

Project Labor Agreement

Adopted for the

SMUD

EAST CAMPUS – OPERATIONS CENTER

Sacramento, California

September 2010

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SMUD EAST CAMPUS – OPERATIONS CENTER

PROJECT LABOR AGREEMENT

PREAMBLE

This Project Labor Agreement (hereinafter, the "Agreement") is entered into by and between the Design/Build contractor and the various subcontractors that have executed this Agreement (hereinafter referred to "Employers") and the Sacramento-Sierra's Building and Construction Trades Council of Sacramento County (hereinafter referred to as "Council") and the affiliated Local Unions who become signatory hereto (hereinafter, collectively called the "Union(s)") with respect to the construction work within the scope of this Agreement contracted by SMUD for the construction of the EAST CAMPUS – OPERATIONS CENTER (the "Project").

It is understood by the parties to this Agreement that the construction work covered by this Agreement will be contracted exclusively to contractors who agree to execute and be bound by the terms of this Agreement. Therefore, the Unions agree that other contractors may execute the Agreement for purposes of covering such work.

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

Each Employer shall alone be liable and responsible for his own individual acts and conduct and for any breach or alleged breach of this Agreement. Any alleged breach of this Agreement by an Employer or dispute between the signatory Union(s) and an Employer respecting compliance with the terms of this Agreement shall not affect the rights, liabilities, obligations and duties between the signatory Union(s) and each other Employer party to this Agreement.

Furthermore, each Union shall alone be liable and responsible for its own individual acts and conduct and for any breach or alleged breach of this Agreement. Any alleged breach of this Agreement by a signatory Union shall not affect the rights, liabilities, obligations and duties between the signatory Employer and other Unions party to this Agreement.

WHEREAS, the Employers are engaged in the construction of industrial operating and/or manufacturing facilities, and

WHEREAS, the Unions have in their membership and in their Local Unions, competent, skilled and qualified workers possessing the skills and abilities required to perform the work incidental to the effective accomplishment of such construction work, and

WHEREAS, the Employers and the Unions desire to mutually establish wages, hours and working conditions for the workers employed on construction projects by the Employers, and further, to encourage close cooperation between the Employers and the Unions to the end that a satisfactory, continuous and harmonious relationship will exist between the parties to this Agreement.

NOW, THEREFORE, SMUD, the Employers and the Unions in consideration of the mutual promises and covenants herein contained, mutually agree as follows:

ARTICLE 1

PURPOSE

Section 1.1. The Project is a multi-year, comprehensive program to construct a new SMUD Corporate Yard with offices, shops, maintenance, and warehouse buildings including open storage space and parking for fleet and employees. The timely and successful completion of this Project is critical to the ability of SMUD to meet its obligations for the delivery of reliable power to the ratepayers. The purpose of this Agreement is to promote efficiency of construction operations on this Project as covered by this Agreement and provide for peaceful settlement of labor disputes without strikes or lockouts thereby promoting the public interest in assuring the timely and economical completion of this work.

Section 1.2. It is also the intent of the parties to set out standard working conditions for the efficient prosecution of said construction work 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 prosecution of the work undertaken by the Employers.

Section 1.3. As a public agency and as part of its economic development power, SMUD has a firmly established policy of promoting utilization of Sacramento area business through SMUD's Supply Emerging Enterprises Development Program ("SEED"). The provisions implementing the SEED program are integrated throughout this Agreement and no portions of this Agreement are severable. In particular, the provisions of this Agreement regarding subcontracting and referral of employees are applicable only in the context of a public agency with a SEED program. SMUD would not require Employers to utilize this Agreement if the Agreement did not implement and support the SEED program as provided in the Agreement. SMUD and the Unions agree that these provisions would not be applicable to a project developed by a private developer and that different subcontracting provisions would instead be applicable. Therefore, by this Agreement the parties pledge to work and cooperate with management of the Project to produce the most efficient utilization of local labor, and to assist SMUD and the Employers in using SEED Employers on the Project.

ARTICLE 2

RECOGNITION

Section 2.1. SMUD and Employers recognize the Council, and its affiliated Unions, as the sole and exclusive bargaining representatives for all craft employees employed on the jobsite

covered by this Agreement. Union's signatory to this Agreement will have recognition on the approved project by the Employers. SMUD, Employers and the Unions acknowledge that the collective bargaining relationship so established is a "pre-hire" relationship permitted by Section 8(f) of the National Labor Relations Act, except that this provision does not change any pre-existing Section 9(a) collective bargaining relationship that exists between any Employer and Union parties to this Agreement.

ARTICLE 3

SCOPE OF AGREEMENT

Section 3.1.

