

LABOR AGREEMENT BETWEEN

TORRENT RESOURCES, INC



AND

INTERNATIONAL UNION OF OPERATING
ENGINEERS LOCAL 428



AUGUST 1, 2018 THROUGH JULY 31, 2021

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PREFACE

This Agreement, entered into September 1, 2016, by and between the members of the ARIZONA CHAPTER of the ASSOCIATED GENERAL CONTRACTORS which have assigned their bargaining rights and any other INDIVIDUAL CONTRACTORS, members or non-members, who are signatory hereto by memorandum and/or addendum and hereafter referred to as "Employers", and the OPERATING ENGINEERS LOCAL UNION NO. 428, of the International Union of Operating Engineers, AFL-CIO, hereinafter referred to as the "Union".

PURPOSE

It is the intent of the parties to set out uniformly standard working conditions for the efficient performance of construction in Arizona, herein to establish and maintain harmonious relations between all parties to the Agreement; to secure optimum productivity, and to eliminate strikes, lockouts, or delays in the performance of the work undertaken by the Employer.

ARTICLE 1 COVERAGE OF AGREEMENT

- 101 - Employees Covered. This agreement shall apply to all employees of the Employer employed to perform or performing heavy and highway construction work, which work is within the Union's recognized jurisdiction as defined by the Building and Construction Trades Department of the AFL-CIO and/or area practices. This agreement shall not apply to the Employer's executives, superintendents, assistant superintendents, civil engineers and their helpers, master mechanics, all supervisory employees such as timekeepers, messengers, guards and office workers.
- 102 - Work Covered. For purpose of this agreement, heavy and highway work shall include the construction, modification, overhaul, repair, improvements and construction of incidental structures or operations; on work including, but not limited to highways, streets, bridges, sewers, viaducts, storm drains, elevated highways, irrigation, drainage and flood control projects, pipelines, tunnels, shafts, aqueducts, canals, reservoirs, railroads or subways, power plants, refineries, airports, and factories, as well as all excavation on, grading and similar operations which are incidental thereto.
- 103 - Management Rights.
- 103.1 - The Employer retains and shall exercise full and exclusive authority and responsibility for the management of its operation.
- 103.2 - The Employer will be the judge in determining the competency of applicants and employees with the right to hire, reject, or terminate accordingly and will be responsible for determining a fair day's work for employees covered by this Agreement.
- 103.3 - The Employer shall be the judge as to the number of employees, foremen, general foremen and other supervisors required to perform the work, and the number of employees to be assigned to any crew. Employees may be shifted from one (1) piece of equipment or operation to another as job conditions require.
- 103.4 - The selection of master mechanics, general foremen shall be entirely the responsibility of the Employer.
- 104 - Competitive flexibility.
- 104.1 - Other Contractor's Rates. In no event shall a contractor signatory to this Agreement be required to pay higher rates of wages and fringe benefits ("rates"), or be subject to more unfavorable working

rules (referred herein to as "more favorable conditions") than those established by the Union for any other contractor engaged in work covered in this Agreement or any other construction agreement negotiated by the Union in Arizona covering the type of work described in this Agreement. For purposes of this section, the phrase "covering the type of work described in this Agreement" includes public (federal, state, county, municipal or any governmental, quasi-governmental or public/private partnership or any combination of the foregoing) and private heavy engineering or highway work (including without limitation, streets, roads, curbs, gutters, sewers and sewage systems and treatment facilities or any other work referenced in this Agreement) residential or commercial work. If there is a provision in this Agreement relating to such work, it shall be deemed to be work covered in this Agreement. No project or any other agreement with more favorable conditions than those specified in this Agreement will be given to any contractor performing work covered in this Agreement unless the Union provides written or electronic notice to the employer association as soon as practicable after the Union agrees to such agreement. In the event that the Union agrees to more favorable conditions described herein, the contractor signatory to this Agreement may invoke this section with respect to the specific type of work performed by the contractor (i.e., residential, commercial, highway) for the duration of the project on which the contractor has been given more favorable conditions and in the county in which the contractor has performed the work. This section shall apply to any renewals or extensions of any collective bargaining agreement (including project agreements). The contractor's signatory to this agreement will not be required to file grievances before invoking this section, but the Union may challenge the contractor's invocation of this clause through the grievance procedures of this Agreement.

Work performed in the sand and gravel industry at plant locations, traffic signs, pipe line work covered by the International Pipeline Agreement, building demolition (excluding bridges and roads), shall not be considered the type of work covered by this Agreement.

Contractors who are signatory to the Crane Rental Addendum to this Agreement cannot invoke this section to claim the right to apply the rates and conditions contained in this Agreement unless the Union enters into a contract granting more favorable conditions to employers engaged primarily in the business of renting manned cranes to contractors. However, if the Contractors which are not Crane Rental Companies properly invoke this section, the Crane Rental Contractors shall be entitled to reduce the wage rates and fringe benefit contributions in the same percentage as the Contractors which are not Crane Rental Contractors.

ARTICLE 2 PREVAILING RATES

- 201 - Prevailing Rates. Prevailing rates are those wage and fringe benefit rates ("rates") listed in the Federal Davis-Bacon Specifications. If Davis-Bacon rates are lower than the rates in this Agreement, then the Davis-Bacon rates of pay at the time a job or project is bid shall be the rates paid on that job or project until its completion, unless Federal law requires otherwise, in which case the contractor signatory to this Agreement shall comply with the requirements of Federal law.

ARTICLE 3 SUBCONTRACTOR COVERAGE

- 301.1 - In the event the Employer subcontracts out any work covered by this agreement, signatory subcontractor on the Union's list, if any are suitable and available, will be afforded the opportunity to submit a bid to perform the work. The Union will provide the Employer a list of signatory contractors and maintain it current.

- 301.2 - In instances where union subcontractors are not suitable and available, or their bid is not competitive, the Employer is not restricted from awarding the work to any available subcontractor.

**ARTICLE 4
MARKET RECOVERY**

- 401 - Market/Geographic Area Committee. The parties to this Agreement recognize the constantly changing nature of the industry with respect to certain market and/or geographic areas and the necessity of the individual employers to maintain competitive positions in those areas in order to protect and assure the continued work opportunities of the employees covered by this Agreement. Therefore, the parties hereby establish a Market/Geographic Area Committee composed of one (1) representative of the Employer and one (1) representative of the Union. The committee shall evaluate market or geographic area requests for changes or modifications believed necessary to meet competition and determine if adequate economic justification is present to support such a change or modification.

**ARTICLE 5
CONTRACT SCOPE, MODIFICATIONS AND LIMITATIONS**

- 501 - Limited Liability. Any breach of this Agreement by a party hereto shall not operate as a violation of this Agreement by any other party hereto.
- 502 - Separability. It is expressly agreed that in the event any provisions hereof be declared to be invalid by any court of competent jurisdiction, such invalidity shall not affect remaining terms and provisions, which shall remain in full force and effect.
- 503 - Qualifications of Agreement.
- 503.1 - Each of the parties hereto warrants and agrees that it will not take any action that will prevent or impede it in the full and complete performance of all conditions hereof.
- 503.2 - This Agreement shall supersede any and all prior Agreements between the parties signatory hereto covering the work described in Article 1 hereof.
- 503.3 - This Agreement is complete and has resolved all collective bargaining issues between the parties for its duration except as defined in this Agreement.

**ARTICLE 6
TERM, TERMINATION AND RENEWAL**

- 601 - Effective Date. It is further agreed that the classifications, wage rates and working rules contained herein shall be applicable in the area for work covered by this Agreement and shall be effective on September 1, 2016, or as otherwise specifically indicated.
- 602 - Length of Agreement. This Agreement shall remain in effect from September 1, 2016 through May 31, 2019. Either party desiring to terminate the Agreement or to change its terms shall notify the other in writing not more than one hundred twenty (120) days, nor less than sixty (60) days prior to May 31, 2019. If such notice is not given, this Agreement shall be renewed for the period from May 31, 2019 through May 31, 2020 and from year to year thereafter until terminated at the end of a yearly period by such notice in writing by either party given to the other not more than one hundred twenty (120) days, nor less than sixty (60) days before the end of such yearly period.

ARTICLE 7
JURISDICTIONAL DISPUTES

- 701 - The Employer will use his best construction judgment in the assignment of work. There shall be no cessation or interference in any way with any work of the individual Employer by reason of jurisdictional disputes between an individual union and any other individual union affiliated with the AFL-CIO. Such disputes will be settled by the individual union and the other unions themselves. Craft jurisdiction is neither determined or awarded by classifications or coverage descriptions appearing in this Agreement.

ARTICLE 8
NO STRIKE - NO LOCK OUT

- 801 - Work Stoppages and Lockouts. During the term of this Agreement and except as specifically provide herein, there shall be no strikes, picketing, work stoppages, slow downs or other disruptive activities for any reason by the Union or by any employee, and there shall be no lockout by the Employer.
- 801.1 - The Union shall not sanction, aid or abet, encourage or continue any work stoppage, strike, picketing, or other disruptive activity at the Employer's project site and shall undertake all reasonable means to prevent or to terminate any such activity. No employee shall engage in activities which violate this Article. Any employee who participates in or encourages any activities which interfere with the normal operation of the project shall be subject to disciplinary action, including discharge. The Union shall not be liable for acts of employees for which it has no responsibility. The failure of the Employer to exercise its rights in any instance shall not be deemed a waiver of its rights in any other instance.
- 801.2 - The Union and Employer agree that there shall be no strikes, lockouts or interruptions of the disputed or other work on the job over jurisdictional disputes.
- 801.3 - The Union will not recognize any picket lines established by other crafts for any type of grievance, jurisdictional dispute or contract expiration during the course of this Agreement, including those between owners and unions involving operational personnel.
- 801.4 - Should any unauthorized picketing occur, it shall be a violation of this Agreement for any employee to honor such pickets. The Employer shall have the right to take immediate action to ensure the continuance of affected work and/or shutdown any part or all of the work and such action by the Employer shall not be a violation of this Agreement.
- 801.5 - Any worker participating in an unauthorized strike, work stoppage, slowdown or work disruption may be terminated by the Employer.
- 801.6 - It shall not be a violation of this contract or an unfair practice, and it shall not be a cause for discharge of any worker or workers who refuse to cross a lawful primary picket line.
- 801.7 - Cessation of work by employees shall not be a violation of this Agreement if it is solely to protest any of the following exceptions to this Agreement.
- 801.7.1 - It shall not be a violation of this Article 8 if the Union withdraws the employees of the employer because of failure of said employer to pay wages or fringe benefits, failure to provide Workmen's Compensation or Unemployment Insurance.
- 801.7.2 - If the Employer or subcontractor fails to abide by the Agreement as determined by a final and binding award entered pursuant to the grievance and arbitration procedures provided for in this Agreement and up to the time of the final and binding award the complaining party or parties have

afforded themselves of all remedies of the grievance procedures provided, however, that the Union expressly agrees that it will not engage in any but judicial action to secure the enforcement of any award finding a violation of paragraph 301.1 or 301.2 (Subcontractor Coverage).

- 801.7.3 - Where an employee or employees covered by the terms of this Agreement are not paid at all or are paid by a check which is returned or otherwise invalid.
- 801.7.4 - As those violations described hereinabove, the Union and employees involved may strike or picket the Employer, where not statutorily prohibited, or it may, in its discretion, or as an alternative, file grievances which shall in all respects be processed and decided in accordance with the established grievance procedure.
- 802 - Non-compliance with Grievance Procedure.
- 802.1 - If any such action prohibited to the Union in Paragraph 801 above occurs and the Union is responsible therefore, the Union shall be liable in money damage to the Employer thereby as determined by the grievance procedure provided for in Article 9 hereof.
- 802.2 - Nothing contained in this Agreement or any part thereof (except the provisions of Articles 301 and 801.3) shall affect or apply to the Union in any action the Union may take against the Employer who has filed, neglected or refused to comply with or execute any settlement or decision reached through the procedure for settlement of disputes under the terms of Article 9, hereof.

