CONSTRUCTION LABOR AGREEMENT

Between

THE SIGNATORY EMPLOYERS

and

THE SIGNATORY UNIONS

of the

KNOXVILLE BUILDING AND CONSTRUCTION TRADES COUNCIL, AFL-CIO

for the

DEPARTMENT OF ENERGY

SPALLATION NEUTRON SOURCE (SNS) PROJECT

at

OAK RIDGE, TENNESSEE

October 1, 1999

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PREAMBLE

On this 1st day of October 1999, Jacobs Sverdrup Constructors Inc., the signatory Employers and their Subcontractors (all of whom are hereafter collectively referred to as the "Employer") and the signatory Unions of the Knoxville Building and Construction Trades Council (all of whom are collectively referred to as the "Union") and whose names are subscribed hereto and have, through their duly authorized officers, executed this Agreement for all work defined herein performed for the Department of Energy (DOE), or other client(s) (hereafter referred to as the "Owner") at Oak Ridge, Tennessee.

WHEREAS, the Employer and the Unions desire to mutually establish hours of work and working conditions for the workers on a project basis to the end that satisfactory conditions and harmonious relations will continue to exist for the benefit of both parties to this Agreement; and

WHEREAS, the Employer and the Unions agree that due to the particular nature of the work covered by this Agreement, there shall be no lockouts, strikes, picketing and/or slowdowns of any kind during the life of this Agreement; and these provisions are made to achieve this end;

IT IS THEREFORE AGREED by the undersigned Employer and Unions in consideration of the mutual promises and covenants contained herein that the Project Agreement be made as follows:

ARTICLE I
PURPOSE

Section 1. The purpose of this Agreement is to promote quality of workmanship and efficiency of operations on the Department of Energy's Spallation Neutron Source (SNS) Project, hereafter referred to as the Project, and provide for peaceful settlement of labor disputes without strike or lockouts, thereby promoting the public and Owner's interests in assuring the timely and economical completion of the work.

Section 2. It is also the intent of the parties to set out uniformly standard working conditions with due consideration for the protection of labor standards wages and working conditions to efficiently prosecute said construction work and related activities, 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 execution of the work undertaken by the Employer.

ARTICLE II
SCOPE OF AGREEMENT

Section 1. This Agreement shall apply and be limited to construction and construction-like work and nothing contained herein shall be construed to prohibit, restrict or interfere with the performance of any other operations, work or function which may occur at the project site or be associated with the development of the project. The scope of the work covered by this Agreement is restricted to work performed on the SNS project.

This consists of work traditionally recognized and accepted as construction work on this site. Work includes:

a. The construction of permanent facilities, structures, or systems; and
b. Movement and distribution of construction materials and equipment; and
c. Repair or modification of structures, facilities or equipment.

Section 2. This Agreement shall apply to all signatory Employers, their Subcontractors and their lower-tier subcontractors when they are performing work within the scope described in this Article on the DOE Oak Ridge SNS Project, except where specifically excluded by DOE.

Section 3. This Agreement will not be applicable to commercial activities, by private companies, performing work at or reasonably adjacent to any of the Oak Ridge sites identified in Section 2, not associated with work for the DOE.

Section 4. This Agreement shall only be binding on the signatory parties hereto and shall not apply to parents, affiliates, subsidiaries or other ventures of such employer.

Section 5. The signatory Employers have the absolute right to select any qualified Subcontractors for the award of contracts on the projects.

Section 6. Items specifically excluded from the scope of this Agreement include but are not limited to the following:

A. Work performed under the National Cooling Tower Agreement, the National Stack Agreement, National Transient Division (NTD), the National Refractory Agreement, and the Elevator Constructors National Agreement.

B. Work of non-manual employees, including but not limited to superintendents, supervisors, engineers, field engineers, surveyors, inspectors, quality control personnel, health physics personnel, quality assurance personnel, timekeepers, mail carriers, clerks, office workers, messengers, guards, emergency medical and first aid technicians and other professional, engineering, administrative, supervisory and management employees.

C. Equipment and machinery in the care, custody and control of the Owner or other parties not signatory to this Agreement.

D. All deliveries to and from anywhere on the project sites.

E. The commercial removal of trash, scrap, surplus, spoilage and waste materials from designated areas on the project. (Clean-up of construction areas and movement of these materials to the designated areas is covered by this Agreement.)

F. All employees of the Employer not performing manual labor.

G. Any work performed on or near, or leading to or into the project sites performed and funded by state, county, city or similar governmental bodies or their contractors and/or utilities or railroads or other similar organizations or their contractors.