(a) This Agreement applies and is limited to all construction as defined in this Agreement as performed by those Employer(s) of whatever tier that are awarded contracts for such work under the Project, on or after the effective date of this Agreement, with regard to the construction, alteration, rehabilitation, or any other construction, activities necessary to complete the covered work, hereinafter referred to as the "Project".

Section 3.2. Items specifically excluded from the scope of this Agreement include the following:

(a) Work of any employees not covered by a classification in the applicable prevailing wage determination or local collective bargaining agreement and work of all non-manual employees, including but not limited to, superintendents, supervisors, staff engineers, quality control and quality assurance personnel, timekeepers, mail carriers, clerks, office workers, including messengers, guards, safety personnel, emergency medical and first aid technicians, and other professional, engineering, administrative, supervisory and management employees hired by the Employer.

(b) All work by employees of SMUD.

(c) All employees of design, engineering and construction management teams, or any other consultant hired as part of the Project.

(d) Any work performed on or near or leading to or onto the site of work covered by this Agreement and undertaken by state, county, city or other governmental bodies, or their contractors; or by public utilities or their contractors.

(e) Work by a manufacturer or vendor to install the manufacturer's or vendor's products where performance of the work is expressly stated in the manufacturer's or vendor's written warranty or guarantee to be a condition for the warranty or guarantee for such products; provided the manufacturer or vendor possesses any license required for the performance of the work. For any work performed pursuant to this provision, the Employer shall provide copies of the written warranty requirement to the Union and SMUD prior to the commencement of work by the manufacturer or

vendor. This exclusion does not apply to any on-site construction work subcontracted by such manufacturer or vendor.

(f) Non-construction operation, maintenance, repair or replacement of facilities and support services contracted by SMUD, or any of its related entities or its designee in connection with this Project.

Section 3.3.

(a) SMUD has the absolute right to award contracts or subcontracts on this Project notwithstanding the existence or non-existence of any agreements between such Employer and any Union party provided only that such Employer is willing, ready and able to comply with this Agreement, should such Employer be awarded work covered by this Agreement.

(b) It is agreed that all subcontractors of an Employer, of whatever tier, who have been awarded contracts for work covered by this Agreement on or after the effective date of this Agreement shall be required to accept and to be bound by the terms and conditions of this Agreement.

Section 3.4.

(a) The provisions of this Agreement shall apply to the work covered by this Agreement, notwithstanding the provisions of any other local, area and/or national agreements which may conflict with or differ from the terms of this Agreement. Employer and each Local Union shall, prior to the commencement of the work, agree upon the local collective bargaining agreement to be designated for work covered by this Agreement.

(b) Any dispute as to the applicable source between this Agreement for determining the wages, hours and working conditions of employees on this Project shall be resolved under the procedures established in this Agreement.

Section 3.5. This Agreement shall only be binding on the signatory parties hereto and shall not apply to the parents, affiliates, subsidiaries, or other ventures of any such party. Each Employer will be required to execute the attached Employer Agreement to be Bound, attached and incorporated herein as Attachment A.

Section 3.6. This Agreement shall be limited to the construction work for which bids have been received on or after the effective date of this Agreement. Nothing contained herein shall be construed to prohibit, restrict, or interfere with the performance of any other operation work or function awarded to any contractor before the effective date of this Agreement or which may be performed or contracted by SMUD for its own account on the property or in and around the construction site. Site work that is the responsibility of the seller of the site to SMUD under the terms of the Agreement for Acquisition of Real Property in Fee and Joint Escrow Instructions is specifically excluded from this Agreement.

Section 3.7. It is understood that the liability of the Employer and the liability of the separate Unions under this Agreement shall be several and not joint. The Unions agree that this Agreement does not have the effect of creating any joint employment status between or among SMUD, and/or any Employer.

Section 3.8. None of the provisions of this Agreement shall be construed to prohibit or restrict SMUD or its employees from performing any work on or around the construction site. As SMUD accepts areas of work, the Agreement shall have no further force or effect on such items or areas except where the Employer is directed by SMUD to engage in repairs or punch list modifications.

Section 3.9. It is understood that SMUD, at its sole option, may terminate, delay and/or suspend any and all portions of the work at any time.

Section 3.10. This Agreement represents the complete understanding of the parties and none of the provisions in any local, regional/area or national collective bargaining agreement shall apply to the Project unless specifically incorporated in this Agreement. It is understood that this is a self-contained stand alone Agreement and that by virtue of having become bound to this Agreement, neither the Employer nor its subcontractors or sub-tier subcontractors will be obligated to sign any other local, regional or national agreement as a condition of performing work within the scope of this Agreement.