ARTICLE 9 PROCEDURE FOR SETTLING DISPUTES AND GRIEVANCES

- 901 - Contractual Disputes
- A grievance shall be defined to mean any dispute, controversy or disagreement as to the application in or interpretation of any of the terms and provisions set forth in this Agreement.
- Step 1 - Any employee having a grievance shall, by himself or herself, or with the aid of a Union Representative, first take up the grievance with the Company, or its designated representative who shall attempt to adjust it. The grievance shall be submitted in writing as promptly as possible, and in no case in excess of ten (10) working days from the date of occurrence of the incident which led to the grievance. At this step the grievance shall be submitted in writing and contain details of the nature of the grievance and the Articles of the Agreement allegedly violated. The Company shall render its decision within two (2) working days after being presented with the grievance.
- Step 2 - If the grievance remains unsettled, an authorized Union Representative shall be called in by the Union within two (2) working days after the decision of the Company. All time limits hereinafter may be extended by mutual consent. Participants in this step shall be the Union Representative and a Company Representative who shall have two (2) working days in which to settle the grievance.
- Step 3 - If the grievance remains unsettled, within fifteen (15) calendar days the parties shall engage in non-binding mediation. The mediator will be one of the commissioners from the Arizona office of the Federal Mediation and Conciliation Service.
- Step 4 - If no settlement or agreement is reached in Step 3, then within five (5) working days of the Step 3 meeting, the matter may be referred to arbitration. A request for arbitration shall be presented to the Company in writing and shall contain a complete outline of the nature of the complaint. Within ten (10) working days of receipt of a request for arbitration, the parties shall:

1. Meet to mutually select an arbitrator.

2. If unable to select an arbitrator at the meeting, then the moving party shall, within five (5) working days, request a panel of seven (7) arbitrators from the Federal Mediation and Conciliation Service.
3. Upon receipt of the panel of seven (7) arbitrators, each party shall strike three (3) names alternately with the remaining arbitrator authorized to hear the case.

No grievance shall be submitted to arbitration under Step 4 unless the time limits in Steps 1 and 2 have been complied with; any grievance submitted after the time limits have expired shall be forfeited and waived.

The arbitrator may not change, modify or alter any of the terms and provisions of the Agreement. The findings of the arbitrator shall be rendered within thirty (30) days of the date of hearing and shall be binding and enforceable on all parties.

The expenses of the arbitrator and the hearing room shall be borne equally by both parties.

It is the intention of the parties that this Article shall provide a peaceful method of adjusting grievances and there shall be no suspension or interruption of normal operations as a result of any grievances.

All jurisdictional disputes shall be determined in the manner and by the procedure established by the International Disputes Settlement Plan between the International Union of Operating Engineers, the International Brotherhood of Teamsters and Laborers International Union.

ARTICLE 10 EMPLOYEE TERMINATION

- 1001 - No Discrimination. The Employer may discharge any employee for any cause which he may deem sufficient, provided there shall be no discrimination on the part of the Employer against any employee nor shall any such employee be discharged by reason of any union activity not interfering with the performance of his work, nor because of race, creed, national origin, age, or sex. (For rules governing discharge of job steward, see Article 16.)
- 1002 - Reference to Gender. All reference to employees in this Agreement designate both sexes and whenever the male gender is used, it shall be construed to include both male and female employees if applicable.
- 1003 - Termination Slips. The contractor shall furnish and complete termination slips for any employee who is terminated, showing the reason therefore, giving one (1) copy to the employee, returning one (1) copy to the dispatching hall at the time of termination, and retaining one (1) copy for the company's records. In those instances where a termination notice is marked "NOT FOR REHIRE", that employee shall not be re-referred by the same dispatching hall to the Employer, or the same job or project, within one (1) year of such termination date (unless called by name). In the event the Employer does not comply with this paragraph, the employee shall be considered eligible for rehire.
- 1004 - If an employer is delinquent in the payment of benefits to the Operating Engineers Local 428 trust funds, the employees working under this agreement can request and be granted a reduction in force from the delinquent contractor.

ARTICLE 11 INSURANCE, TAXES AND PAYROLL RECORDS

- 1101 - Insurance and Taxes. The Employer shall carry insurance, and pay appropriate taxes, as required by federal, state and local laws and/or regulations.

1102 - Payroll Records. The Employer agrees that each employee shall be given, with each check, a detachable statement showing the employee's name or identification number, straight time hours worked, overtime hours worked, payroll period covered, gross amount earned, social security tax, withholding tax and other deductions itemized. Employers found to have maintained incorrect payroll records for the purpose of avoiding proper wage payments, shall be considered in gross violation of the Agreement.

1103 - Employers name or logo should be shown on check stubs.

ARTICLE 12 HEALTH AND WELFARE

1201 - Amounts. Effective on the dates listed below, and monthly in accordance with the provisions of the trust agreement, the Employer bound to the collective bargaining agreement shall pay the sum indicated for each hour worked by employees covered under the provisions of this Agreement to the trustees of the Operating Engineers Local No. 428 Health and Welfare Trust Fund:

September 1, 2016 - \$5.20

June 1, 2017 - \$5.40

June 1, 2018 - \$5.60

1201.1 - If additional monetary increases are deemed necessary, they will be designated by the Union as to dates and amounts, and will be taken from negotiated settlements. The Union can revise the economic package so long as the combined total of wages, health and welfare, pension, vacation savings and apprenticeship does not exceed the economic package figure. It is agreed that the Union will give the Company sixty (60) days advance notice, in writing, of proposed changes to the contribution rate.

1202 - Employer's Obligations. The said payments by the Employer shall discharge his obligation hereunder. Any dispute arising in the administration of said fund shall not be deemed to be a dispute hereunder and shall not be a subject matter of the grievance procedures contained in Article 9 hereof and shall not be deemed to be a dispute concerning wages, hours, and working conditions, except as specifically provided in Article 9.

1203 - Declaration of Trust. The parties shall cause the said trustees to execute any and all document necessary and required to continue in full force and effect the Agreement and Declaration of Trust dated the 29th day of September, 1959, as amended thereafter, creating the said Operating Engineers Local No. 428 Health and Welfare Trust Fund, for the duration and term of this collective bargaining Agreement. A copy of the Agreement and Declaration of Trust dated the 29th day of September, 1959, as amended is incorporated herein by reference. The Board of Trustees, as appointed, shall have equal voice in making all decisions concerning the Trust, including amendments of the Trust plan itself.

1204 - The Employer signatory hereto agrees to the appointment, as his representatives, the trustees designated pursuant to the Agreement and Declaration of Trust of the Operating Engineers Local No. 428 Health and Welfare Trust Fund as Employer representatives and further agrees that they shall be bound by all the terms and conditions of said Agreement and Declaration of Trust dated September 29, 1959, and as amended thereafter, and to all amendments thereto during the term hereof.

ARTICLE 13
PENSION

1301 - Amounts. Effective on the dates listed below, and monthly in accordance with the provisions of the Trust Agreement, the Employers shall pay the sum indicated below for each hour worked by employees covered under the provisions of this Agreement to the Trustees of the Operating Engineers Local No. 428 Pension Trust Fund:

September 1, 2016 - \$4.15

June 1, 2017 - \$4.25

June 1, 2018 - \$4.35

1301.1 - If additional monetary increases are deemed necessary, they will be designated by the Union as to rates and amounts, and will be taken from the negotiated settlement. The Union can revise the economic package so long as the combined total of wages, health and welfare, pension, vacation saving and apprenticeship does not exceed the economic package figure. It is agreed that the Union will give the Company sixty (60) days advance notice, in writing, of proposed changes to the contribution rate.

1302 - Employer's Obligations.

1302.1 - The said payment by the Employer shall discharge his obligation hereunder. Any dispute arising in the administration of said fund shall not be deemed to be a dispute hereunder and shall not be the subject matter of the grievance procedures contained in Article 9, hereof, and shall not be deemed to be a dispute concerning wages, hours or working conditions.

1303 - Declaration of Trust. The parties shall cause the said Trustees to execute any and all documents necessary and required to continue in full force and effect the Agreement and Declaration of Trust dated the 25th day of January, 1963, and as amended thereafter, creating the said Operating Engineers Local No. 428 Pension Trust Fund for the duration and the term of this collective bargaining agreement. A copy of the Agreement and Declaration of Trust dated the 25th day of January, 1963, and as amended thereafter, is incorporated herein by reference. The Board of Trustees, as appointed, shall have equal voice in making all decisions concerning the Trust, including amendments of the Trust Plan itself.

1304 - The Employer signatory hereto agrees to the appointment as his representative the Trustees designated pursuant to the Agreement and Declaration of Trust of the Operating Engineers Local No. 428 Pension Trust Fund as Employer representatives and further agrees that they shall be bound by all the terms and conditions of said Agreement, and Declaration of Trust dated January 25, 1963, and as amended thereafter, and to all amendments thereto during the term hereof.

1305 - The parties agree that the Defined Benefit Plan of the Operating Engineers Local 428 Pension Trust Fund will be terminated at the earliest possible time it can be done without impairing the participants' and beneficiaries' full accrued benefits and necessary expenses for effecting the termination. At such time as a qualified actuary, selected by the Board of Trustees, advises the Trustees that the Plan's assets are sufficient to support the purchase of annuity contracts from a qualified insurance or other financial services company with a rating of not less than A+ from at least two (2) prominent rating services, that will guarantee payment of the accrued benefits of the participants and beneficiaries, the Trustees shall secure approval from applicable federal agencies, (U.S. Department of labor, Internal Revenue Service and/or Pension Benefit Guarantee Corporation) to enter into such agreements with such company as may be necessary or advisable to effect the direction of this section. The direction of this section shall not be subject to arbitration by or among the Trustees and shall proceed without further direction of the bargaining parties. The parties will execute an irrevocable amendment to the Trust Agreement providing for the foregoing.

ARTICLE 14
APPRENTICESHIP AND TRAINING

- 1401 - Programs. The individual Employer and the Union recognize the need for apprentices and journeyman training and retraining, and to this end the apprentices employed shall be in conformity with the provisions of the Arizona Apprenticeship Council standards.
- 1402 - State Board of Directors.
- 1402.1 - In order that there may be a continuing activity in promotion of the Operating Engineers Apprenticeship and Training System, a Board of Directors for this system in the building, heavy-highway and engineering construction and related industries has been established. The principal function of this Board of Directors is to administer the Apprenticeship System and Standards which have been adopted by the Arizona Chapter of the Associated General Contractors, and Local Union No. 428, International Union of Operating Engineers for the State of Arizona, identified as Operating Engineers Joint Apprenticeship and Training System.
- 1402.2 - The State Board of Directors shall be composed of eight (8) members, four (4) of whom shall be appointed by the Arizona Chapter of the Associated General Contractors, and shall represent the individual Employers, and four (4) of whom shall be appointed by Local Union No. 428, International Union of Operating Engineers, and shall represent the Union, who shall serve staggered terms as specified in Section II of the Standards of the Operating Engineers Joint Apprenticeship and Training System.
- 1403 - Amounts. There has been established a fund known as Arizona Operating Engineers Joint Apprenticeship and Training Fund, the purpose of which shall be to pay for the administration of the system. This contribution shall be made on or before the fifteenth (15th) day of each month for the preceeding month and continued for each month thereafter, until the expiration of this Agreement. The Employers shall pay the sum indicated below for each hour worked by employees covered under the provisions of this Agreement to the Joint Arizona Operating Engineers Apprenticeship and Training Fund which will be administered by the State Board of Directors.
- September 1, 2016 - \$.33
June 1, 2017 - \$.37
June 1, 2018 - \$.41
- 1403.1 - If additional monetary increases are deemed necessary, they will be designated by the Union as to dates and amounts; and will be taken from negotiated settlements. The Union can revise the economic package so long as the combined total of wages, health and welfare, pension, vacation savings and apprenticeship does not exceed the economic package figure. It is agreed that the Union will give the Company sixty (60) days advance notice, in writing, of proposed changes to the contribution rate.
- 1404 - The Employer signatory hereto agrees to the appointment as their representatives, the Directors designated pursuant to the Agreement and Declaration of Trust of the Operating Engineers Local No. 428 Apprenticeship and Training Fund as Employer representatives and further agree that he shall be bound by all the terms and conditions of said Apprenticeship Standards and Fund and all amendments thereto during the term thereof.
- 1405 - Apprentices.
- 1405.1 - Apprentices shall be paid in accordance with the appropriate progression rate for their indenture. On apprentices indentured after October 1, 1982, only health and welfare and apprenticeship contributions will be due on 1st and 2nd period apprentices; 3rd and later period apprentices will receive full benefits.