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

Section 8. It is understood that the Owner, at its sole option, may terminate, delay and/or suspend any or all portions of a project at any time.

Section 9. The provisions of this Labor Agreement shall not apply to the Owner and nothing herein shall be construed to prohibit or restrict the Owner or its employees or its contractors from performing work not covered by this Agreement on the Project site. As areas and systems of the Project are inspected and construction tested by the Employer and accepted by the Owner, the Agreement will not have further force or effect on such items or areas, except when the Employer is directed by the Owner to engage in repairs, modifications, checkout and warranty functions required by the Employers' contract with the Owner.

ARTICLE III
MANAGEMENT'S RIGHTS

Section 1. The Employer retains full and exclusive authority for the management of its operations. The Employer shall direct their working forces at their prerogative, including, but not limited to hiring, promotion, transfer, lay-off or discharge for just cause. No rules, customs, or practices shall be permitted or observed which limit or restrict production or limit or restrict the working efforts of employees. The Employer shall utilize the most efficient method or techniques of construction, tools, or other labor saving devices. There shall be no limitations upon the choice of materials or design. The Employer shall schedule work, and shall determine when overtime will be worked. The foregoing enumeration of management rights shall not be deemed to

exclude other functions not specifically set forth. The Employer, therefore retains all management rights not specifically limited by the terms of this Agreement.

ARTICLE IV
RECOGNITION

Section 1. The bargaining unit under this Agreement shall comprise all craft employees who have been referred by a signatory Union and who are employed by the Employer or who will be employed in the future under the terms of this Agreement.

Section 2. The Employer recognizes the signatory Unions as the collective bargaining agents for its employees in the jurisdiction of the Knoxville Building and Construction Trades Council.

Section 3. Any Employer performing work within the scope of this Agreement shall conform to the provisions of this Agreement.

Section 4. Each Employer and each signatory 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 an Employer or any 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 any other Employer covered by this Agreement.

ARTICLE V
EQUIPMENT INSTALLATION

Section 1. Manufactured equipment and machinery specified by the Owner for the Project will have been completely preassembled, test run and may then be dismantled for shipment by the vendors. There will be no refusal by the Union to connect prefabricated conduit, wire, piping and/or duct work between remote machines.

Section 2. Some of the equipment and machinery is of a highly technical nature and will require direct supervision and installation by the vendor's factory representatives and/or employees of the Owner. The employees or technicians of the Owner or a vendor may physically make adjustments to valves, regulators, limit switches, controls, etc., on the equipment and machinery which they deem necessary for start-up, testing and final operation. The Owner reserves the right to make modification to fixtures and/or tooling with its employees prior to acceptance.

Section 3. The jurisdiction of the Union over the installation of each item of equipment or machinery ends when that item of equipment or machinery has been initially set, aligned, leveled, utilities connected, a rotational check made and the installation of that item of equipment or machinery is accepted by the Owner.

Section 4. The Owner has the right to accept the installation of each item of equipment or machinery on an individually completed basis, regardless of whether other items of equipment or machinery in the vicinity have been installed or whether construction of the building has been completed.

Section 5. Upon acceptance of the installation of any item of equipment or machinery by the Owner, the Owner shall have the exclusive right to make any modifications, adjustments, relations, etc., with respect to that item of equipment or machinery in order to provide a proper operation production facility with their own personnel or with employers of this Agreement.

Section 6. Specialized, leased, or warranted equipment, such as computers and the like, and/or secret processing equipment may be installed and/or serviced by individuals not covered by this Agreement. Warranty service on any equipment may be performed by the vendor's personnel.

ARTICLE VI
REFERRAL OF EMPLOYEES

Section 1. When employees are needed, the Employer shall notify the Unions as to the number and classification of employees required. It shall be the responsibility of the Unions to supply the necessary numbers required in accordance with the hiring hall procedure of this Agreement as set forth in Attachment 2.

Section 2. The Local Unions administer and control their referral and it is agreed that these referrals will be made in a nondiscriminatory manner and in full compliance with federal, state and local laws and regulations which require equal employment opportunities and nondiscrimination. Referrals shall not be affected in any way by the rules, regulations, bylaws, constitutional provisions or any other aspect or obligation of Union membership, policies or requirements, to the extent that such rules, regulations, bylaws, etc. may be in conflict with any federal, state or local laws.