ARTICLE 4

SUBCONTRACTING

Section 4.1. The Employer agrees that neither it nor any of its subcontractors will subcontract any work to be done on the Project except to a person, firm or corporation that is signatory to this Agreement. Any contractor or subcontractor working on a project covered by this Agreement shall as a condition to working on said project, become signatory to the terms of this Agreement prior to the commencement of any work.

Section 4.2. Any Employer (union, or non-union) including Employers awarded contracts under the SEED program, may perform work covered by this Agreement on the Project provided that, as a condition to working on the Project, it becomes signatory to and performs all work under the terms of this Agreement. Before being authorized to perform work covered by this Agreement, Employers shall become a party to this Agreement by signing as an Employer. Every Employer shall notify the Council in writing within three business days after it has signed a contract to perform its subcontracted work, shall at the same time provide to the Council a copy of the executed Employer Agreement.

Section 4.3. Nothing in this Agreement shall in any manner whatsoever limit the rights of any Employer to subcontract work or to select its subcontractors, provided, however, that all Employers, at all tiers, performing work covered by this Agreement shall comply with the provisions of this Agreement. Every Employer shall notify each of its subcontractors of the provisions of this Agreement and require as a condition precedent to the award of any construction contract or subcontract for work covered by this Agreement or allowing any

subcontracted work covered by this Agreement to be performed, that all such subcontractors at all tiers become signatory to this Agreement. If any Employer fails to provide Council with the Employer Agreement executed by its subcontractor, that Employer shall be liable for any contributions to any trust fund that the subcontractor, or any subcontractor to that subcontractor, fails to make.

Section 4.4. It is recognized that the delivery of cement, ready-mix, aggregate and asphalt to the Project is Covered Work.

ARTICLE 5

WAGE SCALES AND BENEFITS

Section 5.1.

(a) The hourly wage and benefit contribution rates paid employees on this Project shall be those rates (including increases) contained in the recognized local collective bargaining agreements as of the effective date of this Agreement; provided, however, in no event shall the wage be less than the applicable prevailing wage determination.

(b) Future newly negotiated wage provisions shall apply to Project contracts on their effective dates, provided, however, that any provisions negotiated in said collective bargaining agreements will not apply to work covered by this Agreement if such provisions are less favorable to the Employer for work covered by this Agreement than those uniformly required of Employers for construction work normally covered by those agreements; nor shall any provision be recognized or applied if it may be construed to apply exclusively or predominantly to work covered by this Agreement. Any disagreement between the parties over the incorporation of any such provision agreed upon in the negotiation of the local collective bargaining agreement shall be resolved under the procedures established in this Agreement. As part of this understanding, where applicable, the Employer agrees and consents to pay the increased contributions to the relevant jointly administered trust funds pursuant to the provisions of the local collective bargaining agreements as negotiated by the Unions during the work performed on the Project provided, however, if the provisions of any such new collective bargaining agreement provide that said increases shall not become effective until a later date, then that later date shall prevail.

Section 5.2.

(a) The Employers agree to accept, as its representatives in the administration of trust funds, the Employer Trustees serving such funds. The Employers required to comply with this Agreement shall be obligated to make trust fund contributions in accordance with requirements of the applicable local collective bargaining agreement, but shall not be required to otherwise sign trust participation agreements unless legally required by the local trust documents. Any signing of trust documents will apply to this

Project only and shall not increase the Employer's obligations in any way beyond those established by this Agreement.

Section 5.3. Any difference between the total hourly Employer contribution to a contractor plan qualifying for these provisions and the Employer contribution due to the corresponding fund will be paid to the employee consistent with this Agreement.

Section 5.4. Employers who intentionally fail to pay contributions or other payments required by this Article shall be prohibited from bidding on any future work on the Project and shall be liable for all costs of collection by the affected party, including attorneys' fees and court costs. The Unions or any affected party shall notify SMUD of any alleged violations of this Article and, pending resolution of the violation, progress payments to such Employer shall be withheld in an amount sufficient to cover the Employer's potential liability including but not limited to its obligation to reimburse the Unions for all applicable costs.

ARTICLE 6

UNION RECOGNITION

Section 6.1. The Employers recognize the Unions signatory to this Agreement as the sole and exclusive work for this Project and further recognizes the traditional and customary craft jurisdiction of each union.

Section 6.2. The Union(s) shall be the primary source of all craft labor employed on the Project. However, in the event that an Employer has its own core workforce, the Employer may request by name, and the local shall honor, referral of persons who have applied to the local union for the Project work and who demonstrate the following qualifications:

- (a) Possess any license required by state and federal law for the Project work to be performed;
- (b) Have worked a total of at least one thousand (1,000) hours in the construction craft during the prior three (3) years;
- (c) Were on the Employer's active payroll for at least forty-five (45) out of the one hundred (100) calendar days prior to the contract award; and
- (d) Have the ability to perform safely the basic functions of the applicable trade.

