotiate a project agreement or job site agreement if he receives such a request from any Employer signatory hereto. In no case shall the Union negotiate a project or job site agreement with an individual Employer unless approved by Highway Contractors, Inc. If negotiated, all Employers signatory to this Agreement shall have the right to apply the terms on wages, hours, or work conditions contained in the said project or job site agreement to their employees for the same project or job site and such application shall not be deemed a violation of the Agreement.

The negotiated project or job site agreement shall be limited to particular job sites or to particular projects. When that project or job site agreement expires, then work is subject to the regular terms and conditions of this agreement.

II. The Association and Union hereby agree, that on work let for bid under the provisions of KRS 337.010, Section 3A, shall be governed by the language in paragraph I of Article A-7.

ARTICLE A-8 - INCLUSION

It is understood and agreed by and between the parties signatory hereto that the Preamble and Articles 1 - 12 as set forth at the beginning of this Agreement shall and will be incorporated in this Section A, Highway Agreement, as though written herein.

WAGE SCALES

The following wages and fringe benefits shall apply to all work covered by both Section A-Highway and Section B-Heavy of this Agreement.

CLASS A - Minimum wage rate per hour on the following equipment shall be.

	<u>1/1/04</u>	<u>1/1/05</u>	<u>1/1/06</u>	<u>1/1/07</u>	<u>1/1/08</u>
	thru	thru	thru	thru	thru
	<u>12/31/04</u>	<u>12/31/05</u>	<u>12/31/06</u>	<u>12/31/07</u>	<u>12/31/08</u>
Basic Hourly Rate	<u>\$21.75</u>				
Health & Welfare	<u>4.75</u>				
Pension	<u>4.50</u>				
App. & Training	<u>.40</u>				
Gross	<u>31.40</u>	<u>32.55</u>	<u>33.70</u>	<u>34.85</u>	<u>36.00</u>

A-Frame Winch Truck, Auto Patrol, Backfiller, Batch Plant, Bituminous Paver, Bituminous Transfer Machine, all types of Boom Cats, Bulldozer, Cableway, Carry-All Scoop, Carry Deck Crane, Central Compressor Plant Operator, Clamshell, Concrete Mixer (21 cu. ft. or over), Concrete Paver, Truck-mounted Concrete Pump, Core Drills, Crane, Crusher Plant, Derrick, Derrick Boat, Ditching and Trenching Machine, Dragline, Dredge Operator, Dredge Engineer, Earth Movers, Elevating Grader and all types of Loaders, Grade-all, Gurries, Heavy Equipment Robotics Operator/Mechanic, High Lift, Hoe-type Machine, Hoist (two or more drums), Hoisting Engine, (two or more drums), Horizontal Directional Drill Operator, Hydraulic Boom Truck, Hydrocrane, Hyster, KeCal Loader, Letourneau, Locomotive, Mechanic, Mechanically Operated Laser Screed, Mechanic Welder, Mucking Machine, Motor Scraper, Orangepeel Bucket, Piledriver, Power Blade, Pumpcrete, Push Dozer, Rock Spreader attached to equipment, All Rotary Drills, Roller (Bituminous), Scarifier, Scoopmobile, Shovel, Side Boom, Subgrader, Tailboom, Telescoping Type Forklift, Tow or Push Boat, Tower Cranes (French, German and other types), Tractor Shovel and Truck Crane, Tunnel Mining Machines including Moles, Shields, or similar types of Tunnel Mining Equipment.

CLASS B - Minimum wage rate per hour on the following equipment shall be;

	<u>1/1/04</u>	<u>1/1/05</u>	<u>1/1/06</u>	<u>1/1/07</u>	<u>1/1/08</u>
	thru	thru	thru	thru	thru
	<u>12/31/04</u>	<u>12/31/05</u>	<u>12/31/06</u>	<u>12/31/07</u>	<u>12/31/08</u>
Basic Hourly Rate	<u>\$19.33</u>				
Health & Welfare	<u>4.75</u>				
Pension	<u>4.50</u>				
App. & Training	<u>.40</u>				
Gross	<u>28.98</u>	<u>30.13</u>	<u>31.28</u>	<u>32.43</u>	<u>33.58</u>