The Employer may assist the local Union in identifying minority and women applicants for apprenticeship and training programs if the Unions signatory to this Agreement cannot provide, within a reasonable time, sufficient numbers of minority and women craft workers, as required within the respective Employer's Affirmative Action Program. If the Unions signatory to this Agreement cannot provide within forty-eight (48) hours (Saturdays, Sundays, and holidays excluded), as part of the referral requested for minority and women craft workers as established by the goals of the respective Employer's Affirmative Action program, the Employer may recruit and employ qualified applicants in order to meet the Affirmative Action goals.

The Employer shall have the right to request employees who possess specific health/safety training (i.e., 29 CFR 1910.120, Forty Hour Hazardous Waste Worker, Asbestos Abatement and Lead Abatement workers, etc.) in the same manner as specific craft skills, provided employees possessing said training are available and listed

on the referral list(s). If not available the Employer shall provide required training to other referred employees, as specified by applicable law.

As indicated in Attachment 2, the Union will abide by the requirements of Section 3161 of the National Defense Authorization Act and provide preferential referral for qualified applicable craft applicants. In addition, the Employer may assist the Union in identifying terminated workers eligible for a hiring preference in filling vacancies, as provided for in Section 3161 and DOE implementing guidance.

Section 3. The Employer shall have the unqualified right to select and hire directly the number of employees it considers necessary and desirable. Applicants for the various classifications covered by the Agreement required by the Employer shall be referred to the Employer by the Unions. The Employer shall have the unqualified right to reject any applicant referred by the Unions with proper cause. The Employer shall have the right to determine the competency of all employees, the right to determine the number of employees required and shall have the sole responsibility for selecting the employees to be laid off. In selecting employees for layoff the employer will give primary consideration to affirmative action requirements and overall craft qualifications.

Section 4. The Employer shall have the right to hire foremen, general foremen and other key employees. Key employees are defined as craft employees who possess special skills or abilities and are not readily available in the area. The Union shall have the opportunity to refer qualified candidates for the positions of foreman and general foreman as stated in Article XVII, Section 2. These employees will be referred through the recognized craft referral procedure. In cases of employment positions requiring special skills or qualifications, the Employer will notify the Union of the qualification tests or skills required and the Union may refer any qualified applicant.

Section 5. The Union shall not refer employees employed at the project sites by a signatory Employer to other employment unless agreed upon by the affected Employer, nor shall the Union engage in other activities which encourage work force turnover or absenteeism. Additionally, job-hopping is strongly discouraged and, if such should become a problem for the signatory Employers and Unions, the matter shall be referred to the Union/Management Administrative Committee to address an appropriate resolution.

Section 6. Employees referred to the job by the Union shall report to an employment location established at the job site. Employment begins and ends at the job site.

Section 7. The above shall not restrict the Employer from soliciting and hiring qualified personnel from any other source, provided the Unions are unable to fulfill manpower requirements within forty-eight (48) hours of first notification by the Employer; emergencies, Saturdays, Sundays and holidays excluded. When specific security clearances are a requirement for the work to be performed, the respective Unions shall be notified.

Section 8. During a reduction in force, the Employers have the right to retain the most qualified employees.

Section 9. Employees terminated for cause shall not again be referred for employment under this Agreement for a period of at least ninety (90) days and the Union may not require the rehire of such employees during this time period.

Section 10. An employee or applicant required to satisfactorily demonstrate his/her ability to perform certain craft-related tasks through an examination or test (i.e., welding tests) shall be paid for the time required to take the exam or test provided the employee or applicant successfully passes the exam or test.

ARTICLE VII
GRIEVANCE PROCEDURE

Any controversy on any subject covered by this Agreement arising on the job involving the interpretation and application of Terms and Conditions other than those pertaining to craft jurisdictional disputes shall be processed as set forth below. No such grievance shall be recognized unless presented to the Employer or Union within five (5) working days after the alleged violation was committed or becomes known. Failure to so comply will result in automatic waiver of all rights under this Article for this occurrence. There shall be no work stoppages of any kind pending the resolution of such disputes.

Grievances shall be settled according to the following procedures:

Step 1. All controversies shall be referred to the appropriate craft Business Representative or his/her authorized agent and to the Employer's representative at the construction site or his/her designated representative for adjustment.

Step 2. In the event that the Business Representative of the Union and the Employer Representative cannot reach agreement within five (5) calendar days after a meeting is arranged and held, the matter shall be reduced to writing, stating the issue the applicable contract provision(s) cited, the facts surrounding the issue and the remedy sought and shall be referred to the International Representative of the Union or the General President's designee and the Industrial Relations Representative of the Employer.