Section 6.3. The Union will refer to such Employer one journeyman employee from the hiring hall out-of-work list for the affected trade or craft, and will then refer one of such Employer's "core" employees as a journeyman and shall repeat the process, one and one, until such Employer's crew requirements are met or until such Employer has hired employees, whichever occurs first. The number of core employees shall be limited to five (5). Thereafter, all additional employees in the affected trade or craft shall be hired exclusively from the hiring hall out-of-work list(s). For the duration of the Employer's work the ratio shall be maintained and when the Employer's workforce is reduced, employees shall be reduced in the same ratio of

core employees to hiring hall referrals as was applied in the initial hiring. Employers signatory to a Local, Regional, and/or National collective bargaining agreements with Union(s) signatory hereto shall be bound to use the hiring hall provisions contained in the Master Collective Bargaining Agreement of the affected Union(s), and nothing in the referral provisions of this Agreement shall be construed to supersede the local hiring hall provisions of the Master Agreement(s) as they relate to such Employers.

Section 6.4. Employers shall be bound by and utilize the registration facilities and referral systems established or authorized by the signatory Unions.

Section 6.5. In the event the referral facilities maintained by the Local Unions are unable, despite good faith efforts, to fill the requisition of a Employer for employees within a forty-eight (48) hour period after such requisition is made by the Employer (Saturdays, Sundays and holidays excepted), the Employer shall be free to obtain work persons from any source ("Alternative Employees"). Upon hiring employees from an alternative source pursuant to this section, the Employer shall immediately notify the appropriate Local Union of the name and address of the alternative source employee hired, which employee shall be bound by the provisions of this Article.

Section 6.6. The parties to this Agreement support the development of minorities and women to become skilled construction workers. To this end, the Unions actively recruit and train minorities and women to be journey-level workers and apprentices to work on this Project and assist them in participating in apprenticeship and training programs operated by the Unions to the fullest extent permitted by law.

Section 6.7. The Unions will exert their utmost efforts to recruit sufficient numbers of skilled employees to fulfill the manpower requirements of the Employers. The parties to this Agreement support the development of increased numbers of skilled construction workers from the residents of the Sacramento area to meet the needs of the Project and the requirements of the industry generally. The Unions acknowledge that it is SMUD's desire to maximize the use of employees residing in its jurisdictional area (Sacramento County and a small portion of Placer County) on the Project. To the extent allowed by law, and consistent with the Local Union's hiring hall provisions, and as long as they possess the requisite skills and qualifications, residents within SMUD's jurisdictional area shall be first referred to the Project work, including journeymen and apprentices covered by the Agreement. The parties will use best efforts to maximize the hiring of local residents; however, failure to hire any particular percentage of local residents shall not be considered a material breach of this Agreement.

ARTICLE 7

WORK STOPPAGES AND LOCKOUTS

Section 7.1. During the term of this Agreement there shall be no strikes, sympathy strikes, picketing, work stoppages, slow downs, interference with the work or other disruptive activity for any reason by the Unions or by any employee, and there shall be no lockout by the Employer affecting the Project site. Failure of any Union, Local Union or employee to cross any picket line established at the Employer's project site is a violation of this Article.

Section 7.2. During the term of this Agreement, no Union, its agents, employees, representatives, officers, and/or members shall incite, condone, sanction, aid or abet, encourage, participate in, 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, and if justifiably discharged for the above reasons, shall not be eligible for rehire on the Project.

Section 7.3. Any Union which initiates or participates in a work stoppage in violation of this Article 7, or which recognizes or supports the work stoppage of another Union which is in violation of this Article 7, agrees as a remedy for said violation, to pay liquidated damages in accordance with this Agreement. Any Employer which initiates or participates in a lockout in violation of this Article 7, or which recognizes or supports the lockout of another Employer which is in violation of this Article 7, agrees as a remedy for said violation, to pay liquidated damages in accordance with this Agreement.

Section 7.4. The Unions agree that if any Union or any other persons, whether parties to the Agreement or otherwise, engage in any picketing or work stoppage, the signatory Unions shall consider such work stoppage or picketing to be illegal, and refuse to honor such picket line or work stoppage.