All Air Compressors (over 900 cu. ft. per min.), Bituminous Mixer, Boom Type Tamping Machine, Bull Float, Concrete Mixer (under 21 cu. ft.), Dredge Engineer, Electric Vibrator Compactor/Self-propelled Compactor, Elevator (on drum or buck hoist), Elevator (regardless of ownership when used to hoist building material), Finish Machine, Firemen , Flexplane, Forklift (regardless of lift height), Form Grader, Hoist (one drum), Joint Sealing Machine, Mechanic Helper,

Outboard Motor Boat, Power Sweeper (riding type), Roller (rock), Ross Carrier, Skid Mounted or Trailer mounted Concrete Pumps, Skid Steer Machine with all attachments, Switchman or Brakeman, Throttle Valve Man, Tract air and Road Widening Trencher, Tractor (50 H.P. or over), Truck Crane Oiler, Tugger, Welding Machine, Well Points, and Whirley Oiler.

On small dredges, the dredge engineer may be replaced by an oiler when mutually agreed upon by the Employer and Union at the pre-job conference.

CLASS B2 - Minimum wage rate per hour on the following equipment shall be:

	<u>1/1/04</u>	<u>1/1/05</u>	<u>1/1/06</u>	<u>1/1/07</u>	<u>1/1/08</u>
	thru	thru	thru	thru	thru
	<u>12/31/04</u>	<u>12/31/05</u>	<u>12/31/06</u>	<u>12/31/07</u>	<u>12/31/08</u>
Basic Hourly Rate	<u>\$19.71</u>				
Health & Welfare	<u>4.75</u>				
Pension	<u>4.50</u>				
App. & Training	<u>.40</u>				
Gross	<u>29.36</u>	<u>30.51</u>	<u>31.66</u>	<u>32.81</u>	<u>33.96</u>

Greaser on Grease Facilities servicing Heavy Equipment, all off road material handling equipment, including articulating dump trucks.

CLASS C - Minimum wage rate per hour on the following equipment shall be:

	<u>1/1/04</u>	<u>1/1/05</u>	<u>1/1/06</u>	<u>1/1/07</u>	<u>1/1/08</u>
	thru	thru	thru	thru	thru
	<u>12/31/04</u>	<u>12/31/05</u>	<u>12/31/06</u>	<u>12/31/07</u>	<u>12/31/08</u>
Basic Hourly Rate	<u>\$19.07</u>				
Health & Welfare	<u>4.75</u>				
Pension	<u>4.50</u>				
App. & Training	<u>.40</u>				
Gross	<u>28.72</u>	<u>29.87</u>	<u>31.02</u>	<u>32.17</u>	<u>33.32</u>

Bituminous Distributor, Burlap and Curing Machine, Caisson Drill and Core Drill Helper (track or skid mounted), Cement Gun, Concrete Saw, Conveyor, Deckhand Oiler, Grout Pump, Hydraulic Post Driver, Hydro Seeder, Mud Jack, Oiler, Paving Joint Machine, Power form handling equipment, Pump, Roller (earth), Steermen, Tamping Machine, Tractors (under 50 H.P.) and Vibrator.

The Business Representative of the Union and the Employer shall by agreement use the above classification of machines and wage rates to determine the wage rate to be paid to an Operator on any machine not specified herein.

The pay rate of all Apprentices shall be for the proper period of training as determined by the Joint Apprenticeship and Training Committee and as stipulated in the Apprenticeship Agreement. The following schedule of 1,000 hour periods shall be the hourly rates of pay for Apprentices:

First Period.....	0 to 1,000 hours.....	60%
Second Period.....	1,001 to 1,999 hours.....	65%
Third Period.....	2,000 to 2,999 hours.....	70%
Fourth Period.....	3,000 to 3,999 hours.....	75%
Fifth Period.....	4,000 to 4,999 hours.....	80%
Sixth Period.....	5,000 to 6,000 hours.....	90%

At no time will the Apprentice rate be more than the classification of the machine he is operating.

Operators on cranes with booms one hundred fifty feet (150) and over (including jib) shall receive one dollar (\$1.00) above Class A rate. Combination Rate: All crane operators operating cranes, where the length of the boom in combination with the length of the piling leads equal or exceeds one hundred fifty (150) feet, shall receive one dollar (\$1.00) above the Class A rate. Where remote, laser, or GPS controlled equipment is utilized to operate the equipment listed in the wage classifications of this agreement, such work for operating purposes shall be the jurisdiction of the Operating Engineers.