Step 3. In the event that the International Representative of the Union and the Industrial Relations Representative of the Employer cannot reach agreement within five (5) calendar days after a meeting is arranged and held, the matter shall be referred to the Board of Arbitration for resolution.

If mutually desired by the affected Employer and Union, a representative of the Federal Mediation and Conciliation Service, or other mutually agreed to disinterested party could be selected to hear the matter and attempt to guide the parties involved.

The intention of this process is to avoid the use of final and binding arbitration, as stated in Step 4. This process is considered informal, non-binding and cannot be referenced in the event that a Step 4 proceeding is instituted.

Step 4. A Board of Arbitration shall be established, consisting of two (2) representatives of the involved Union and two (2) representatives of the Employer and a fifth member selected by them. The decision of the majority of the Arbitration Board shall be final and binding upon the parties involved. Such decision shall be within the scope and terms of this Agreement, but shall not amend, modify or alter such scope and terms. A decision shall be rendered within ten (10) working days from the time of submissions to the Arbitration Board.

If the four representatives are unable to select a neutral party as the fifth member within two (2) working days, they shall call upon the Federal Mediation and Conciliation Service or other mutually agreed upon arbitration body for submission of a list of five (5) names. Each party shall alternately strike a name until only one remains and that person shall then serve as the fifth member of the Board of Arbitration.

The expense of the fifth member of the Arbitration Board shall be borne equally by the Union and the involved Employer. Each party shall bear its own expense of arbitration.

The Arbitration Board shall not have authority to render a decision involving a jurisdictional dispute, nor shall there by any authority to render a decision the effect of which would amend, modify, or alter this Agreement or its intent. Time limits for resolution of the grievance may be extended in writing by mutual agreement of the parties.

ARTICLE VIII
JURISDICTIONAL DISPUTES

The assignment of work will be solely the responsibility of the Employer performing the work involved; and such work assignments will be according to decisions and agreements of record. If no such decisions or agreements exist, then the assignments shall be in accordance with established area practices.

Section 1. 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 as follows:

A. Jurisdictional disputes will be resolved by the Procedural Rules and Regulations for the Plan for the Settlement of Jurisdictional Disputes in the Construction Industry, or any successor plan as approved by the Building and Construction Trades Department. In the event such Board ceases to exist or any successor plan is not approved such disputes shall be resolved by the then existing legal procedures.

B. Where a jurisdictional dispute involves any Union not a party to the procedures established for the Plan for the Settlement of Jurisdictional Disputes and is not resolved between the Unions and the Employer, it shall be referred for resolution to the International Unions, with which the disputing Unions are affiliated. The resolution of the dispute shall be reduced to writing and signed by representatives of the International Unions and the Employer. The dispute cannot have the effect of slowing down or stopping any part of the work, and the Employer shall be free to exercise any appropriate course of action to resolve the dispute and restrain anyone responsible for the job disruption.

C. The Employer shall be required to stipulate to the Plan for the Settlement of Jurisdictional Disputes in the Construction Industry for this project only.

D. Individuals violating this Article shall be subject to immediate discharge. Any union violating this article shall forfeit any further claim to the disputed work.

E. Jurisdictional disputes and/or competing claims over work, of any nature, by any unions will not be subject to or resolvable under the grievance procedure provided in this Agreement.

Section 2. In order to safely and efficiently prosecute all work activities, Employers shall assign their work to craft workers who normally perform the identified work scopes, consistent with practices within the construction industry, utilizing skills compatible with safe and efficient prosecution of the work.

Once the assigning of work is determined by the Employer, employees can, and will perform any work assigned to the extent of the employee's ability to safely perform the work. Disputes between the signatory Unions regarding this section will be resolved according to the procedures embodied in this Article VIII.

ARTICLE IX
UNION REPRESENTATION

Section 1. Authorized representatives of the Union on Union business shall have access to the project during working hours. They shall, as regulations of each Employer or the Owner permit, obtain authorization for each visit and they shall comply with visitor and security rules established for the project.

Section 2. Each craft signatory to this Agreement may place one (1) working steward for each Employer to act as a representative of the Union in connection with Union business. Stewards shall be allowed reasonable time to conduct Union business and the Employer(s) shall not discriminate against the steward in the proper performance of his/her Union duties. Each craft may have a steward on the job when work of that craft is being performed. The steward will remain on the job as long as he/she is qualified, willing, and able to perform the work. In the event of overtime work, the Union may name one of the workers performing the overtime work to act as steward

if the regular steward is not qualified to perform the overtime work. The working steward will be paid at the applicable wage rate for the job classification in which he/she is employed. There shall be no non-working stewards. Each steward shall be concerned with the employees of the steward's Employer and not with the employees of any other Employer.