Section 7.5. In the event that any applicable labor agreement expires and the parties to that agreement fail to reach agreement on a new contract by the date of the expiration, a union shall continue to provide employees to the Employers working on the Project under all the terms of the expired agreement until a new agreement is negotiated at which time all terms and conditions of the new agreement shall be applied to the work at the Project, except to the extent they conflict with any provision of this Agreement. In addition, if the new labor agreement provides for wage or benefits increase, then any Employer shall pay to its employee who performed the work at the Project during the hiatus between the effective dates of such labor agreements, an amount equal to any such wage and benefit increase established by the new labor agreement for such work performed.

Section 7.6. Liquidated Damages. In the event any Union or Employer violates this Article 7, the violating Party shall be required to pay the non-violating party liquidated damages of \$1,000.00 for each business day (or portion of a business day) that the party is in violation of this Article 7. The Unions and Employer agree that it is difficult to calculate the exact damages that may result from a violation and that the liquidated damages set forth in this Agreement are a genuine estimate of the loss the non-violating party is likely to suffer as a result of any delay resulting from a violation of this Article 7. This Liquidated Damages provision applies to the Unions and the Employers subject to this Agreement and does not limit SMUD's claim for damages associated with a violation of this Article 7.

ARTICLE 8

HOURS OF WORK, OVERTIME, SHIFTS AND HOLIDAYS

Section 8.1. The standard work day shall consist of eight (8) hours of work between 6:00 a.m. and 6:00 p.m. with one-half hour designated as an unpaid period for lunch approximately at the midpoint of the shift. The standard work week shall be five (5) consecutive days of work commencing on Monday. Nothing herein shall be construed as guaranteeing any employee eight (8) hours of work per day or forty (40) hours of work per week. The Union(s) shall be informed of the work day, work week and work starting time set by the Employer at the pre-job conference which may be changed thereafter by the Employer upon three (3) working days' notice to the Union(s) and the employees. This standard work day and work week may be changed in advance of construction by a pre-job conference of mutual agreement. Such changes shall be made with as much notice as possible to the affected Unions and employees consistent with the operating conditions requiring the change and, if done in accordance with this section, shall be made without penalty or restriction that might otherwise be applicable to such a change.

Section 8.2. It is recognized by the parties to this Agreement that the standard work week may not be desirable or cost effective for some parts of the Project, and other arrangements for hours of work will be considered. Such proposed modifications to the standard work week shall be worked out between the Employer, and the Unions. Project schedule, manpower requirements, sequence of work for the Project and other appropriate factors, will be taken into consideration by the parties in reaching an understanding on work schedules.

Section 8.3. Hours performed in excess of the standard work day Monday through Friday, shall be paid at the rate of time and one-half. Compensation for Saturday will be time and one-half. There shall be no pyramiding of overtime pay. All work performed on Sundays and in excess of ten (10) hours on Saturday shall be paid the overtime rate as stated in the appropriate local agreement, but not to exceed double the straight time rate of pay.

Section 8.4. It will not be a violation of this Agreement when the Employer considers it necessary to shut down to avoid the possible loss of human life because of an emergency situation that could endanger the life and safety of an employee. In such cases, employees will be compensated only for the actual time worked. In the case of a situation described above whereby the Employer requests employees to wait in a designated area available for work the employees will be compensated for the waiting time.

Section 8.5. Shifts may be established when considered necessary by the Employer.

(a) Shifts shall be established and continued for a minimum of three (3) consecutive work days and shift pay (if applicable) shall be governed by the applicable Collective Bargaining Agreement (CBA).

(b) If only two shifts are to be worked, the Employer may regulate starting times of the two shift operations to permit the maximum utilization of daylight hours.

Section 8.6. Recognized holidays shall be as determined by the applicable CBA. Under no circumstances shall any work be performed on Labor Day except in cases of emergency

involving life or property. In the event a holiday falls on Sunday, the following day, Monday, shall be observed as such holiday. If employees are required to work on a holiday, they shall receive the appropriate rate; but in no case shall such overtime rate be more than double the straight time rate.

ARTICLE 9

GRIEVANCE ADJUDICATION PROCEDURE

Section 9.1.

(a) It is specifically agreed that in the event any disputes arise out of the interpretation of this Agreement, excluding questions of jurisdiction of work, the same shall be settled by means of the procedure set out herein. No such grievance shall be recognized unless called to the attention of the Employer by the Union or to the attention of the Union by the Employer within five (5) calendar days after the alleged violation was committed, or if the violation was not ascertainable then within five (5) calendar days the aggrieved party knew or reasonably should have known of the facts giving rise to the grievance.

(b) Grievances shall be settled according to the following procedure:

Step 1: The dispute shall be referred to the Business Representative of the Local Union involved or his designated representative and the Project Superintendent and/or the Employer's representative at the construction Project.