Oilers will be required on cranes 100 tons and over and will be a registered apprentice, from the International Union of Operating Engineers, Local 181 Joint Apprenticeship and Training Program, when such registered apprentice is available.

Employees assigned to work below ground level are to be paid 10% above basic wage rate. This does not apply to open cut work.

SECTION B, HEAVY AGREEMENT

ARTICLE B-1 - SCOPE OF AGREEMENT

Heavy Construction shall include all work let by the Corps of Engineers including, but not limited to, water power development, hydro-electric development, locks, dams, dikes, levees, revetments, channels, channel cut-offs, intakes, dredging projects, jetties, breakwaters, docks, mooring cells and harbors, including for the same, the excavation and disposal of overburden and the loading of all materials from which the overburden has been removed. Sewage treatment plants and facilities and water treatment plants and facilities that are fabricated and erected on job site. And including the operation, maintenance and repair of all land and floating plant equipment, vehicles, and other facilities used in connection with serving the aforementioned work and services. EXCLUDING - any and all work covered in SECTION A of this agreement.

ARTICLE B-2 - SHIFT WORK

When two (2) or more shifts are worked, the first shift shall work eight (8) hours and receive eight (8) hours pay. The second shift shall work seven and one-half (7 2) hours and receive eight (8) hours pay, and the third shift shall work seven (7) hours and receive eight (8) hours pay. EXCEPTION: Shift-work-pumping shall work eight (8) hours and receive eight (8) hours pay on all three (3) shifts. Shift rates are not to be canceled on jobs scheduled to run five (5) days if work is interrupted by weather conditions or other conditions beyond the control of the Employer. The work week begins with the first or day shift Monday morning, and the first shift of each subsequent day in the work week shall begin at a comparable clock time. For the purpose of computing overtime to be paid on Saturday and Sunday as such, and on Holidays, the third shift shall be treated as worked on the day which the first or day shift begins.

ARTICLE B-3 - REPORTING TIME

I. If the services of an Engineer are not required, he shall be notified the day previous, and not later than ten (10) minutes before the regular quitting time, by the foreman or whoever may be in charge. Otherwise, any employee reporting for work shall receive two (2) hours pay.

II. An employee shall remain on the job, if required, for the length of time for which he is paid, during which he shall do what is required of him pertaining to machine on job.

III. In the event an employee has completed his regular shift and left the site of the work and is called back to perform work, such Employee shall be paid at least two (2) hours at the overtime rate.

ARTICLE B-4 - WORK RULES

I. Any Operator may be shifted by the Employer to any machine and back again to the original machine, provided the operator is capable of performing the work and is paid the rate of wages applicable to the highest classification of work performed by him during the shift. Provided, further, that such changes do not replace another operator who had reported for work or who had started to work during the shift. Provided, further, that where the project presents circumstances making a limitation of complete shift impractical, the parties may, by mutual agreement, increase the number of such shifts.

II. The Engineer must keep the machine clean and may assist in repairing the engine or machine he operates. When this work is done outside the regular working hours, the regular overtime shall be paid. Master Mechanic and Mechanics must be Operating Engineers. When a piece of equipment needs repair, the regular Operating Engineer normally employed on same shall not be laid off while an outside shop man is working on the job site and the Engineer shall assist this man in making the necessary repairs.

III. A fireman or oiler must be employed on all cranes, shovels and draglines (except two and one-half yard or 50 tons capacity or less, manufacturer's rating capacity to be used) including self propelled cranes and hydro cranes (similar to truck cranes), Hoptos and Gradealls.

Oilers are not required on two and one-half yard and under backhoes, or similar type equipment, or any rigs of two and one-half yard or 50 ton capacity or less. However, if an Employer chooses to put a second man on any rigs of two and one-half yard or 50 ton capacity or less, he shall be an Operating Engineer.

When an oiler is employed on a project covered by this Agreement and a compressor and throttle valve is put into operation, the oiler shall operate the throttle valve and compressor in addition to his regular duties for \$.50 above his regular rate of pay.

IV. The Employer shall furnish suitable shelter to protect employees from falling materials and from the elements. Heat and/or curtains shall be provided for all equipment wherever practical from November 1 to April 1. Umbrellas shall be furnished on all tractors wherever practical during summer months. Iced drinking water shall be furnished from April 1 to November 1.

V. The transportation by means of its own power of cranes operated by employees covered by this Agreement shall be performed by Employees covered by this Agreement.