- 1406 - Ratios. On the basis of company work force (not on a job by job basis) thirty percent (30%) of the employees represented by the Union may be apprentices. It shall be compulsory for the Employer who employs eight (8) or more journeymen covered by this Agreement to employ a minimum of one (1) apprentice.

**ARTICLE 15
VACATION SAVINGS FUND AND WORKING DUES CHECK-OFF**

- 1501 - Amounts. Effective September 1, 2016, Employers shall pay the sum of fifty cents (\$.50) per hour for each hour worked by employees covered hereunder to the Trustees of the Vacation-Savings Trust Fund. The amount of fifty cents (\$.50) is incorporated into the wage rates set forth herein. The fifty cents (\$.50) per hour contribution should be deducted from the employee's pay, due after all applicable taxes have been withheld, and forwarded in the manner established by the signatory parties hereto.
- 1502 - Employers' Obligations. The said payment of the Employer shall discharge his obligation hereunder. Any dispute arising in the administration of said fund shall not be deemed to be a dispute hereunder and shall not be the subject matter of the grievance procedures contained in Article 9 hereof and shall not be deemed to be a dispute concerning wages, hours and working conditions.
- 1502.1 - Payments shall be made to the trustees monthly or in such other manner set forth in the trust agreement administering the said Trust.
- 1503 - Declaration of Trust. The parties shall cause the said trustees to execute any and all documents necessary and required to continue in full force and effect the Agreement and Declaration of Trust dated the 24th of May, 1971, and as amended thereafter, creating the said Operating Engineers Local No. 428 Vacation Savings Trust Fund, for the duration and term of this collective bargaining agreement. A copy of the Agreement and Declaration of Trust dated the 24th day of May, 1971, as amended, is incorporated herein by reference. The Board of Trustees, as appointed, shall have equal voice in making all decisions concerning the Trust, including amendments of the Trust Plan itself.
- 1504 - The Employer signatory hereto agrees to the appointment as his representatives, the Trustees designated by the contractor association as Employer representatives, and further agrees that he shall be bound by all terms and conditions of said Trust Agreement and to all amendments thereto during the term hereof.
- 1505.0 - Each Contractor shall deduct from the pay of all employees covered by this Agreement or any supplement or addendum hereto, who shall have previously executed an appropriate assignment and check-off authorization in substantially the form set forth in Section 1505.1 herein, the amount indicated below as agreed upon by the Union Membership in accordance with the Union's Bylaws and Constitution, for membership dues and assessments communicated to the Contractors in writing.
- 1505.1 - Such deductions shall be deducted from the employee's pay for each pay period after all applicable taxes have been withheld and forwarded along with a list of the names of each employee and the amount deducted from each employee's pay with the monthly fringe benefit reporting form and included in the same payment with fringe benefits. Notwithstanding the foregoing, such dues deductions shall not be considered a fringe benefit. Said assignment and check-off authorization shall be on a form, as required by 29 U.S.C. § 186(c) (4), containing substantially the following language;

WORKING ASSESSMENT FORM

I hereby authorize and direct any employer signatory with the International Union of Operating Engineers Local 428 for whom I am employed to deduct each week from my pay as my working assessment the amount of \$0.10 per hour worked until May 31, 2014 and then \$0.20 per hour worked after June 1, 2014.

These deductions shall be made from wages earned and for all hours worked by me. (I recognize that for membership, I shall be responsible to pay directly to Local 428 the fixed amount owed as base dues in addition to that deducted by my employer). This working assessment and authorization shall be effective as of the date signed by me and cannot be cancelled for a period of one (1) year from the date signed by me or until the termination of the current collective bargaining agreement or any extensions thereof between the company and the Union, whichever occurs sooner.

I further agree and understand that this authorization shall be irrevocable for one year from the execution date hereof or until the expiration of the applicable contract between the Contractor and the Union, whichever is the lesser, and shall automatically renew itself for successive yearly or contract periods, whichever is the lesser, unless I give written notice to the Union and to the Employer, prior to the expiration of the applicable yearly or contract period, of my desire to revoke the same, in which event the revocation shall be effective as of the last day of such applicable yearly or contract period.

ARTICLE 16 GENERAL WORKING RULES

- 1601 - Single Shift Hours. Five (5) consecutive days of eight (8) consecutive hours, exclusive of meal period, Monday through Friday inclusive, shall constitute a week's work at straight time rate.
- 1601.1 - At the beginning of a job or project, starting times for that project (or specific unit of the project) shall be established by the Employer.
- 1601.2 - If for some reason those starting times are to be changed, employees affected must be given notice of change or work shift before the end of their work shift preceding this change.
- 1602 - Special Shift. All work performed on Sunday shall be paid at the time and one-half (1-1/2) rate except that straight time may be paid in those situations where, because of special circumstances such as traffic conditions, job specifications or other contractual requirements require Sunday work.
- 1603 - Overtime Provisions.
- 1603.1 - All work performed in excess of ten (10) hours per day, or forty (40) hours per week, shall be paid at the rate of time and one-half (1-1/2). However, daily overtime premium is waived when the reason for the extended work day is caused by emergencies beyond the control of the contractor such as (but not limited to) acts of God, pending inclement weather and/or municipal ordinances.
- 1603.2 - Sundays shall be paid at the rate of time and one-half (1-1/2). Holidays shall be paid at double time.
- 1603.3 - There shall be no pyramiding of overtime, Sunday and holiday premiums.
- 1603.4 - When overtime work is required, the employee or employees who were performing such work on straight time shifts shall continue into the overtime period. This rule also applies to Saturday, Sunday and holiday work.
- 1604 - Meal Period. An employee will be afforded an unpaid thirty (30) minute lunch period between the third (3rd) and sixth (6th) hour of the shift. Any gross violation will be subject to the grievance procedure.
- 1605 - Pre-designated Starting Point. Workers shall report for work at an accessible pre-designated starting point, as designated by the Employer.

- 1606 - Holidays. Holidays are, New Year's Day, Presidents' Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, The Friday following Thanksgiving Day, and Christmas Day. When any of these holidays other than Sunday fall on Sunday, the following Monday shall be observed as the legal holiday. No work shall be performed on Labor Day except when life or property is in danger. Appropriate holidays listed above will be celebrated in accordance with the Federal Monday Holiday Act. The Employer, at his sole discretion, may shutdown operations for one (1) or two (2) weeks in conjunction with the Christmas Holiday for the purpose of operational efficiency. Such Employer decision will be communicated to the Union and to the employees at least forty-eight (48) hours prior to such shutdown. The Employer and the Union may mutually agree to other changes in the work schedule. The provisions of paragraph 1607.1 shall not apply.
- 1607 - Payment of Wages. All employees shall be paid on the job prior to quitting time on a designated weekly payday, set by the Employer, providing not more than five (5) working days can be withheld except; when working 4-10's, payment will be made on the last day worked for that week. Any gross violation of this paragraph shall be subject to the same penalties provided in 1607.1 hereof. When the designated weekly payday falls on any Holiday mentioned in Working Rule 1606, employees shall be paid on the day prior to that Holiday.
- 1607.1 - Pay Off Upon Discharge – Employees subject to lay-off for lack of work or for reduction in force shall receive their final paycheck during their last day worked. For employees discharged for any other reason, on the next business day after the discharge, the company shall at the employee's election, either (1) mail the employee's final paycheck by overnight mail, or (2) provide the paycheck to a union representative, who shall make arrangements to provide the check to the employee. If the employer fails to do one of the above on the next business day after the discharge, the employer shall pay the employee \$35.00 per day for each business day elapsed between the business day after discharge and the day which the check is sent or provided, to the employee or the union representative.
- 1607.2 - When an employee voluntarily quits, he shall be paid in full not later than the next regular succeeding payday. Failure to pay an employee shall carry the same penalty as set forth herein for layoff and discharge.
- 1607.3 - It shall be considered a suspension of operations when an employee is no longer needed, but is given a definite date of return to work, and such date is two (2) or more normal working days hence, the employee, if he so chooses, may request a reduction in force termination. In discharging an employer's obligation under this rule, where an employee cannot be readily located, the rule shall be satisfied where notice and/or check is mailed to the appropriate union office, bearing a timely postmark.
- 1608 - Pay Provisions.
- 1608.1 - Any employee reporting for work at the regular starting time and for whom no work is provided, through no fault of his own, shall be paid for two (2) hours' time at the stipulated rate. The employee shall remain at the job site for those two hours, if required by the Employer. Call in procedures shall be established at the beginning of each job. In the event of inclement weather, employees will call the company designee one (1) hour prior to the beginning of the scheduled start time to verify that day's work schedule. Failure to do so forfeits the employee's right to pay for that day, unless other arrangements have been made.
- 1608.2 - Pay for Different Classes of Work. Employees shall be paid at the rate their classifications call for except when it is necessary to transfer employees from one classification to another within the craft jurisdiction.

- 1609 - Call Out Time. If an employee is recalled for work outside his regular shift hours after he has left the job site, he shall be guaranteed two (2) hours pay at the applicable rate. This rule shall also be applicable on Saturdays, Sundays, and holidays.
- 1610 - Equipment for Safety and Health. The Employer shall furnish equipment necessary for protection of health and safety including sanitary facilities and potable drinking water (cold water in hot weather) pursuant to state and federal law. It is also understood that the employer will pay for employees personal protective equipment (PPE) required under 29 CFR 1910.132(a). The only exception to this requirement would be safety shoes and prescription safety eyewear.
- 1611 - Signing of Forms. Employees may be required to sign a form which contains the IRS Form W-4 (Employee's Withholding Exemption Certificate), Arizona Industrial Commission Form U-11 (Notice to Employees), Arizona Industrial Commission "Self Rater and Self Insurer Notice," and the Arizona Employment Security Commission Form ESC 3 (Notice to Employees) and Immigration Form I-9. No employee will be required, as a condition of employment, to sign any other papers or to reveal his past medical history or to submit to a physical examination, unless required to do so by law or government regulations. It is understood the Employer has a substance abuse testing program which will be administered and enforced by the Employer. Upon dispatch, an employer may require an employee to submit to a substance abuse test. If the employee passes such a substance abuse test, the employee will be entitled to two (2) hours of pay at the applicable rate contingent upon being employed by the employer. Such amount shall be paid on the employee's first regularly scheduled paycheck. If the employee does not pass the substance abuse test, he or she will not be entitled to any compensation.
- 1612 - Job Access By Union Representatives. The business agent or special representative shall have access to a project during working hours and shall make every reasonable effort to advise the Employer or his representative of his presence on the project. He shall not stop or interfere with work of any worker without permission of the Employer or his representative. Where there is a security arrangement by the owner or the Employer on a job or project which involves persons entering the project being checked through a guarded gate or similar situation, arrangements for the business representatives to enter the project will be made.
- 1613 - Craft Job Stewards.
- 1613.1 - A steward shall be a working employee, appointed by the Union, who shall, in addition to his work, be permitted to perform his union duties during working hours. The Union agrees that such duties shall be performed as expeditiously as possible and the Employer agrees to allow a steward a reasonable amount of time for the performance of such duties. The Union shall notify the Employer or his representative of the appointment of each steward. It is recognized by the Employer that a person appointed steward should remain on the job until its completion, provided he is capable of doing, the specific work involved. In no event shall the Employer discriminate against a steward or lay him off or discharge him on account of any action taken by him in the proper performance of his union duties.
- 1613.2 - The job steward shall not be terminated without just cause, except by consent of the Union, unless the job is completed. If a steward is to be terminated for a just cause, the Union shall be given two (2) working days, forty-eight (48) hours, advance notice together with reasons for termination.
- 1613.3 - When the Employer's work force on the job has been reduced to three (3) workers, and the steward's tenure of employment is less than that of one of the other employees and one of the other employees is eligible to act as steward, the Employer shall give two (2) full working days notice to the Union and the Union will either appoint a new steward from the remaining employees or relieve the Employer of his obligations under this Working Rule. Upon enlargement of the Employer's work force on the job, said steward shall be the first worker hired, if available.
- 1613.4 - There will not be an excess of stewards on a job or project.