Step 2: In the event that the Business Representative of the local union and the Project Superintendent and/or the Employer representative at the construction site cannot reach agreement within five (5) calendar days after a meeting is arranged and held, the matter shall be referred to the Labor Relations Representative of the responsible Employer.

Step 3: If the dispute is not resolved within ten (10) calendar days after completion of Step 2, the Employer and the Union may then refer to the Business Manager of the Craft Unions and Labor Relations representative of the Employer for discussion and resolution. A copy of the written grievance shall also be mailed/faxed/emailed, to the primary employer.

Step 4: If no mediated settlement is achieved within thirty (30) days of the mediation, the Employer and the Union shall choose a mutually agreed upon Arbitrator for final and binding arbitration. The decision of the Arbitrator shall be binding upon all parties. The Arbitrator shall have no authority to change, amend, add to, or detract from any of the provisions of this Agreement. The expense of the impartial Arbitrator shall be borne equally by the Employer and the involved Union.

Section 9.2. The time limits specified in any step of the Grievance Procedure may be extended by mutual agreement of the parties initiated by the written request of one party to the other, at the appropriate Step of the Grievance Procedure. However, failure to process a grievance, or failure to respond in writing within the time limits provided above, without a request for an extension of time, shall be deemed a waiver of such grievance to the other without prejudice, or without precedent to the processing of and/or resolution of like or similar grievances or disputes.

Section 9.3. In order to encourage the resolution of disputes and grievances at Steps 1, 2 and 3 of this Grievance Procedure, the parties agree that such settlements shall not be precedent-setting.

Section 9.4. The parties to any dispute or grievance shall keep SMUD fully apprised of actions at all steps of the procedures set forth in Section 9.1.

ARTICLE 10

JURISDICTIONAL DISPUTES

Section 10.1. The assignment of work will be solely the responsibility of the Employer performing the work involved; and such work assignments will be in accordance with the Plan for Settlement of Jurisdictional Disputes in the Construction industry (the "Plan") or any successor Plan.

Section 10.2. All jurisdictional disputes between or among the Building and Construction Trades Unions and their employees, parties to this Agreement, shall be settled and adjusted according to the present Plan established by the Building and Construction Trades Department. Decisions rendered shall be final, binding and conclusive on the Employers and Unions parties to this Agreement.

Section 10.3. All jurisdictional disputes shall be resolved without the occurrence of any strike, work stoppage, or slow-down of any nature and the Employer's assignment shall be adhered to until the dispute is resolved. Individuals violating this section shall be subject to immediate discharge.

Section 10.4. Each Employer will conduct a pre-job conference with the Council prior to commencing work. The Primary Employer will be advised in advance of all such conferences and may participate if they wish.

Section 10.5. Because of possible uncertainties as to the continued operation of the National Building & Construction Trades Department Plan for the Settlement of Jurisdictional Disputes in the Construction Industry and/or continued affiliated status of certain Unions with the National Building & Construction Trades Department, the parties hereto agree that, in the event the Plan ceases to operate for any reason, or ceases to be a viable mechanism for the settlement of jurisdictional disputes on projects covered by the Agreement, the parties will immediately meet and negotiate an alternative plan for the resolution of any jurisdictional disputes that may arise on the Project.

Section 10.6. The Parties further agree that during any such negotiations for an alternative resolution plan, the Employer shall continue to make work assignments as set forth in this Agreement, and there shall be no work stoppages or strikes over jurisdictional issues on the Project.

Section 10.7. This Article shall be enforceable in any court of competent jurisdiction, and shall not be subject to the grievance procedure of Article 9.

ARTICLE 11

MONTHLY LABOR/MANAGEMENT MEETINGS

Section 11.1. The parties to this Agreement recognize the necessity for cooperation and communication between Labor and Management, the elimination of disputes and misunderstandings and the resolution of unfair practices on the part of any party. To this end, a representative of SMUD, and the Employer will meet monthly at the Project site with the representatives of the signatory Unions to promote harmonious and stable labor/management relations on this Project, and to insure effective and constructive communications between the labor and management parties. The date and time of this meeting will be determined by the parties and will be open to all representatives of Employers signatory to this Agreement.

Section 11.2. At this meeting, the SMUD, and Employer representative will give a report on the safety and progress of on-going contracts and any outstanding issues pertaining to this Project, and will entertain questions and discuss labor relations matters of mutual interest affecting the work and administration of the Agreement.

ARTICLE 12

MANAGEMENT RIGHTS

Section 12.1. The Employer retains and shall exercise full and exclusive authority and responsibility for the management of its operations, except as expressly limited by the terms of this Agreement. The Employer shall have exclusive right to plan and control the work; to determine the number and types of craft employees; to discharge, suspend, or discipline employees for just cause; to utilize work methods, procedures, and techniques of their choosing; and to assign, subcontract and schedule work at their discretion.