Section 3. If a steward is to be terminated for cause, the Employer will notify the Union in writing, prior to taking such action.

Section 4. On work where the Owner's personnel or personnel of non-signatory employers may be working in close proximity of the construction activities, the Union agrees that Union representatives, stewards and individual workers will not interfere with the Owner's personnel or with the work which is being performed by the Owner's personnel.

ARTICLE X
WAGE AND BENEFITS

Section 1. The hourly wage rates and fringe benefits paid to employees covered by this Agreement shall be the hourly wage rates and fringe benefits in effect from October 1, 1999, through April 30, 2000, as contained in Attachment 1. On May 1, 2000, a Maintenance of Benefits adjustment (to a maximum of 20 cents) will be available for Health and Welfare and Apprenticeship/Training funds. Specific criteria for these adjustments are to be developed by the Union/Management Administrative Committee.

Section 2. Future hourly wage rates and fringe benefit adjustments, effective May 1 of each succeeding year, will be determined by the Union/Management Administrative Committee using the average wage and fringe benefit adjustment as arrived at by the Construction Labor Research Council (CLRC) Southeast States Survey. This adjustment will be determined at least sixty (60) days prior to May 1, 2000, and each succeeding year thereafter.

Section 3. The Employer adopts and agrees to be bound by the written terms of legally established fund trust agreements specifying the detailed basis on which payments are to be made into, and benefits paid out of, such trust funds. The Employer authorizes the parties to such trust agreements to appoint trustees and successor trustees to administer the trust funds and hereby ratifies and accepts the trustees so appointed as if made by the Employer. Nothing contained in this section is intended to require the employer to become a party to nor be bound by a local collective bargaining agreement except for the Employee benefit fund contributions as required herein, nor is the Employer required to become a member of any employee group or association as a condition for making such contributions.

Section 4. Industry promotion or administrative funds or other funds which do not accrue to the direct benefit of employees, covered by this Agreement, are not considered fringe benefits for purposes of this Agreement and will not be surveyed for future adjustments, and need not be paid by the Employer.

Section 5. The Employer agrees that it will, when requested by the Union, deduct from the pay of each employee, who is at the time a member of the Union, or made application to become a member of the Union, current Union working dues from the gross wages. These deductions shall be deducted upon presentation of a proper legal payroll deduction authorization signed by said employee requesting such deduction, and remitted monthly by the 15th of the following month, the aggregate amount of such deduction directly to the respective local Union.

Section 6. Fringe benefit payments shall be paid only on the basis of hours worked not hours paid for, except where this is in violation of existing applicable trust agreements, in which case the provisions of existing applicable trust agreements will prevail.

Section 7. All employees covered by this Agreement shall be paid weekly, by check before the end of their regular shift. When an employee cannot be paid accordingly because of a holiday, he/she shall be paid on his/her last shift before the holiday. Employees affected by layoff (reduction in force) shall be paid in full upon termination. Alternate payment proposals can be developed through the Union/Management Administrative Committee.

ARTICLE XI
HOURS OF WORK, OVERTIME, SHIFT PROVISIONS

Section 1. The standard day shift shall be an established consecutive eight (8) hour period between the hours of 6:00 a.m. and 5:00 p.m., exclusive of a thirty (30) minute unpaid lunch period scheduled by the Employer which may vary between the hours of 11:00 a.m. and 1:00 p.m. A work day starts at the beginning of the day shift and continues for a twenty-four (24) hour period thereafter. The work week starts at the beginning of the day shift Monday morning and continues until the beginning of the day shift the following Monday morning. Forty (40) hours per week shall constitute a week's work, Monday through Friday inclusive.

Section 2. In the interest of efficiency and productivity, the Employer may schedule work on a basis of four (4) ten (10) hour days each week. Any change to this schedule of work shall be subject to the limitation that the Union will be given at least seven (7) calendar days' notice of such change. Should the Employer elect to work the four (4) ten (10) hour schedule, starting and quitting times shall be determined between the hours of 6:00 a.m. and 6:00 p.m. so as to take advantage of conditions such as weather and daylight hours. There shall be a thirty (30) minute unpaid lunch period scheduled by the Employer which may vary between the hours of 11:00 a.m. and 1:00 p.m.