VI. Ownership of a truck shall not be a condition of employment or continued employment.

VII. The Employer shall maintain an adequate first aid kit on all jobs where the employees covered by this Agreement are employed and such kit shall be made easily accessible and available at all times. In case of injury sustained by an employee in the course of employment and requiring immediate medical attention, the Employer shall provide for transportation to the physician's office, clinic or hospital, and the employee's home, if necessary. If the employee returns to work on the same day, he shall suffer no loss of time, and if sent home or to the hospital, shall be paid for the balance of the day's work period in which the injury was sustained. In no case shall such employee suffer loss of time when required to leave his job for treatment of three (3) hours or less for further treatment of such injury.

VIII. FOREMAN: One Foreman is required for each shift on a project of an Employer having ten (10) or more employees. An additional Foreman is required on said project having twenty-five (25) or more employees. Such Foreman shall have only such authority as assigned by the Employer. Duties of the Foreman shall be (1) to replace any absenteeism, (2) to replace any Operating Engineer who has started to work and may have to leave through no fault of the Employer, (3) to assist any Operating Engineer who may need help or advice, (4) to assign Operating Engineers to the equipment, if the employer so desires, (5) To operate any equipment on the job provided the Employer has made an effort to hire an operator.

Foreman shall receive not less than fifty cents (.50) per hour over and above Class A rate of pay. Utility operator, capable of operating any heavy equipment, shall receive fifty cents (.50) per hour over and above Class A rate of pay. The selection of Foremen shall be mutually agreed upon by the Union and by the Employer.

ARTICLE B-5 - PAY DAY

An employee whose employment is terminated shall be paid within one (1) hour of such termination provided the Employer's office is open and a clerk is on duty. Otherwise, he shall be paid on the next subsequent work day within one (1) hour after he appears at the Employer's office and makes a request. However, the employee shall have the option of requesting his check be mailed in accordance with the provisions of this Article to his home of record. In the event an employee is laid off, he shall be paid in full within twenty-four hours. Employer shall pay once each week.

ARTICLE B-6 - MINOR EQUIPMENT

Operating Engineers shall be employed on minor or light equipment as defined below in this section.

(1) For the purpose of definition in this section, minor or light equipment shall be defined as air compressors (900 CFM and under) pump, welding machine (gasoline or diesel driven), conveyor, generator or mechanical heater.

(2) When minor equipment is put in operation on a job or project and an oiler is employed, such employee may operate up to four (4) pieces of minor equipment in addition to his regular machine for fifty (\$.50) cents above his regular rate of pay. In the event there is not an Oiler employed, and an engineer assigned to other equipment is employed, such engineer may operate up to four (4) pieces of minor equipment in addition to his regular machine, for fifty (\$.50) cents above his regular rate of pay providing such equipment is within reasonable distance. If neither an oiler nor an engineer assigned to other equipment is employed on the job or project, and any minor equipment is put into operation, an operating engineer will be employed to operate said equipment. Neither an oiler nor an engineer assigned to other equipment will be permitted to operate more than four (4) pieces of minor equipment on combination rate.

(3) When more than four (4) pieces of minor equipment are put into operation, an operating engineer shall be employed at the Group B rate of pay. Such operating engineer shall be permitted to operate up to and including six (6) pieces of minor equipment or combination of minor equipment.

- (4) An operating engineer shall be employed on all air compressors over 900 CFM at Group B rate of pay.**
- (5) When a hoe ram is put into operation, the operating engineer who operates the hoe shall start and stop the air compressor at his regular rate of pay for operating the hoe.**
- (6) Dewatering systems shall include electrical submergible pumps, electrical well pumps and other electrical pumps. The dewatering systems shall be installed, maintained and operated the same as well point systems. There shall be no set number of pumps in a system, but the pumps shall be within a reasonable area.**
- (7-a) On continuous pumping operations, the Employer shall be allowed to set up six (6) hour pumping shifts, or eight (8) hour pumping shifts. Type of shifts shall be decided at the pre-job conference. Overtime on continuous pumping operations shall be computed at time and one-half.**
- (7-b) If a dewatering system or pumping operation contains maintenance free pumps, it shall be mutually agreed between the company and Business Representative that if no maintenance or surveillance is required on the second or third shift, then the Union will not require the equipment to be manned during this time, provided that if any personnel, including other trades, supervisory personnel, or security personnel are required to provide surveillance of pumping system, then that person shall be an operating engineer, and shall be paid in accordance with Article B-6, Section 7-a.**
- (8) When there is a question of application of this minor equipment section, the Business Representative and the Employer shall resolve such questions by mutual agreement.**