Section 12.2. The forgoing enumeration of management rights shall not be deemed to exclude other functions not specifically set forth in the Article. The Employer shall at all times retain all management rights which may exist at law or by custom and which are not specifically limited or prohibited by the terms of this Agreement.

ARTICLE 13

LABOR MANAGEMENT COOPERATION TRUST

Section 13.1. Each Employer at every tier who performs work within the scope of this Agreement shall contribute the sum of twenty-five cents (\$0.25) per hour for each hour paid for

or worked by employees, and shall remit that sum by payment postmarked no later than the 15th of the month following the month in which those hours were paid for or worked, directly to the Sacramento-Sierra Building and Construction Trade Council Labor Management Cooperation Trust or its designee, sanctioned by the Labor-Management Cooperation Act of 1978, 28 U.S.C. section 186 ("Trust"). Each Employer shall execute a Subscriber Agreement covering these contributions, a copy of which is attached as Attachment B.

ARTICLE 14

SECURITY, PROTECTION OF PERSON AND PROPERTY

Section 14.1. Security – Controlled Substances, Firearms and Explosives. The work covered by this Agreement will occur on SMUD property that is governed by federal, state and local laws. In support of those requirements and in conformity with construction safety requirements generally, the parties agree that the use, sale, transfer, purchase and/or possession of a controlled substance, alcohol, firearms and/or explosives while on SMUD premises are strictly prohibited. Accordingly, the parties have agreed to appropriate procedures and safeguards for the testing of employees for prohibited or controlled substances and for the maintenance of a workplace free from unauthorized firearms, weapons or explosives.

Section 14.2. Security procedures for the site which includes tools, equipment and materials used by the employee shall be solely the responsibility of the Employer. The inspection of incoming shipments of equipment, apparatus, machinery, and construction materials of every kind shall be performed at the discretion of the Employer by individuals of his choice.

ARTICLE 15

GENERAL CONDITIONS

Section 15.1. Employment begins and ends at the Project.

Section 15.2. There shall be no limit on production by employees or restrictions on the full use of tools or equipment. Employees using tools shall perform any of the work of the trade and shall work under the direction of the craft foremen. There shall be no restrictions on efficient use of manpower other than as may be required by safety regulations.

Section 15.3. Employees shall be at their place of work at the starting time and shall remain at their place of work performing their assigned functions under the supervision of the Employer until quitting time, allowing for time to set up for the day's activities or roll up their tools and store away at the end of the work day. The parties reaffirm their policy of a fair day's work for a fair day's wage.

Section 15.4. All equipment assigned to a project shall be under the control of the Employer. The Employer shall have the right to determine how many pieces of equipment an individual employee shall operate. In an emergency, foremen shall operate any equipment assigned by the Employer, and there shall be no restriction on foremen in the use of the tools of his craft in such emergency. The foremen shall be from the craft normally operating the

equipment. In accordance with currently recognized craft jurisdiction, the Employer shall determine the assignment of employees to start, stop, and maintain small portable construction equipment. Such work may be assigned to craft employees within a reasonable distance of their primary duties or an employee may be assigned full time to start, stop and maintain the Employer's small, portable equipment on the job site. There shall be no over-manning of this type of equipment. The number of employees assigned to rigging and scaffolding operations shall be at the sole discretion of the Employer.

Section 15.5. The Employer may utilize the most efficient methods or techniques of construction, tools or other labor saving devices to accomplish the work. Practices not a part of the terms and conditions of this Agreement, stand-by crews and feather-bedding practices will not be recognized.

Section 15.6. It is agreed that overtime is undesirable and not in the best interest of the industry or the employees; therefore, except in unusual circumstances, overtime will not be worked. Where unusual circumstances do exist, however, the Employer will have the right to assign specific employees and/or crews to perform such overtime work as is necessary to accomplish the job.

Section 15.7. SMUD, and/or Employer shall establish such reasonable Project rules as is deemed appropriate. These rules will be reviewed at the pre-job conference and posted at the Project site by the Employer, and may be amended thereafter as necessary.

ARTICLE 16

SAFETY

Section 16.1.

(a) Safe Work Practices. It shall be the responsibility of each Employer to ensure safe working conditions and employee compliance with any safety rules contained herein or as may be established by SMUD, or the Employer. It is understood that the employees have an individual obligation to use diligent care to perform their work in a safe manner and to protect themselves and the property of the Employer and SMUD.