ARTICLE 17
SPECIAL WORKING RULES
(also see Article 16 – General Working Rules)

- 1701 - Union Halls. Union halls shall be maintained at Phoenix and Tucson.
- 1702 - Foreman. An Employer shall have the right to select his own foreman, maintenance foreman or general foreman, subject to the dispatching rules in A100 hereof, and the union shall in no way interfere with the foreman in the performance of his duties, as instructed by his employer. Foreman and maintenance foremen shall be permitted to work. When any worker in the trade is given foreman's responsibilities, he shall receive foreman pay.
- 1703 - All craftsmen shall be furnished all hand tools over one and one-half (1-1/2) inch opening, power tools, standard lenses for welding hoods and goggles. These will be charged to the employees who are to guarantee their return in like condition wear and tear excepted. No person shall be denied employment for failure to provide tools, machines or devices specified above.
- 1704 - Shade. Shade for equipment operators and heavy duty mechanics and welders shall be furnished by the Employer on the job.
- 1705 - Compressors, Pumps and Welding Machines. The operation, servicing and maintenance of compressors, pumps and welding machines is recognized as within the jurisdiction of the Operating Engineers' Union. When an operator is used, he shall be an Operating Engineer operator and subject to all of the terms and conditions of this Agreement.
- 1706 - Oilers. Oilers are recognized as within the jurisdiction of the Operating Engineers. Whenever a second man is needed to perform the duties of an oiler or grade checker, he shall be an Operating Engineer and subject to the terms and conditions of this Agreement.
- 1707 - Oilers/Drivers. Oilers/Drivers shall be required on all truck mounted excavating equipment or hoisting equipment over 35 ton MRC having the configuration for two men.
- 1708 - Oiler/Drivers and/or Oilers may be called off their regular assignments to perform other work in the immediate vicinity of the crew they are assigned to. Such other assignments shall not interfere with the performance of their duties as an oiler or oiler/driver. Such assignment shall be limited to Group 1 and 2.
- 1709 - When a workman or workmen are required to work without an intervening rest period of at least eight (8) consecutive hours, said workman or workmen shall be paid the applicable overtime rate until such time as they are relieved from all duties for a period of not less than eight (8) hours.
- 1710 - The Employer shall be responsible for overweight, overheight and defective equipment citations, unless the employee has acted contrary to the instruction of the Employer, and the Employer shall pay all fines levied for such violations or citations.
- If the Employer fails to pay said fines, and the employee is detained, arrested and/or incarcerated because of said failure, the employee shall receive his/her regular rate of pay for every hour detained and the applicable overtime rate until released from custody.
- The Employer is not responsible for any fines or for arrest or incarceration for failure to pay said fines if those fines were levied as a result of violations not the responsibility of the Employer.
- 1711 - Survey work may be assigned by the contractor to any craft or any management employees solely at the contractor's discretion. A composite crew is acceptable.

**ARTICLE 18
OPERATING ENGINEERS WAGE RATES AND CLASSIFICATIONS**

CLASSIFICATIONS

WAGE RATES

GROUP 1

	Effective 09/01/16	Effective 06/01/17	Effective 06/01/18
Statewide Rate	\$23.34	\$24.09	\$24.84
A-Frame Boom Truck			
Air Compressor Operator			
Beltcrete Operator			
Boring Bridge and Texture			
Brakeman			
Concrete Mixer Operator (skip type)			
Conductor			
Conveyor Operator			
Cross Tineing and Pipe Float			
Curing Machine Operator			
Dinky Operator (under 20 tons)			
Elevator Hoist Operator (Husky & similar)			
Fireman (all)			
Forklift & Ross Carrier Operator			
Generator Operator (all)			
Handler			
Highline Cableway Signalman			
Hydrographic Mulcher			
Hydrographic Seeder			
Joint Inserter			
Jumbo Finishing Machine			
Kolman Belt Loader Operator			
Machine Conveyor Operator			
Multiple Power Concrete Saw Operator			
Oiler			
Pavement Breaker			
Power Grizzly Operator			
Power Sweeper			
Pressure Grout Machine Operator (as used in heavy engineering construction)			
Pump Operator			
Roller Operator (except as otherwise classified)			
Self-Propelled Chip Spreading Machine			
Skiploader (3 c.y. & less)			
Slurry Seal Machine Operator (moto-paver driver)			
Small Self-Propelled Compactor (with blade)-backfill, ditch operation			
Straw Blower			
Tripper Operator			
Tugger Operator			
Welding Machine Operator			
Wheel-Type Tractor Operator (Ford-Ferguson type with attachments, etc.)			
Winch Truck			

GROUP 2

	Effective 09/01/16	Effective 06/01/17	Effective 06/01/18
Statewide Rate	\$26.61	\$27.36	\$28.11
Aggregate Plant Operator (including crushing, screening and sand plants, etc.)			
Asphalt Laydown Machine Operator			
Asphalt Plant Mixer Operator			
Backhoe Operator (Rubber Tire or Track less than 1 c.y.)			
Bee Gee Operator			
Boring Machine Operator			
Concrete Pump Operator			
Concrete Mechanical Tamping Spreading or Finishing Machine Operator (including Clary, Johnson or similar types)			
Concrete Batch Plant operator (all types and sizes)			
Concrete Mixer Operator (paving type and mobile mixers)			
Crane Operator (crawler and pneumatic less than 15 tons capacity MRC)			
Drilling Machine Operator (including water wells)			
Elevating Grader Operator (all types and sizes, except as otherwise classified)			
Electrician Ground Man (assisting lineman electrician)			
Excavators ½ cubic yard or smaller			
Field Equipment Serviceman			
Locomotive Engineer (including Dinky 20 tons weight and over)			
Moto-Paver (and similar type equipment) Operator			
Motor Grader Operator (any type power blade-rough)			
Off Road Rock Truck Operator*			
Oiler Driver			
Operating Engineer Rigger			
Pneumatic Tired Scraper Operator (all sizes and types)			
Power Jumbo Form Setter Operator			
Road Oil Mixing Machine Operator			
Roller Operator (on all types asphalt pavement)			
Screed Operator			
Self-Propelled Compactor (with blade) (815, 825 or equivalent – grade operation)			
Skip Loader Operator (all types with a rated capacity over 3 but less than 6 c.y.)			
Slip Form Operator (power driven lifting device for concrete forms)			
Soil Cement Road Mixing Machine Operator (single pass type)			
Stationary Pipe-Wrapping & Cleaning Machine Operator			
Surface Heater and Planer Operator			
Tractor Operator (dozer, pusher-all)			
Traveling Pipe-Wrapping Machine Operator			
Trenching Machine Operator			
Tugger Operator (two or more drums)			

* *Off Road Rock Truck Operator is not covered by this Agreement when it is used in any mining work whatsoever including construction work at or incidental to a mine. A mine is defined as any subsurface work that is intended to extract materials from the earth.*

GROUP 3

	Effective 09/01/16	Effective 06/01/17	Effective 06/01/18
Statewide Rate	\$27.69	\$28.44	\$29.19
Auto Grade Machine Operator (CMI and similar equipment)			
Barge Operator			
Boring Machine Operator (including Mole, Badger, Horizontal Boring or Directional Boring Operators – <i>only one operating engineer shall be required for each horizontal or directional boring machine unless additional seated operating stations are incorporated on the machine by the original equipment manufacturer (OEM)</i>).			
Concrete Pump Operator (truck mounted, with boom attached)			
Crane Operator (crawler and pneumatic over 15 tons & less than 100 ton capacity MRC)			
Crawler-Type Tractor Operator (with boom attachment and slope bar)			
Derrick Operator			
Gradall Operator			
Grade Checker (excluding Civil Engineer)			
Heavy Duty Mechanic/Welder			
Helicopter Hoist Operator or Pilot			
Highline Cableway Operator			
Mass Excavator Operator (150 Bucyrus, Erie and similar type) (Greater than ½ cubic yard)			
Mechanical Hoist Operator (two or more drums)			
Motor Grader Operator (any type power blade-finish)			
Mucking Machine Operator			
Overhead Crane Operator			
Piledriver Engineer (portable, stationary or skid)			
Power Driven Ditch Lining or Ditch Trimming Machine Operator			
Remote Control Earth Moving Machine Operator			
Rotomill and Milling Machine Operator (asphalt or concrete planing)			
Skip Loader Operator (all types with rated capacity 6 c.y. but less than 10 c.y.)			
Slip Form Paving Machine Operator (including Gunnert, Zimmerman and similar types)			
Tech Engineer (Survey Instrument Man)			
Tower Crane (or similar type)			
Universal Equipment Operator (shovel, backhoe, dragline, clamshell, etc. up to 10 c.y.)			

GROUP 4

	Effective 09/01/16	Effective 06/01/17	Effective 06/01/18
Statewide Rate	\$28.72	\$29.47	\$30.22
Crane Operator (pneumatic or crawler – 100 ton hoisting capacity and over MRC rating)			
Operating Engineer Electrician (including lineman, tower erector, cable splicer, etc.)			
Skip Loader Operator (all types with rated capacity of 10 c.y. or more)			
Survey Party Chief			
Universal Equipment Operator (shovel, backhoe, dragline, clamshell, etc., 10 c.y. and over)			

CLASSIFICATIONS

WAGE RATES

SPECIAL

	Effective 09/01/16	Effective 06/01/17	Effective 06/01/18
Statewide Rate	\$18.45	\$19.20	\$19.95
Electrical Helper Field Equipment Service Helper Service Helper Heavy Duty Repair Helper Heavy Duty Welder			

Multiple-unit earth equipment (Holland Loader, etc.), tractor operator, pneumatic-tired or track type, two units (\$.50) per hour more than the base unit rate established above and \$1.00 per hour for each additional unit.

Engineer Craft Foreman – Not less than (\$.50) per hour more than the highest paid operator under his supervision.

Engineer General Foreman – Not less than (\$.50) per hour more than the highest paid foreman under his supervision.

All operators, oilers and motor crane drivers on equipment with booms, except concrete pumping truck booms, including jibs, shall receive one cent (\$.01) per foot per hour pay for every foot over eighty (80) feet in addition to his regular rate of pay.

There will be a fifty cent (\$.50) per hour premium for performing hazardous waste removal as designated by the D. O. E.

For companies who require employees to use personal vehicles for grade checking, the grade checker will receive an additional \$30 a day plus reasonable fuel reimbursement.

The CCO certified crane operator will be paid \$1.00 per hour more than scale when he/she is in the equipment he/she is certified in by any OSHA approved crane certification program such as NCCO, OECP, etc.. The employer is not required to pay for his/her testing.

When a Commercial Driver License is required by the company as a requirement of new or continued employment the CDL driver will be paid an additional \$.10 per hour and those with a Hazmat endorsement will be paid an additional \$.15 more than scale when he/she is driving or in care of the vehicle requiring a commercial driver's license and/or a Hazmat endorsement. The employer is not required to pay for his/her CDL or Hazmat endorsement testing or annual/biannual requirements for driver to maintain his/her CDL or Hazmat endorsement.

1801 - Subsistence – Effective September 1, 2016 the following subsistence zone rates will become effective. Free zones shall be established as follows: A sixty mile radius from the city hall in Phoenix, Tucson, Flagstaff and Yuma. These cities shall be referred to as "A" Cities. Subsistence will be calculated as follows:

All work performed beyond a 60-mile radius from the "A" City from which he or she is properly referred shall be paid as follows per day worked:

0-60 miles -	None
Greater than 60	\$70.00

It is understood and agreed that if any employee travels from his/her original subsistence zone and travels back to the original subsistence zone through a higher subsistence zone, then he/she shall be paid the highest zone pay through which he/she traveled. [This calculation shall be by the shortest all weather road (maintained) to the center of the project or jobsite.]

1801.1 - Workman's Residence – A bona fide local resident shall have a zone around his residence the same as an "A" city. The man or woman shall not be considered a bona fide local resident unless he meets the residence requirements of a qualified Arizona voter in the county and precinct in which he claims residence.

1801.2 - The Union and the AGC have agreed to work together with our respective international and national organizations to try to get this subsistence clause into the Department of Labor Davis-Bacon rates and specifications.