ARTICLE B-7 - SUB-CONTRACTOR CLAUSE

Contractors and Subcontractors

When the Employer signatory to this Agreement subcontracts any of his work covered by this Agreement that the Employer normally, customarily, and traditionally performs, it shall be subcontracted subject to all terms and conditions of this agreement, and the employees of such Subcontractor or Subcontractors shall be required to become members of the Union as a condition of employment, as provided under Article 7 of the Agreement, except by mutual agreement of the parties.

At the request of the Union, the Employer agrees to arrange a Pre-Job Conference between the Subcontractor or Subcontractors covering all work that the Employer has subcontracted.

Subcontractors performing work covered by this Agreement agree to all terms and conditions of this Agreement and shall be required to execute the necessary documents to implement the operation of all fringe benefit programs.

ARTICLE B-8 - JURISDICTIONAL DISPUTES

The Employer shall make the initial work assignment.

In the event of a Jurisdictional Dispute involving the Union, the Employer shall request the other Union or Unions involved to send representatives to the job site to meet with representatives of the Union and Employer to settle the dispute.

If a settlement is not reached at that meeting, the Union shall request that its International Union assign a representative who shall make arrangements to meet representatives of the other International Union or Unions involved, and representatives of the Employer on the job site to seek settlement of the dispute. The Employer shall also request the International Unions involved to assign representatives to seek settlement of the dispute.

The Union and the Employer agree that there shall be no strikes, lockouts, or interruption of the disputed work over jurisdictional disputes.

ARTICLE B-9 - PROJECT AGREEMENT

I. It is mutually agreed that on projects for which no predetermined wage rate is established the Employer may request to negotiate a project agreement or job site agreement. The negotiated project or job site agreement shall be limited to particular job sites or to particular projects. When that project or job site agreement expires, then work is subject to the regular terms and conditions of this agreement.

II. The Employer and Union hereby agree, that on work let for bid under the provisions of KRS 337.010, Section 3A, shall be governed by the language in paragraph I of Article B-9.

ARTICLE B-10 - INCLUSION

It is understood and agreed by and between the parties signatory hereto that the Preamble and Articles 1 - 12 as set forth at the beginning of this Agreement shall and will be incorporated in this Section B, Heavy Agreement, as though written herein.

AGREEMENT DURATION

I. This Agreement, which includes Sections A and B, entered into this 1st day of January, 2004, shall be in full force and effect for a period of five (5) years from the above date and shall continue from year to year hereinafter unless notice is given in writing by either party to the other sixty (60) days prior to such anniversary date.

II. Any Employer who subsequently signs and/or accepts this Agreement shall be bound by the terms and conditions contained herein from this date of signing and/or acceptance through December 31, 2008.

III. The undersigned has read and hereby approves the State Wide Agreement for the State of Kentucky, between Local 181 of the International Union of Operating Engineers and Contractors signatory hereto as negotiated on their behalf by the AFL-CIO Steering Committee of Highway Contractors, Inc., and herewith accept the same and becomes one of the parties hereto.

DATE OF ACCEPTANCE: JANUARY 1, 2004

**INTERNATIONAL UNION OF OPERATING
SIGNATORY
ENGINEERS, LOCAL #181**

**HIGHWAY CONTRACTORS,

HERETO, AS NEGOTIATED OF THEIR
BEHALF BY THE AFL-CIO
NEGOTIATING
COMMITTEE OF HIGHWAY
CONTRACTORS, INC.**

**James O. Manning
Business Manager**

**Mike Shayeson
Chairman**

**Fred Blaylock
President**

David Faulkner

**John Brothers
Rec-Corr Secretary**

Joe Mims

Daniel Lutgring

Walter Gratz

Morris Griffiths

CONTRACTORS WHO GAVE AUTHORIZATION

FAULKNER CONSTRUCTION, LLC

BY: David Faulkner

THE HARPER COMPANY

BY: Mike Shayeson

LUTGRING BROS., INC.

BY: Daniel Lutgring

NATIONAL ENGINEERING & CONTRACTING COMPANY

BY: Walter Gratz

ROSS BROTHERS CONSTRUCTION COMPANY, INC.