(b) Site Rules. Employees shall be bound by the safety, security and visitor rules and environmental compliance requirements established by SMUD and the Employer. These rules will be published and posted in conspicuous places throughout the work site. An employee's failure to satisfy his obligations under this Section will subject him to discipline, including discharge.

Section 16.2. The employees covered by the terms of this Agreement shall at all times while in the employ of the Employer be bound by the safety rules and regulations as established by the Employer in accordance with the Construction Safety Act and OSHA.

Section 16.3. These rules and regulations will be published and posted at conspicuous places throughout the Project.

Section 16.4. In accordance with the requirements of OSHA, it shall be the exclusive responsibility of each Employer on a jobsite to which this Agreement applies, to assure safe working conditions for its employees and compliance by them with any safety rules contained herein or established by the Employer. Nothing in this Agreement will make the Unions or any of their Local Unions liable to any employees or to other persons in the event that injury or accident occurs.

Section 16.5. All employees at the Project shall under the terms of this Agreement currently possess a card from the U. S. Department of Labor, certifying successful completion of an OSHA ten-hour construction safety program or attend and successfully complete the ten-hour OSHA construction safety program as offered by the Employer at the Project prior to commencing work on the Project.

ARTICLE 17

TERM OF AGREEMENT

This Project Labor Agreement shall be effective on the date of execution, and shall continue in effect for the duration of the Project construction work described in Article 3 hereof and any additional work subsequently added pursuant to Article 3.

Section 17.1.

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

(b) Notice. Notice of each final acceptance received by the Employer will be provided to the Union with a description of what portion, segment, etc. has been accepted. Final acceptance may be subject to a "punch list", and in such case, the Agreement will continue to apply to each such item on the list until it is completed to the satisfaction of SMUD and Notice of Completion is given by SMUD to the Employer.

(c) Termination. Final termination of all obligations, rights and liabilities and disagreements shall occur upon receipt by the Union of notice from SMUD saying that no work remains within the scope of the Agreement. Said determination shall be at SMUD's sole discretion.

Section 17.2. This Agreement shall not be amended or supplemented except by mutual consent of the parties hereto, reduced to writing and duly signed by each.

Section 17.3. This Agreement shall remain in full force and effect for the duration of any project where construction work has commenced under the terms of this Agreement.

Signed and subscribed to this _____ of _____, 2010/

Building and Construction Trades
Council,

/s/ _____

/s/ _____

/s/ _____

/s/ _____

/s/ _____

/s/ _____

/s/ _____

/s/ _____

ATTACHMENT A
AGREEMENT TO BE BOUND

PROJECT LABOR AGREEMENT
EAST CAMPUS – OPERATIONS CENTER

The undersigned is an Employer for the construction of the SMUD East Campus – Operations Center (the “Project”) as defined in the Project Labor Agreement adopted for the SMUD East Campus – Operations Center (the “Agreement”), for and in consideration of the award of a contract to perform construction related work for the Project and the promises contained in the Agreement. The undersigned Employer:

1. Accepts and agrees to be bound by the terms and conditions of the Agreement, together with any and all amendments thereto.
2. Agrees to secure from any other Employer (as defined in the Agreement) which may become a subcontractor (of any tier) to it, a duly executed Agreement to be Bound in a form identical to this document.
3. Certifies that it has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.
4. Agrees to secure from any Employer (as defined in the Agreement) which becomes a subcontractor (of any tier) to it, a duly executed Agreement to be Bound in a form identical to this document.

Date: _____

Employer: _____

Authorized Signature: _____

Title: _____

ATTACHMENT B
SUBSCRIBER AGREEMENT

1. The undersigned parties agree to be bound by the terms of Sacramento-Sierra Building and Construction Trades Council Labor Management Cooperation Trust, including but not limited to any provisions allowing for liquidated damages in the event of a default (the "Trust"). The Trust is referenced in Section 13.1 of the Project Labor Agreement Adopted for the SMUD East Campus – Operations Center. The undersigned Employer subscriber (the "Subscriber") and Union hereby grant Powers of Attorney to the Board of Trustees now holding office, or to the successors, to administer the Trust as representatives of the employer and Union respectively, with full power and authority to act for the Subscriber and Union in all matters of administration of the Trust. In no event shall the Union or Subscriber be responsible for any act or omission of the Trustees nor shall the Union or Subscriber have any liability for any debt or liability of the Trust or its Trustees.

2. The undersigned parties represent and warrant that they are fully authorized to execute this Subscriber Agreement on behalf of their respective organizations and that by their respective execution of this Subscriber Agreement their respective organizations are fully bound hereto and the provisions of the Trust Agreement.

By: _____

By: _____

Employer Subscriber

Sacramento – Sierra Building and
Construction Trades Council

Date: _____

Date: _____