APPENDIX A

- A100 - Recognition and Dispatching of Workmen Operating Engineers.
- A101 - Coverage.
- A101.1 - The Employer hereby recognizes the Union as the sole and exclusive collective bargaining agent of all employees employed and performing work as specified in section 101 of the Labor Agreement.
- A102 - Hiring Hall Provisions. In order to provide the Employer with a means of securing an efficient and competent working force, and in order to minimize the evils of casual employment by securing a fair distribution of work among the workers represented by the Union, the Employer and the Union agree as follows:
- A102.1 - The Employer shall requisition all workmen who are to be employed in the bargaining unit of the Union from the local hiring hall of the Union nearest the job or project on which the workman (or workmen) is to be employed.
- A102.2 - The Employer shall give the Union forty-eight (48) hours notice (excluding Sundays and holidays) of its need for workmen, and within such 48 hour period shall not hire persons not referred by the Union. The Union shall dispatch such workmen as soon as possible. If, however, the Union fails to refer workmen within such 48 hour period after having been notified to do so, the Employer shall have the right to hire persons not referred by the Union. However, in such event, the Employer will notify the Union immediately when such workmen are hired, and shall make arrangements for proper referral.
- A102.3 - In notifying the Union of its need for workmen, the Employer shall specify to the Union: (a) the number of workmen required, (b) the location of the project, (c) the nature and type of construction involved, (d) the specific classification of work to be performed, and (e) such other information as may be necessary to enable the Union to make proper referral of applicants.
- A102.4 - It is understood and agreed that all dispatching of workmen, and the operation of any hiring halls by the Union shall be subject to, and shall be governed by the following conditions:
- A102.4.1 - Selection of applicants for referral to jobs shall be on a nondiscriminatory basis and shall not be based on, nor in any way affected by, Union membership, by-laws, rules, regulations, constitutional provisions, or any other aspect or obligation of Union membership, policies, or requirements, nor upon race, color, creed, national origin, age, or sex.
- A102.4.2 - The Employer retains the right to reject any job applicant referred by the Union.
- A102.4.3 - The Parties to this Agreement shall post in places where notices to employees and applicants for employment are customarily posted, all provisions relating to the functioning of the hiring arrangement.
- A102.4.4 - The employment of applicants who have been referred to jobs to the Employer shall be on a nondiscriminatory basis, and shall not be in any way affected by Union membership, by-laws, rules, regulations, constitutional provisions, or any other aspects or obligations of Union membership, policies, or requirements, nor on race, creed, color, national origin, age, or sex, or political affiliations.
- A 103 - Hiring Hall Violations. An Employer who violates the provisions of this A100 as to proper referral shall not be entitled to protection of provisions of Article 9 of this Agreement. Such cases shall be settled by the Union business representative and the highest available top management of the Company concerned and in no case shall such settlement be delayed longer than twenty-four (24)

hours after said grievance arises; Saturdays, Sundays, and other non-working days excepted. During such period, no work stoppage shall occur.

- A104 - Dispatching Procedures. The following procedures shall be forthwith placed in effect at the Union dispatching offices, pursuant to the provisions of this Agreement.
- A104.1 - The Employer has agreed he will first call the Union dispatching office for all men. If Union agents are asked to supply men, they shall promptly relay such request to the appropriate Union dispatch office for servicing the request.
- A104.2 - A written referral will be given to each workman dispatched to a job. This is not a Union "clearance" but, rather, written evidence in the workman's possession that he has been dispatched in accordance with this Agreement.
- A104.3 - Each Union dispatching office shall maintain appropriate registration lists of cards, kept current from day to day, and referrals will be made on the following order of preference.

Group "A"

Workmen who are properly qualified as follows:

- A104.3.1 - Whose names are properly and currently registered with the Union dispatching office (currently shall mean registration or renewal thereof at least once every thirty (30) days).
- A104.3.2 - Who have completed at least 1,000 hours of work, within the State of Arizona, for any one of the individual Contractors signatory to this Agreement, in classifications of work specified in Article 2 of this Agreement, within the two (2) year period next preceding the date of the applicant's registration.
- A104.3.3 - Who have resided in the State of Arizona for at least a one-year period next preceding the date of the applicant's registration.
- A104.4 - Any Employer may requisition a workman specifically by name from Group "A" provided said work is qualified as set out above, and available for such employment. It is mutually agreed, however, that Employers requisitioning such workmen specifically by name from Group "A" do so ONLY because of their knowledge of said individual workman's skill, qualifications, and ability to perform the work involved by reasons of (a) said employee having worked for the Company before, or (b) the Employer having been advised of the workman's skill, qualifications and ability, by another Employer for whom he has worked, or by the superintendent, master mechanic, or foreman, currently employed by said Employer, under whose supervision said employee has performed the work involved.

Group "B"

When Group "A" is exhausted, workmen who are qualified as follows:

- A104.4.1 - Whose names are properly and currently registered (currently shall mean registration or renewal thereof at least once every thirty (30) days).
- A104.4.2 - Who have previously been dispatched under terms of this Agreement to any one of the individual Contractors signatory to this Agreement in classifications of work specified in Article 18 of this Agreement, within the three (3) year period next preceding the date of the applicant's registration, but who do not qualify for Group "A".
- A104.4.3 - Who have resided in the State of Arizona for a period of at least six (6) months immediately preceding the date of the applicant's registration.

Group "C"

- A104.5 - When Group "B" is exhausted, all other workmen who are properly qualified, (as hereinafter provided) whose names are properly registered and who are available for employment.
- A104.5.1 - The Union reserves the right to refer men from the "C" list, if not called by name, on the basis of most experienced for the position to be filled. If disputes arise as to an application of this paragraph A104.5.1, such disputes will be handled according to the provisions of A107 herein.
- A104.6 - When any Employer has four (4) workmen currently employed on any specific job or project, who have been dispatched from Group "A" or "B" (or "C" if not called by name) he may then requisition by name one (1) workman from Group "C". After said Employer has fourteen (14) workmen currently employed on any specific job or project, who have been dispatched from Group "A" or "B" (or "C" if not called by name) he may then requisition by name one (1) additional workman from Group "C". Said individual Employer may thereafter requisition by name from Group "C" one (1) additional workman for each additional ten (10) men who are currently employed by him and who have been dispatched from Group "A", "B" (or "C" if not called by name) provided however, that the total number of workmen requisitioned from Group "C" by name shall at no time exceed five (5) for any one (1) established shift on any specific job or project; and provided, further, that this ration, as shown in A104.6.1, up to a maximum number of five (5) workmen from Group "C" shall not be exceeded through out the specific job or project, regardless of whether the Employer is increasing or decreasing his work force.
- A104.6.1 - Example – No. of Group "A" or "B" men (or "C" if not called by name) on a specific job or project.
No. of Group "C" men who may be called by name on a specific job or project.
- 1 to 3, Employer may request by name – none.
- From 4 to 13, Employer may request by name – 1 for a max of 1.
- From 14 to 23, Employer may request by name – 1 for a max of 2.
- From 24 to 33, Employer may request by name – 1 for a max of 3.
- From 34 to 43, Employer may request by name – 1 for a max of 4.
- After 44, Employer may request by name – 1 for a max of 5.
- A104.6.2 - Within forty-eight (48) hours after requesting a workman from Group "C" by name, the Employer shall cause to be delivered to the appropriate Union office a letter (or form letter agreed to between the parties) setting forth the specific reasons for such request as specified in A104.4 hereof. Gross violation of this provision (as determined under Article 9, of this Agreement) shall result in the Employer being denied, for a six (6) month period, the right to call any individual workman specifically by name.
- A104.6.3 - Notwithstanding the above-stated order of preference in referrals, and not withstanding any other provision in this agreement, a dispatching office may give first priority preference to any classes protected by the Civil Rights Act, who are properly registered, where reasonably necessary to comply with "affirmative action plans" which are conditions of federally or state assisted construction or which are established from time to time by the Union and the Employer in concert with each other, as part of a community action or industry plan.
- A104.7 - All officers and Business Representatives of the Union, who have had experience in any one or more of the occupational classifications of work contained in Article 18 of this Agreement, and all foremen and superintendents employed by individual Contractors in the area covered by this

Agreement, who have previously had work experience in the State of Arizona, in one or more of the occupational classifications contained in Article 18 of this Agreement, shall be deemed to be employed at the trade, and it is the intent of this section to provide that upon return to the employment of an individual Contractor as any employee at the Trade, he does so with the same preference as if he had continually worked for individual Contractors.

- A104.8 - The period of years in Group "A" and Group "B" above will be extended for any period of incapacity due to sickness or injury, or for military service, and to workmen employed by individual Contractors (currently signatory to an Agreement), on work outside the State of Arizona, provided workmen so affected become properly registered with the Union dispatching office within thirty (30) days after recovery from such said disability, discharge, or return to Arizona from such work outside the state.
- A104.9 - It is further agreed that the Employer, or his agent, shall not contact individual workmen, nor shall the individual workmen contact the Employer or his agent, for the purpose of discussing potential employment under terms less favorable than those set forth in this Agreement. In the event the individual Employer, or his agent, or an individual workman, is alleged to be in violation of this section, the matter is to be resolved under the provision of Article 9.
- A105 - Hiring Hall Inspection. There shall be complete right of inspection of dispatching operations by authorized representatives of the Employer, such right to be subject to reasonable restrictions such as written notice to authorities in charge, reasonable hours and no harassment.
- A106 - Registration. No workman shall be refused registration or dispatchment because of his Union or non-Union status, if he is otherwise entitled to dispatchment.
- A107 - Qualifications of Workmen. It is the responsibility of the dispatcher to determine, in the first place, the proper Group in which to place the registrant. This normally will be based upon information or papers which the man supplies. If any doubt exists as to the registrant's proper placement, the dispatcher may call prior employers, or make other prompt investigations to get the facts needed. Similarly the dispatcher should make an appropriate notation, where necessary, of the qualifications of the applicant, or his related experience, to assist in sending men meeting the Contractor's stated requirements. Any dispute which may arise relative to which list a registrant should be placed upon, or as to competency, shall be settled as follows:
- A107.1 - The registrant shall file with the dispatching office a written request for review of the disputed matter, within ten (10) days after the dispute arises. He shall also, at that time, deposit with the dispatching office a cash bond in the sum of Thirty Dollars (\$30.00) which sum shall be used solely toward paying his share in the referee's fees.
- A107.2 - The dispatching office will immediately refer the request to the impartial referee who shall review the dispute within ten (10) days after the written request has been filed. Time and place of an informal hearing will be fixed by the referee and notice thereof will be given to the registrant by the Union, as soon as practicable.
- A107.3 - The referee will examine all material evidence submitted by the registrant and the Union, and will conclusively decide which Group the registrant should be placed in and as to what classifications the registrant has. The Union will then register and classify the registrant accordingly. Nothing contained herein, however, may be interpreted to permit or grant power to the referee to alter, amend, modify, or otherwise change any term or condition of the Collective Bargaining Agreement, or these dispatching procedures.
- A107.4 - The referee's fees will be borne equally by the Union and the registrant except that the registrant shall in no circumstances be required to pay a sum in excess of Thirty Dollars (\$30.00). The registrant's share shall be taken out of the Thirty Dollars (\$30.00) bond on file with the dispatching office, and any excess shall be returned to the registrant as soon as possible.

- A108 - Dispatching Rules. Dispatching Rules shall be posted in the Union Hall in a place conspicuous to Registrants.
- A109 - Position on List. If Registrants inquire, they shall be informed of their position on the out-of-work list.
- A110 - Available for Work. "Available for Work" means that the registrant must be present at the time and place uniformly required for dispatchment and be ready, able and willing to go to the job site and perform the work for which he is being dispatched. The practice of the dispatching office shall be uniform as to all registrants with respect to physical presence in the office at given hours, or telephoning in, being available at the telephone, etc., and registrants shall be informed of the practice.
- A111 - Notations. Appropriate notations shall be made opposite the registrant's name when his name is reached for dispatchment, showing the job and classification to which he is dispatched, his lack of availability, or other reason that he has been passed over. If inquiry is made by the registrant, he shall be given exactly the same information as to reasons, etc., as appears on the notation. In such cases, or any other cases which may lead to a dispute, the dispatcher should immediately make notes on the facts upon which he or she based his or her decision to dispatch or not dispatch the man.
- A112 - Hiring Hall Modification.
- A112.1 - In the event Federal legislation, any Federal Court of Appeals decision, or a decision of the NLRB determines or establishes that any portion of this Section A100 is illegal, such portion shall be immediately reopened for the purpose of negotiation, upon notice, in writing, from either party to the other.

CRANE RENTAL ADDENDUM

THIS AGREEMENT is made between the parties on the date signed as indicated below.