In the event it is not possible to work Monday through Thursday on the ten (10) hour per day workweek because of conditions beyond the Employer's control, Friday shall be available as a makeup day at straight time pay up to forty (40) hours of work.

Time worked over forty (40) straight time hours in the workweek shall be at the overtime rate of time and one-half.

The Friday makeup day will be scheduled as a full ten (10) hour workday and covers all employees, of any employer electing to work.

Section 3. All time worked before or after the established workday of eight (8) hours Monday through Friday and all time on Saturday shall be paid for at the rate of time and one-half (1-1/2). All time on Sundays and the Holidays stated in Article XII shall be paid at the rate of double time. When work is scheduled under the provisions of Section 2 above, overtime will be paid on the basis of work in excess of ten (10) hours per day.

Section 4. If two (2) or three (3) shifts are scheduled, the first shift shall be eight (8) hours, exclusive of a thirty (30) minute unpaid lunch period scheduled by the employer, for which eight (8) hours shall be paid. The second shift shall be seven and one-half (7-1/2) hours exclusive of a thirty (30) minute unpaid lunch period scheduled by the Employer for which eight (8) hours shall be paid. The third shift shall be seven (7) hours, exclusive of a thirty (30) minute unpaid lunch period scheduled by the Employer, for which eight (8) hours shall be paid. All lunch periods can vary during mid-shift hours. Overtime shall be calculated on the base pay rate for actual hours worked in excess of shift hours set forth above. There shall be no requirement for a day shift when either the second or third shift is worked.

Section 5. Shifts shall be established for a minimum of five (5) consecutive workdays.

Section 6. 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 actual time worked. In the case of a situation described above whereby the Employer requests employees to stand by, the employees will be compensated for the standby time. When an employee is directed to report to the work site by the Employer for emergency work, outside of the employee's normal work hours, he/she shall be compensated for a minimum of four (4) hours pay.

ARTICLE XII
HOLIDAYS

The following seven (7) days shall constitute the legal holidays within the terms of this Agreement: New Year's Day, Memorial Day (as designated by the federal government), July Fourth, Labor Day, Thanksgiving Day, the day after Thanksgiving and Christmas Day. There shall be no paid holidays unless worked. In the event a holiday falls on Sunday, the following day, Monday shall be

observed as such holiday. In the event a holiday falls on Saturday, it will be observed on Saturday.

ARTICLE XIII
MINIMUM PAY AND REPORTING TIME

When employees report for work at the time and place specified by the Employer and they are not put to work or they work less than two (2) hours, they shall be paid for two (2) hours at the applicable straight time rate of pay. If after working two (2) hours they are prevented from working a full eight (8) hours, they shall be paid for actual hours worked. It is the intent of this section that employees who show up for work shall be paid at least two (2) hours of a shift except when they have been notified, at the Employer's expense, not to report either by direct contact by the Employer or by the method determined by the Union/Management Administrative Committee. When the proper notice is given and the employees report, they shall not be entitled to reporting pay.

If employees leave the job on their own accord, they will be paid for actual hours worked. If employees report to work in a condition unable to work, they will not be eligible for reporting pay.

ARTICLE XIV
SAFETY, HEALTH, AND ENVIRONMENTAL

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, hygiene, sanitation, and environmental rules and regulations as established by the Employer and Owner. These rules and regulations are to be posted at conspicuous places throughout the Project.

ARTICLE XV
UNION/MANAGEMENT ADMINISTRATIVE COMMITTEE

Section 1. The parties to this Agreement agree to form a Union/Management Administrative Committee consisting of signatory Unions and Employers to promote harmonious labor-management relations, promote adequate communications, promote safety, advance the proficiency of the SNS Project construction related activities program and enhance the ability of labor and management to equitably resolve local issues and problems.

This Committee shall meet at least once a month for a discussion of the efficiency of the operation, problems as they arise and other matters consistent with this Agreement. Proceedings will be recorded along with a list of those in attendance and copies will be made available to all parties to this Agreement.

Section 2. The management members of the Administrative Committee will consist of representatives of Jacobs Sverdrup Constructors Inc., appropriate signatory Employers, as well as major site Employers who are not signatory to this Agreement. This coalition of Employers, with Jacobs Sverdrup Constructors Inc. functioning as Lead Administrator, will be responsible for the successful application and interpretation of this Agreement for all signatory employers. In the event that Jacobs Sverdrup Constructors Inc. cannot function in the role of Lead Administrator, the Unions and Jacobs Sverdrup Constructors Inc. shall mutually agree on a Successor Administrator who shall assume this role on a date specified.