BY: Morris Griffiths

SKILTON CONSTRUCTION CORPORATION

BY: Joe Mims

Memorandum of Understanding

By and Between

Highway Contractors, Inc.

and

International Union of Operating Engineers, Local No. 181

It is mutually agreed between the parties named above for the contractual years of January 1, 2004 through December 31, 2008, that work let for bid, on all projects, that falls below the statutory threshold for prevailing wage under the provisions of KRS 337.010 and KRS 337.505 through KRS 337.550, or any successor statute(s), the employer may pay eighty per cent (80%) of the effective wage scale of the Kentucky Heavy-Highway Agreement, provided the current fringe benefit package is paid.

Signed this _____ day of _____, 2004

HIGHWAY CONTRACTORS, INC.

**INTERNATIONAL UNION OF
OPERATING ENGINEERS, LOCAL 181**

Chairman, Negotiating Committee

Business Manager

**Recording - Corresponding
Secretary**

President

**Recording - Corresponding
Secretary**

Memorandum of Understanding

By and Between

Highway Contractors, Inc.

and

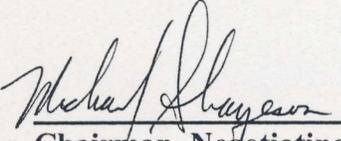
International Union of Operating Engineers, Local No. 181

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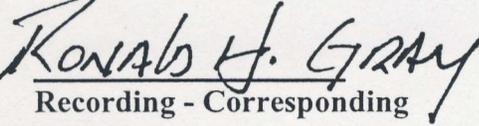
Signed this 23rd day of Sept, 2004

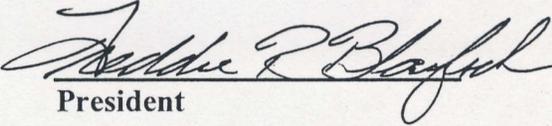
HIGHWAY CONTRACTORS, INC.

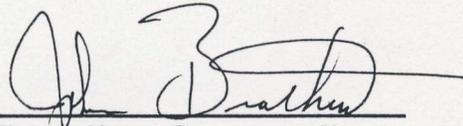
INTERNATIONAL UNION OF
OPERATING ENGINEERS, LOCAL 181


Chairman, Negotiating Committee


Business Manager


Recording - Corresponding
Secretary

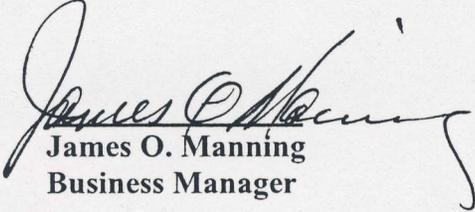

President

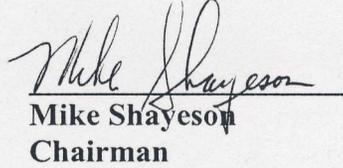

Recording - Corresponding
Secretary

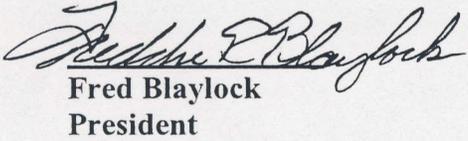
DATE OF ACCEPTANCE: JANUARY 1, 2004

INTERNATIONAL UNION OF OPERATING
SIGNATORY
ENGINEERS, LOCAL #181

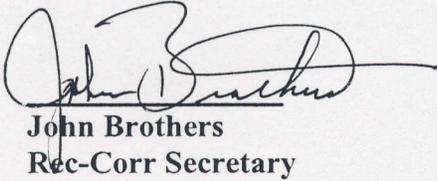
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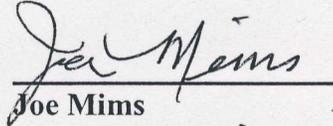

James O. Manning
Business Manager

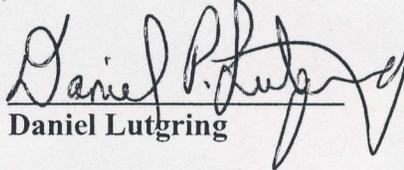

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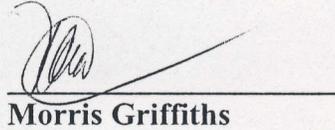

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