WHEREAS, the undersigned Employer recognizes Local Union No. 428, an affiliate of the International Union of Operating Engineers, hereinafter referred to as Local No. 428, as the collective bargaining representative of the Employer's employees performing work within the recognized jurisdiction of Local No. 428, and

WHEREAS, the parties intend by this Addendum to eliminate multiplicity of collective bargaining in the industry, to avoid the necessity of repeated executions of agreements, and to provide for uniform conditions of employment among the several employers recognizing said union;

NOW, THEREFORE, it is mutually agreed as follows:

EACH OF THE PARTIES hereto shall comply with and be bound by all of the terms of that collective bargaining agreement effective September 1, 2016 between the Arizona Employers' Council, Inc.; Arizona Chapter of the Associated General Contractors of America, Inc. and Operating Engineers Local No. 428, hereinafter know as the construction Industry Agreement, except as set forth herein below:

1.FOUR (4) BY TEN (10) WORKWEEK. To the extent permitted by law, the individual Employer may establish a four (4) by ten (10) workweek, Monday through Friday. Starting times shall be determined by the individual Employer. It is further provided, however, that the normal workweek under this provision shall be Monday through Thursday, unless bid specifications require otherwise, and any modification of said Monday through Thursday workweek is to be established prior to starting the job or project. In the event that work cannot be performed Monday through Friday because of holiday, inclement weather shutdown, major mechanical breakdown or shortage of materials beyond the control of the individual Employer, Friday or Saturday may be scheduled as a workday and employees are to be paid at the applicable straight-time rate.

The individual Employer may establish a rolling four (4) – ten (10) shift operation consisting of two (2) crews. All work in excess of ten (10) hours per day and all work performed on holidays shall be paid at one and one-half (1-1/2) times the regular straight time rate. All other work shall be paid on a straight time basis.

2. EXPENSE REIMBURSEMENTS. For the purposes of subsistence provisions, zones shall be established as follows:

Zone 1 shall be established as a "free zone" surrounding the Phoenix and Tucson Union halls that the effected employee was dispatched for which there will be no subsistence paid. The mileage distance of said free zone shall comprise a sixty (60) mile radius surrounding union halls. Zone 2 shall consist of all areas in which work is performed for the Employer in the state of Arizona beyond the sixty (60) mile free zone or Zone 1.

If there is one person assigned to work outside Zone 1, then the Zone Allowance shall be \$90.00.

Zone Allowances per day worked shall be as follows:

	<u>09/01/16</u>
Zone 1	-0-
Zone 2	\$90.00

Notwithstanding the provisions set forth above, any employee who is being furnished company transportation for work in the subsistence zone and who desires to drive to and from the job site from his home shall not receive the subsistence allowance for that day.

There shall be a mileage allowance when an employee transports a rig to a job site and then must return to the home yard that same day, and has worked eight (8) or more hours that day before starting the return trip, he will

be paid on a cents-per-mile basis for the trip to the home yard rather than on an hourly basis. This procedure will be reversed when leaving the home yard to pickup and return a rig after the job is complete. When an employee is required to transport a rig and/or employer's equipment (excluding company vehicles one (1) ton and below) to or from the yard they shall be paid their regular rate or overtime whichever applies.

Mileage Allowance: 09/01/16 -- \$0.55

Mileage Allowance shall apply to employees that use his or her personal vehicle. No employee will be required to use his or her personal vehicle to perform work for the employer, but may do so at the request of the employer.

3. OVERTIME PROVISIONS. Daily overtime shall be paid for all hours worked in excess of eight (8) hours per day or over forty (40) hours per week, at the rate of time and one-half (1-1/2).

a) Saturdays and Sundays shall be paid at the rate of time and one-half (1-1/2) and holidays shall be paid at the rate of double (2) time.

b) When an engineer or crew of engineers (including engineer oilers) are working on a Sunday or holiday and are assisting another trade or trades or personnel involved in said work, then the engineer or crew of engineers (including engineer oilers) shall be paid no less than time and one-half (1-1/2) but if the workers or personnel being assisted receive a higher overtime compensation, the engineers or crew of engineers (including engineer oilers) will receive the higher overtime compensation until the higher overtime provision expires for the trade or personnel being assisted.

Saturday Work/Call Out. If an employer requests an employee to work on a Saturday and Saturday is not the employees regularly scheduled workday, the employer shall pay a minimum of four (4) hours pay at the applicable rate.

4. CRANE RENTAL WAGE RATES AND CLASSIFICATIONS.

	Effective 09/01/16	Effective 06/01/17	Effective 06/01/18
GROUP 1 Oiler	\$24.34	\$25.09	\$25.84
GROUP 2 Oiler/Driver	\$27.61	\$28.36	\$29.11
GROUP 3 Crane Operator (under 100 ton MRC) Concrete Pump Operator (with boom attached) Heavy Duty Mechanic/Welder	\$28.69	\$29.44	\$30.19
GROUP 4 Crane Operator (over 100 ton MRC)	\$29.72	\$30.47	\$31.22
GROUP 5 Crane Operator (over 200 ton MRC)	\$30.22	\$30.97	\$31.72
SPECIAL Yard Rate*	\$19.53	\$20.28	\$21.03

*Yard time rate may be utilized for work performed in the employers' permanent yard. It is agreed and understood that the yard rate shall not apply to any crew involved in on site assembly or disassembly of any cranes or hoisting equipment. Yard rate wages shall increase at the same annual percentage as negotiated in the contract.

**TRUCK CRANE OILER/OILERS. Truck crane oiler or oilers (as appropriate) will be required on all cranes, except (1) self-propelled boom type hydraulic lifting devices; and (2) self-contained job-ready telescoping boom hydraulic truck cranes that can travel on the Arizona state highway system with the boom over the front of the truck crane carrier without a boom dolly, trailer or any other type of conveyance to transport any attachment or part of said hydraulic crane may be operated by one employee and such employee shall be paid the appropriate rate based on the size of the crane. If any assistance is required, it shall be an employee covered by this agreement. Notwithstanding, the above language will only affect telescoping boom hydraulic cranes up to and including 50-ton MRC and any telescoping boom hydraulic crane over 50 ton MRC will require an operating engineer oiler covered by this agreement.

***BOOM PAY. In previous agreements, all crane operators, oilers and oiler/drivers on equipment with booms, except concrete pumping truck booms, including jibs, received boom pay according to a schedule in addition to his regular rate of pay. Starting with the date of this Agreement, all crane operators except concrete pumping truck, will receive \$1.00 per hour worked in addition to the normal applicable rate of pay. Oiler and oiler/drivers, except concrete pumping truck, shall receive \$0.25 per hour worked in addition to the normal applicable rate of pay.

The certified crane operator will be paid \$1.00 per hour more than scale for the equipment he/she is certified in by any OSHA approved crane certification program such as NCCO, OECP, etc. when he/she is in the equipment certified in. The employer is not required to pay for his/her testing.

SIGNATURE PAGE

This Agreement, signed as of the day and year written below:

Signed this 3rd day of October, 2016

FOR THE UNION

INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL NO. 428, AFL-CIO

BY: Mike Lee 10.17.16
Mike Lee, Business Manager

BY: Nick Dartt 10.17.16
Nick Dartt, President

FOR THE EMPLOYERS

THE ARIZONA CHAPTER OF THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA, INC.

BY: David M. Martin
David M. Martin, President

M

STORMWATER DRYWELL RECHARGE WELL AND SEPTIC SYSTEM AGREEMENT

THIS AGREEMENT is made on the date when signed by the Employer as indicated below.

WHEREAS, the undersigned employer recognizes the INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL NO. 428 ("the Union") as the collective bargaining representative of the Employer's employees performing work within the recognized jurisdiction of said Union, and

WHEREAS, construction work related to storm water drywells, recharge wells and septic systems is specialized work requiring the use of specialized skills and equipment, and

WHEREAS, construction work related to storm-water drywell, recharge well and septic system construction is a highly competitive area which seldom involves public money and which is being performed predominately by employers not having agreements with the Union, and

WHEREAS, the parties intend by this Agreement to provide competitive flexibility to the employers who are signatory hereto and to preserve and recapture as much of the construction market in these specialized areas as possible,

NOW THEREFORE it is mutually agreed as follows:

1. Each of the parties hereto shall comply with and be bound by all the terms of that certain collective bargaining Agreement dated September 1, 2016 between the Union and the Associated General Contractors, Inc. and/or such employers of a multi-employer bargaining group, however constituted, party to the Agreement designated by the Union as the "Construction Industry Agreement" (hereafter "the Agreement") including, if any, all amendments, extensions and renewals thereof by said Union and the Associated General Contractors, Inc. for the multi-employer group, regardless of how constituted, which amendments, extensions and renewals are deemed incorporated herein by reference. The undersigned employer hereby acknowledges receipt of a copy of the Agreement and all extensions, amendments and renewals thereof. Further, the parties hereto shall comply with the terms of said Agreement as the same may be hereafter amended, extended or renewed by the Union and the Associations and/or the multi-employer bargaining group, however constituted. Recognizing the unique nature of the undersigned employer's operations, the following special provisions shall apply. If any such provisions are inconsistent with the Agreement, the provisions of the Memorandum Agreement shall prevail.

a. Scope and coverage. The special conditions set forth in this subparagraph shall apply to work related to the installation, treating, maintenance, reconditioning or replacement of all storm-water drywells, recharge wells, septic systems, and ancillary work.

b. Wage Rates. The wage rates applicable to storm water drywells, recharge wells, septic systems and related or ancillary work are set forth under the heading CLASSIFICATIONS AND WAGE RATES within this contract. If Torrent Resources, Inc. performs any other work within the Union's recognized jurisdiction, such work will be performed under the terms and conditions of the Agreements between the Union and the Associated General Contractors, Inc. ("The Industry Agreement").

c. Starting Point. Workers shall report for work at an accessible pre-designated starting point, as designated by the Employer. All time lapsed between the starting time at the pre-designated starting point and quitting at the completion point at the end of the shift, as determined by the Employer, shall be considered as time worked for pay purposes.

d. Commercial Driver License Personnel. Commercial Driver's License (CDL) personnel are to be pre-qualified upon referral to meet all federal CDL guidelines including current medical, drug testing and employment application history requirements. Such personnel shall submit a copy of the necessary Employment Application information in conformance with the Employer's requirements to the Employer at the beginning of their initial shift.

e. Subsistence. Effective August 1, 2018 subsistence of \$75 shall be paid for each overnight stay that is required in the completion of work in the state of Arizona. This provision is in lieu of any zone requirements of the statewide construction Industry Agreement or any other industry or successor agreements.

2. The undersigned Employer hereby becomes and is a member of the overall multi-employer bargaining unit consisting of individual members of the Association, the multi-employer group, however constituted, and those independent contractors, such as the undersigned Employer, who have agreed to comply with and be bound by all the terms of said Agreement. Also, it is recognized that negotiations between the Union, the Associations, and/or said multi-employer bargaining group, however constituted, will commence prior to the termination of said Agreement for the purpose of negotiating a successor Agreement establishing wages, hours and conditions of employment for the term of years next following the termination of said Agreement. Accordingly, the undersigned employer shall comply with and be bound by all of the terms of such successor Agreement and all amendments, extensions and renewals thereof, without regard to whether the undersigned Employer does or does not participate directly or indirectly in said negotiations, unless the undersigned employer gives actual and timely notice in writing to the Union, not more than one hundred fifty (150) days, nor less than sixty (60) days prior to the expiration date of the then existing Agreement that it is withdrawing from the multi-employer bargaining group and that it desires separate bargaining on an individual basis. Likewise, unless such timely notice is given, the undersigned Employer shall comply with amendments, extensions and renewals thereof, negotiated hereafter from time to time for successive terms of years by the Union with said multi-employer bargaining group, however constituted, or its successors. All such successor agreements and their amendments, extensions or renewals, shall be deemed to be incorporated herein by reference at such time as they are negotiated or become effective by their terms.

3. While this Memorandum Agreement is recognized as a continuing Agreement between the parties hereto, each of them shall have the right to engage in lockouts or strikes, as the case maybe, during those periods when the Agreement or the successor Agreement have terminated by their terms, without having been extended by the Union and said multi-employer bargaining group, however constituted, and negotiations have not yet culminated in a new successor multi-employer Agreement. Furthermore, the undersigned Employer and the Union may mutually agree to interim agreements pertaining to wages, hours and conditions of employment without affecting or limiting their continuing obligations to comply with and be bound by all the terms of the successive Agreements and their amendments, extensions and renewals upon their negotiation and execution by the Union and the said multi-employer bargaining group, however constituted.