ARTICLE XVI
SUBCONTRACTING

Section 1. Any Subcontractor, of whatever tier, performing covered work on these project sites shall become signatory to this Agreement. Such Subcontractor shall indicate his/her acceptance of the terms and conditions of this Agreement by signing the Agreement and by delivering a copy to the appropriate Union(s) prior to commencement of work on a project site. All Subcontractors, of whatever tier, will arrange and conduct a pre-job conference with the signatory Unions prior to starting their work on a project. Work will not proceed in the event that a pre-job conference is not arranged and held.

Section 2. All Subcontractors will be required to pay a total wage and benefit package as contained in Article X of this Agreement through the duration of their work on the project and will provide certified payrolls to the appropriate Employer's Contract Administrator which will be available to the Union upon request.

ARTICLE XVII
WORK RULES

Section 1. The Owner retains the right to contract directly with other companies for work at the Project site. The Union shall not interfere in any way with the Owners' or these companies' personnel, operation or facilities at the Project site.

Section 2. The selection and number of Foreman and/or General Foreman shall be the responsibility of the Employer being understood that in the selection of such employees the Employer will give first consideration to the qualified workers available through the recognized Union referral procedure(s). The Employer may interview qualified candidates suggested by the Union. Foreman and/or General Foreman shall take direction from supervisors designated by the Employer. Foreman and/or General Foreman shall be held accountable for all work performed by employees under their supervision and will not absent themselves from the area where their crews are working unless their presence is elsewhere required.

The Employer may require General Foremen and Foremen to be working employees.

Section 3. There shall be no limit on production by workers nor restrictions on the full use of tools or equipment. There shall be no restriction other than may be required by safety regulations on the number assigned to any crew or to any services.

Section 4. It is agreed and is the intent of the parties that there be a full day's work for a fair day's wages.

Section 5. There will be no slowdowns, standby crews and make-work practices. As to make-work practices, the Union and Employer will take affirmative action to identify and eliminate all practices that do not advance the efficiency and effectiveness of the work.

Section 6. There shall be no recognized or organized coffee or rest breaks under this Agreement, particularly breaks which stop work at set daily times; provided, however, that workers will be permitted to have personal thermos bottles of coffee which may be consumed at their assigned work location consistent with site safety and health regulations.

Section 7. The Employer and the Union agree that chronic and/or unexcused absenteeism is undesirable and must be controlled. Employees that develop a record of such absenteeism shall be identified and necessary disciplinary action shall be taken, including suspension and/or termination.

Section 8. The receipt, inspection and transportation of materials and the methods, procedures and control for warehousing and storage of equipment, materials and tools shall be the strict prerogative of the Employer.

Section 9. The Employer will have the right to determine crew sizes, including partial crews during inclement weather.

Section 10. Practices not included or specifically set forth in the terms and conditions of this Agreement shall not be recognized.

Section 11. As set forth under Article V of this Agreement, the Owner and any of their suppliers or representatives shall have the right to test, operate, maintain, remove, replace and, in general, service equipment and machinery installed on the work site with personnel who may or may not be covered by this Agreement who shall work under direct supervision of the Owner if such supervision is desirable.

Section 12. The welding torch, small power tools and chainfalls are tools of the trade having jurisdiction over the work being performed.

Section 13. Clock, brass or other accountability system may be used at the option of the Employer to check employees in or out of the Project on a daily basis.

Section 14. Employees will be at their designated work assignment location at the starting time and will remain at their designated work assignment location performing their assigned functions, including tool pickup, under the supervision of the Employer until quitting time. Donning and doffing of required safety equipment and clothing will be at the start time and before the quit time. This section shall be subject to periodic reviews by the Union/Management Administrative Committee to assure maximum work schedule efficiency.

Section 15. Employees will furnish and wear their own safety boots or shoes. Boots or shoes shall be of a sturdy leather type that covers the ankle, have heavy soles and have hard toe protection. The Employer shall replace shoes, tools and personal clothing which become contaminated in the performance of assigned duties and will also replace shoes and tools stolen from an Employer supplied secured area. Replacement of any of the above items will be of at least equal value of the original item. Employees will be responsible for providing proof of purchase and/or original value. This section shall be subject to periodic reviews by the Union/Management Administrative Committee to assure effectiveness and fairness.