4. The undersigned Employer hereby accepts and agrees to comply with all the terms and conditions of each every trust agreement incorporated by reference into said Agreement, said successor Agreements, and all amendments, extensions and renewals thereof.

5. This Memorandum Agreement shall automatically terminate upon the termination date of whatever agreement is then in effect if the undersigned Employer has given a timely written notice as provided in paragraph 2 above.

6. At the discretion of the company, a footage incentive pay may be offered to the Bucket Rig Operator and Oiler when operating a bucket rig.

7. One (1) paid holiday (8) eight hrs. To include fringe benefits, (The day after Thanksgiving).

8. This Agreement shall be binding upon the heirs, executors, Administrators, successors and assigns of the parties.

9. IUOE NATIONAL TRAINING FUND

The employer signatory to this agreement hereby agree to a \$.05 (five cents) contribution that will be remitted to the International Union of Operating Engineers National Training Fund for each hour worked on all employees whose compensation is covered by this agreement, for the duration of this agreement. The employer agrees to transmit and pay the amount of contributions due to the National Training Fund to the local union fringe benefit fund administrator, under the same terms and at the same time as the other local union fringe benefit fund contributions are made under this agreement.

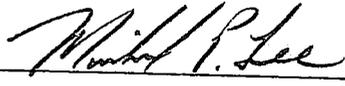
August 16, 2018 thru July 31, 2021

\$0.05

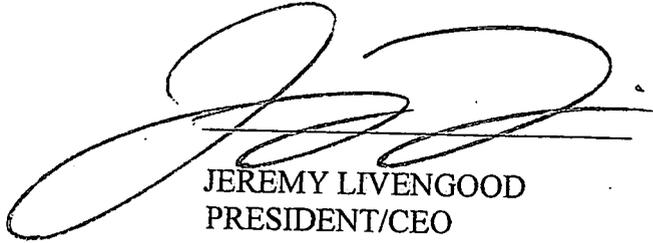
* If additional monetary increases are deemed necessary, they will be designated by the Union as to dates and amounts, and will be taken from negotiated settlements. The Union can revise the economic package so long as the combined total of wages, health and welfare, pension, vacation savings and apprenticeship does not exceed the economic package figure. It is agreed that the Union will give the Company sixty (60) days advance notice, in writing, of proposed changes to the contribution rate.

INTERNATIONAL UNION OF OPERATING
ENGINEERS LOCAL NO 428 AFL-CIO

TORRENT RESOURCES INC.



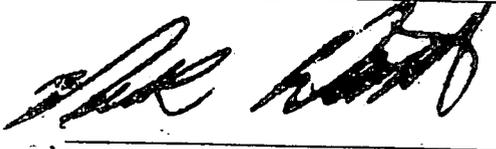
MICHAEL P. LEE
BUSINESS MANAGER



JEREMY LIVENGOOD
PRESIDENT/CEO

DATE 9-4-18

DATE 8/30/18



NICK DARTT
PRESIDENT

DATE _____

Torrent Resources Inc.

Contract Period August 1, 2018 – July 31, 2021

Classifications / Wages

	<u>Current</u>	<u>Increase</u>	<u>Effective</u>	<u>Increase</u>	<u>Effective</u>	<u>Increase</u>	<u>Effective</u>
		<u>8/1/18</u>	<u>8/1/18</u>	<u>8/1/19</u>	<u>8/1/19</u>	<u>8/1/20</u>	<u>8/1/20</u>
Group 1	\$23.01	\$0.02	\$23.03	\$0.00	\$23.03	\$0.27	\$23.30
Group 2	\$24.92	\$0.23	\$25.15	\$0.18	\$25.33	\$0.45	\$25.78
CDL Driller Assistant Vactor Operator							
Group 3	\$26.53	\$0.23	\$26.76	\$0.18	\$26.94	\$0.45	\$27.39
Backhoe Operator Driller							
Group 4	\$27.70	\$0.23	\$27.93	\$0.18	\$28.11	\$0.45	\$28.56
H/D Mechanic/Welder							

	<u>Current</u>	<u>increase</u>	<u>8-1-18</u>	<u>increase</u>	<u>8-1-19</u>	<u>increase</u>	<u>8-1-20</u>
Health and Welfare*	\$5.00	\$0.60	\$5.60	\$0.40	\$6.00	\$0.40	\$6.40

<u>Pension*</u>	<u>Current</u>	<u>increase</u>	<u>8-1-18</u>	<u>increase</u>	<u>9-1-19</u>	<u>increase</u>	<u>9-1-20</u>
	\$3.70	\$0.00	\$3.70	\$0.27	\$3.97	\$0.00	\$3.97

<u>Apprenticeship*</u>	<u>Current</u>	<u>increase</u>	<u>8-1-18</u>	<u>increase</u>	<u>9-1-19</u>	<u>increase</u>	<u>9-1-20</u>
	\$0.29	\$0.12	\$0.41	\$0.05	\$0.46	\$0.05	\$0.51

<u>National Training Fund*</u>	<u>Current</u>	<u>increase</u>	<u>9-1-18</u>	<u>increase</u>	<u>9-1-19</u>	<u>increase</u>	<u>9-1-20</u>
	\$0.00	\$0.05	\$0.05	\$0.00	\$0.05	\$0.00	\$0.05

*If additional monetary increases are deemed necessary, they will be designated by the Union as to dates and amounts, and will be taken from negotiated settlements. The Union can revise the economic package so long as the combined total of wages, health and welfare, pension, vacation savings and apprenticeship does not exceed the economic package figure. It is agreed that the Union will give the Company sixty (60) days advance notice, in writing, of proposed changes to the contribution rate.

Arizona Operating Engineers' Apprenticeship & Training System

Training Center
10797 W. Randolph Road
Casa Grande, AZ 85194

Phoenix: (602) 252-1844
Casa Grande: (520) 836-1890
Fax: (520) 836-2103
E-Mail: info@aoea428.com

APPRENTICESHIP WAGE RATES FOR ARIZONA OPERATING ENGINEERS' LOCAL#428

INDUSTRY / AGC AGREEMENT

EFFECTIVE DATE: 9.1.2016

		9.1.2016 To 5.31.2017	6.1.2017 To 5.31.2018	6.1.2018 To 5.31.2019
<u>GROUP 2 BASE RATE</u>		\$26.61	\$27.36	\$28.11
<u>PERIOD</u>	<u>PERCENT</u>	<u>WAGE</u>	<u>WAGE</u>	<u>WAGE</u>
1 ST	70%	\$ 18.63	\$ 19.15	\$ 19.68
2 ND	74%	\$ 19.69	\$ 20.25	\$ 20.80
3 RD	78%	\$ 20.76	\$ 21.34	\$ 21.93
4 TH	82%	\$ 21.82	\$ 22.44	\$ 23.05
5 TH	86%	\$ 22.88	\$ 23.53	\$ 24.17
6 TH	90%	\$ 23.95	\$ 24.62	\$ 25.30

Approved by: Arizona Apprenticeship Council and Bureau of Apprenticeship & Training U.S. Dept. of Labor

**TORRENT RESOURCES
EARNED PAID SICK TIME POLICY
FOR UNION REPRESENTED EMPLOYEES IN ARIZONA**

Torrent Resources' Earned Paid Sick Time Policy complies with Arizona's Earned Paid Sick Time law under The Fair Wages and Healthy Families Act. Torrent Resources will implement this Policy for its union represented employees in Arizona (referred to in this Policy as "employees") effective August 30, 2018, as an amendment to the Stormwater Drywell Recharge Well and Septic System Agreement with the International Union of Operating Engineers Local No. 428 signed and finalized on August 30, 2018.

Specific Uses Of Earned Paid Sick Time

Under this Policy, earned paid sick time may be used only in connection with:

1. An employee's mental or physical illness, injury or health condition; an employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury or health condition; and employee's need for preventative medical care;
2. Care of a family member with a mental or physical illness, injury or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury or health condition, care of a family member who needs preventive medical care;
3. Closure of the employee's place of business by order of a public official due to a public health emergency or an employee's need to care for a child whose school or place of care has been closed by order of a public official due to a public health emergency, or care for oneself or a family member when it has been determined by the health authorities having jurisdiction or by a health care provider that the employee's or family member's presence in the community may jeopardize the health of others because of his or her exposure to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease; or
4. Absence necessary due to domestic violence, sexual violence, abuse or stalking, provided the leave is to allow the employee to obtain for the employee or the employee's family member:
 - (a) Medical attention needed to recover from physical or psychological injury or disability caused by domestic violence, sexual violence, abuse or stalking;
 - (b) Services from a domestic violence or sexual violence program or victim services organization;

- (c) Psychological or other counseling;
- (d) Relocation or taking steps to secure an existing home due to the domestic violence, sexual violence, abuse or stalking; or
- (e) Legal services, including but not limited to preparing for or participating in any civil or criminal legal proceeding related to or resulting from the domestic violence, sexual violence, abuse or stalking.

“Family members” for purposes of this Policy includes:

1. Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the employee stands in *loco parentis*, or an individual to whom the employee stood in *loco parentis* when the individual was a minor;
2. A biological, foster, stepparent or adoptive parent or legal guardian of an employee or an employee’s spouse or domestic partner or a person who stood in *loco parentis* when the employee or employee’s spouse or domestic partner was a minor child;
3. A person to who the employee is legally married under the laws of any state, or a domestic partner of an employee as registered under the laws of any state or political subdivision;
4. A grandparent, grandchild or sibling (whether of a biological, foster, adoptive or step relationship) of the employee or the employee’s spouse or domestic partner; or
5. Any other individual related by blood or affinity whose close association with the employee is equivalent of a family relationship.

Accrual Of Earned Paid Sick Time

Employees earn paid sick time immediately upon hire. Under this Policy, employees will accrue one (1) hour of earned paid sick time for every thirty (30) hours worked. Employees shall not be entitled to accrue or use more than forty (40) hours of earned paid sick time per calendar year.

Employees exempt from overtime under the Fair Labor Standards Act are presumed to have worked forty (40) hours per workweek unless the employee’s normal workweek is less than forty (40) (in which case accrual of earned paid sick time is based on the employee’s normal workweek).

Using Earned Paid Sick Time

Employees must wait 90 days after the start of their employment before using accrued earned paid sick time. Once employees are eligible to use their paid sick time, they

can do so in increments of one hour (again, up to a maximum of forty (40) hours per calendar year).

Earned paid sick time hours used by an employee in particular workweek do not count toward the calculation of overtime in that workweek because those hours are not actually worked.

Carry Over Of Paid Sick Time

Torrent Resources does not pay employees for unused earned paid sick time at the end of each calendar year. Accrued, unused earned paid sick time under this Policy will carry over to the following year, up to a maximum accrual of forty (40) hours. In that following year, employees shall not be entitled to accrue or use more than forty (40) hours of earned paid sick time during that calendar year.

Pay Rate For Paid Sick Time

1. **For employees with a single hourly rate.** For employees paid on the basis of a single hourly rate, Torrent Resources will pay the employee the same hourly rate that the employee would have earned for the period of time in which sick time is used. For example, if an employee's hourly rate is \$15 per hour, Torrent Resources will pay the employee \$15 for each hour of earned paid sick time.
2. **For employees with multiple hourly rates.** If known, Torrent Resources will pay a multi-rate employee the actual hourly wages that the employee would have been paid for the period of time in which sick time is used. If unknown, Torrent Resources will pay an hourly rate equivalent to the weighted average of all hourly rates of pay during the previous pay period.

Requesting Earned Paid Sick Time

Earned paid sick time shall be provided upon the request of the employee. Such request may be made orally, in writing, or by electronic means. When possible, the request must include the expected duration of the absence.

When it is foreseeable, an employee must make a good faith effort to provide notice of the need to use earned paid sick time in advance.

If the need to use earned paid sick time is not foreseeable, the employee must provide advance notice of the need to use earned paid sick time prior to the beginning of the employee's scheduled shift. If the employee is incapacitated, a family member as defined above can provide the required advanced notice.

Should exceptional circumstances exist, an employee requesting paid sick time must do so on the day of the absence or within seventy-two (72) hours after the absence.

If the employee fails to provide advance notice, the employee will not be eligible to use earned paid sick time for that particular shift (or any scheduled shifts thereafter).

that the employee fails to provide advance notice of the need to use paid sick time prior to the subsequent scheduled shifts). To the extent possible, the employee shall make reasonable effort to schedule the use of earned paid sick time in a manner that does not unduly disrupt Torrent Resources' operations.

Employees requesting to use earned paid sick time are not required to search for or find a replacement worker to cover the employee's absence.

Documentation Supporting Use Of Earned Paid Sick Time

Torrent Resources may require a doctor's note or other documentation before the employee can return to work after using earned paid sick time on three or more consecutive work days to confirm that the employee used the earned paid sick time for purposes permitted under the Fair Wages and Healthy Families Act.

Reasonable documentation includes documentation signed by a health care professional indicating that the earned paid sick time is necessary. In the case of domestic violence, sexual violence, abuse or stalking, the following documents are considered reasonable:

1. A police report;
2. A protective order, injunction against harassment, general court order, or other evidence from a court or prosecuting attorney;
3. A signed statement from a domestic violence or sexual violence program, or victim services organization affirming that the employee or employee's family member is receiving services related to domestic violence, sexual abuse or stalking;
4. A signed statement from a witness advocate concerning services from a victim services organization affirming that the employee or employee's family member is receiving services related to domestic violence, sexual abuse or stalking;
5. A signed statement from an attorney, member of the clergy, or medical or other professional affirming that the employee or employee's family member is receiving services related to domestic violence, sexual abuse or stalking; or
6. An employee's legible, written statement concerning status of the employee or employee's family member as a victim of domestic violence, sexual violence, abuse or stalking that signals the employee's identity and (if applicable) relationship to the family member.

Although Torrent Resources may require documentation of absences of three or more consecutive days as discussed above, it will not require that an employee specify the relevant health condition or the details of the domestic violence, sexual violence, abuse or stalking.

In addition, Torrent Resources will not count earned paid sick time as an absence that may lead to an adverse action (including discipline or discharge).

No Payout Of Unused Sick Time At Time Of Separation

Torrent Resources will not pay (i.e., cash out) employees for accrued but unused earned paid sick time at the time of separation of employment.

If an employee is separated from employment with Torrent Resources but later rehired within nine (9) months of the separation by Torrent Resources, any previously-accrued earned paid sick time that was not used will be reinstated and the employee will be entitled to use and accrue earned paid sick time immediately at the re-commencement of employment (up to forty (40) hours per calendar year as discussed above).

No Retaliation Or Discrimination For Use Of Earned Paid Sick Time

Torrent Resources will not retaliate or discriminate against any employee who exercises their rights under The Fair Wages and Healthy Families Act, including (1) asserting any claim or right under the Act, including requesting or using earned paid sick time; (2) assisting any person in doing or (3) informing any person of their rights under the Act.

M

Chad Gray

I U O E CONTRACT SUMMARY

LOCAL UNION: 428

INDUSTRY CLASSIFICATION: _____

EMPLOYER: Torrent Resources

ADDRESS: 1509 E. Elwood St. CITY: Phoenix STATE: AZ

PHONE: 602 268 6785

EFFECTIVE DATE: August 1, 2018 TERMINATION DATE: July 31, 2018

CLASSIFICATIONS	RATES:	8/1/18	8/1/19	8/1/20	DEFERRED INCREASES:
Group 1	23.03	23.03	23.30	23.30	
Group 2 CPL Drill Asst. Under	25.15	25.33	25.78		
Group 3 Backhoe Driver	26.76	26.94	27.39		
Group 4 HD Mech Welder	27.93	28.11	28.56		

OVERTIME: After 10 Hrs. 1.5
 6th Day: _____
 7th Day: 1.5
 Holiday: 2.0
 Saturday: _____
 Sunday: _____

SHIFT DIFFERENTIALS:
 Afternoon: _____
 Evening: _____
 All Night: _____
 Other: _____

REPORTING PAY: 2 hrs

CALL-IN PAY: _____

PAID HOLIDAYS: 1 Day after Thanksgiving PAID SICK LEAVE: 40 hrs OTHER PAID LEAVE: _____
 RATE WHEN WORKED: _____ (Per Year) Jury Duty: _____
 ACCUMULATED TO: _____ Funeral: _____

OTHER COMPENSATION: _____

PAID VACATIONS:			SEVERANCE PAY:		
Aft.	Mos./Yrs.	Days/Wks.	Aft.	Yrs. Service	\$
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

HEALTH & WELFARE: 2018 2019 2020
 Cost: 5.60 6.00 6.40
 % Paid by Employer: X
 % Paid by Employee: _____

PENSION: per HR
 Weekly/Monthly Payment: 3.70 3.97 3.97
 % Paid by Employer: X
 % Paid by Employee: _____

Benefits: _____

APPRENTICESHIP CONTRIBUTION: 2018 2019 2020
National Training Fund
0.65 0.05 0.05

OTHER MONETARY BENEFITS: _____

REMARKS: Added Language for National Training Fund

Need additional copies of this form.

met
opeiur#2

TORRENT RESOURCES INC.
Proposal for Ratification

1. Three year term (8-1-2018 thru 7-31-2021)
2. IUOE NATIONAL TRAINING FUND

The employer signatory to this agreement hereby agree to a \$.05 (five cents) contribution that will be remitted to the International Union of Operating Engineers National Training Fund for each hour worked on all employees whose compensation is covered by this agreement, for the duration of this agreement. The employer agrees to transmit and pay the amount of contributions due to the National Training Fund to the local union fringe benefit fund administrator, under the same terms and at the same time as the other local union fringe benefit fund contributions are made under this agreement.

Aug 1, 2018 - \$.05

* If additional monetary increases are deemed necessary, they will be designated by the Union as to dates and amounts, and will be taken from negotiated settlements. The Union can revise the economic package so long as the combined total of wages, health and welfare, pension, vacation savings and apprenticeship does not exceed the economic package figure. It is agreed that the Union will give the Company sixty (60) days advance notice, in writing, of proposed changes to the contribution rate.

3. Total Package Increases (Union will allocate between the Wages, H/W, Apprenticeship, Pension and the National training Fund)

<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Helper - \$0.79	Helper - \$0.72	Helper - \$0.72 Removed from Contract
Group 1 - \$ 0.79	Group 1 - \$ 0.72	Group 1 - \$0.72
Group 2 - \$1.00	Group 2 - \$0.90	Group 2 - \$0.90
Group 3 - \$1.00	Group 3 - \$0.90	Group 3 - \$0.90
Group 4 - \$1.00	Group 4 - \$0.90	Group 4 - \$0.90

4. Once ratified, It is understood that 2018 thru 2021 negotiated contract increases to include fringes, will be retro actively paid from 8-1-2018, over current rates of pay, fringes of Bargaining Unit Employees and Union will allocate between the Wages, H/W, Apprenticeship, Pension and the National training Fund. It is further understood that the Language content in #4 is for intent purposes only and will not be reflected in the new contract.

5. Health and Welfare*, Apprenticeship*, National Training Fund* and Pension*. language will all have the following language:

* If additional monetary increases are deemed necessary, they will be designated by the Union as to dates and amounts, and will be taken from negotiated settlements. The Union can revise the economic package so long as the combined total of wages, health and welfare, pension, vacation savings and apprenticeship does not exceed the economic package figure. It is agreed that the Union will give the Company sixty (60) days advance notice, in writing, of proposed changes to the contribution rate.

Torrent Resources Inc.

Contract Period August 1, 2018 – July 31, 2021

Classifications./ Wages

	<u>Current /</u>	<u>Increase /</u>	<u>Effective /</u>	<u>Increase /</u>	<u>Effective /</u>	<u>Increase /</u>	<u>Effective</u>
		<u>8/1/18</u>	<u>8/1/18</u>	<u>8/1/19</u>	<u>8/1/19</u>	<u>8/1/20</u>	<u>8/1/20</u>
Group 1	\$23.01	\$0.02	\$23.03	\$0.00	\$23.03	\$0.27	\$23.30
Group 2	\$24.92	\$0.23	\$25.15	\$0.18	\$25.33	\$0.45	\$25.78
CDL Driller Assistant Vactor Operator							
Group 3	\$26.53	\$0.23	\$26.76	\$0.18	\$26.85	\$0.45	\$27.30
Backhoe Operator Driller							
Group 4	\$27.70	\$0.23	\$27.93	\$0.18	\$28.11	\$0.45	\$28.56
H/D Mechanic/Welder							

	<u>Current</u>	<u>increase</u>	<u>8-1-18</u>	<u>increase</u>	<u>8-1-19</u>	<u>increase</u>	<u>8-1-20</u>
<u>Health and Welfare*</u>	\$5.00	\$0.60	\$5.60	\$0.40	\$6.00	\$0.40	\$6.40

	<u>Current</u>	<u>increase</u>	<u>8-1-18</u>	<u>increase</u>	<u>9-1-19</u>	<u>increase</u>	<u>9-1-20</u>
<u>Pension*</u>	\$3.55	\$0.00	\$3.55	\$0.27	\$3.82	\$0.00	\$3.82
	3.70		3.70		3.97		3.97

	<u>Current</u>	<u>increase</u>	<u>8-1-18</u>	<u>increase</u>	<u>9-1-19</u>	<u>increase</u>	<u>9-1-20</u>
<u>Apprenticeship*</u>	\$0.29	\$0.12	\$0.41	\$0.05	\$0.46	\$0.05	\$0.51

	<u>Current</u>	<u>increase</u>	<u>9-1-18</u>	<u>increase</u>	<u>9-1-19</u>	<u>increase</u>	<u>9-1-20</u>
<u>National Training Fund*</u>	\$0.00	\$0.05	\$0.05	\$0.00	\$0.05	\$0.00	\$0.05

*If additional monetary increases are deemed necessary, they will be designated by the Union as to dates and amounts, and will be taken from negotiated settlements. The Union can revise the economic package so long as the combined total of wages, health and welfare, pension, vacation savings and apprenticeship does not exceed the economic package figure. It is agreed that the Union will give the Company sixty (60) days advance notice, in writing, of proposed changes to the contribution rate.

Torrent Resources inc.

Contract Period August 1, 2018 – July 31, 2021

Classifications / Wages

	<u>Current /</u>	<u>Increase /</u>	<u>Effective /</u>	<u>Increase /</u>	<u>Effective /</u>	<u>Increase /</u>	<u>Effective</u>
	<u>8/1/18</u>		<u>8/1/18</u>	<u>8/1/19</u>	<u>8/1/19</u>	<u>8/1/20</u>	<u>8/1/20</u>
Group 1	\$23.01	\$0.02	\$23.03	\$0.00	\$23.03	\$0.27	\$23.30
Group 2	\$24.92	\$0.23	\$25.15	\$0.18	\$25.33	\$0.45	\$25.78
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Backhoe Operator Driller							
Group 4	\$27.70	\$0.23	\$27.93	\$0.18	\$28.11	\$0.45	\$28.56
H/D Mechanic/Welder							
<u>Health and Welfare*</u>	<u>\$5.00</u>	<u>\$0.60</u>	<u>\$5.60</u>	<u>\$0.40</u>	<u>\$6.00</u>	<u>\$0.40</u>	<u>\$6.40</u>
<u>Pension*</u>	<u>\$3.55</u>	<u>\$0.00</u>	<u>\$3.55</u>	<u>\$0.27</u>	<u>\$3.82</u>	<u>\$0.00</u>	<u>\$3.82</u>
	3.70		3.70		3.97		3.97 <i>LR</i>
<u>Apprenticeship*</u>	<u>\$0.29</u>	<u>\$0.12</u>	<u>\$0.41</u>	<u>\$0.05</u>	<u>\$0.46</u>	<u>\$0.05</u>	<u>\$0.51</u>
<u>National Training Fund*</u>	<u>\$0.00</u>	<u>\$0.05</u>	<u>\$0.05</u>	<u>\$0.00</u>	<u>\$0.05</u>	<u>\$0.00</u>	<u>\$0.05</u>

*If additional monetary increases are deemed necessary, they will be designated by the Union as to dates and amounts, and will be taken from negotiated settlements. The Union can revise the economic package so long as the combined total of wages, health and welfare, pension, vacation savings and apprenticeship does not exceed the economic package figure. It is agreed that the Union will give the Company sixty (60) days advance notice, in writing, of proposed changes to the contribution rate.