Section 16. The Employer retains the right to use any offsite-fabricated, factory-assembled or precast items, materials, apparatus or equipment purchased by the Owner or at the direction of the Owner in connection with this Project, as well as any labor saving devices or tools used in the construction of this Project.

Section 17. The Employers shall not be required to pay for travel, premium zone or zone rates, or living allowances. There will be no wage premiums or extra pay for high time, low time, type of work or material, special skills, wearing of protective clothing or equipment, etc. In no instance will employees be paid for standing by and/or observing operations.

Section 18. Operating Engineer and Teamster employees will operate up to three (3) pieces of major equipment or vehicles during any work day or work shift, as determined by the Employer and there shall be no limitation on the number of changes between the above referenced equipment and/or vehicles.

ARTICLE XVIII
APPRENTICES

Section 1. Recognizing the need to maintain continuing support of programs designed to develop adequate numbers of competent workers in the construction industry, the Employer will employ apprentices in the respective crafts

to perform such work as is within their capabilities and which is customarily performed by the craft in which they are indentured.

Section 2. The Union and Employer agree to the use of pre-apprentices, helpers, subjourneymen or other classifications as applicable to each craft to do work within their craft jurisdiction when these classifications are approved by the Department of Labor as part of a Davis-Bacon wage determination. The rate of pay will not exceed sixty percent (60%) of the applicable journeyman rate.

Section 3. The combined employment of apprentices and other non-journeyman classifications may be thirty-three and one-third percent (33-1/3%) of the craft work force at all times, and the composition of this ratio shall be at the craft's discretion.

ARTICLE XIX
NON-DISCRIMINATION

It is agreed that equal employment opportunity shall be afforded to all qualified persons without regard to: handicapping conditions unrelated to the successful accomplishment of the job for which employed, age, race, creed, color, sex or national origin. This shall be applicable to all matters relating to hiring, training, promotion, transfer or termination of employees.

ARTICLE XX
NO STRIKE - NO LOCKOUT

Section 1. The Council and the signatory Unions agree that there will be no strikes, threats of strikes, work stoppages, picketing, handbilling, public notices or other disruptive action for any reason. Participation by an employee or group of employees in an act violating this Article will be cause for discharge by the Employer. If there is a strike, threat of strike, work stoppage, informational picket or picket line in violation of this Agreement by any craft, it is agreed that the other crafts will be bound to ignore such action and continue to work without interruption. The Council will support the Employer in maintaining operations in every way during such work stoppage.

Section 2. If a work stoppage occurs with any signatory Union over contract negotiations of a local or area labor agreement, the Union will continue to work under this Agreement.

Section 3. The Employer may suspend a portion of the work or shut down the Project or any portion thereof in the event of a slowdown by one or more Unions or a partial or complete work stoppage by one or more Unions.

Section 4. Nothing in the Agreement shall be construed to limited or restrict the right of the Unions or the Employer to pursue fully any and all remedies available under law in the event of a violation of this Article.

ARTICLE XXI
SECURITY

During the terms of this Agreement, the Unions will do their utmost to protect the security of restricted data as defined in the Atomic Energy Act of 1954, as amended, and other classified information and will not reveal any such information to any person not specifically cleared for the receipt of such information by the DOE. No person will be cleared for the receiving of such information except where such information is necessary for performance of work desired by the DOE. It is recognized that the Employer has agreed, where appropriate, to employ only persons whose employment DOE has determined will be clearly consistent with the national interest and will not endanger the common defense and security and to remove from work and exclude from the area any other person. Furthermore, the Union, all members of the Union, the Employer, and all employees of the Employer are required to comply with all security regulations now in effect, or as may be promulgated by DOE.

ARTICLE XXII
ILLEGAL DRUGS, CONTROLLED SUBSTANCES, CONTRABAND, WEAPONS, STOLEN PROPERTY AND UNAUTHORIZED ITEMS

Section 1. The Employer is committed to the establishment and maintenance of a safe and efficient work environment for all employees free from the effects of alcohol, illegal drugs, other controlled substances, and prohibited items. This article establishes the guidelines applicable to all Employer operations.

Section 2. This Article prohibits the use, possession, concealment, transportation, promotion or sale of the following items or substances on Employer/Owner premises* -

- Illegal drugs, designer and synthetic drugs, prohibited drugs and drug-related paraphernalia
- Controlled substances such as medications when usage is abused
- Unauthorized alcoholic beverages
- Firearms, weapons and ammunition - except when authorized for security purposes
- Unauthorized explosives
- Stolen property or contraband

*NOTE: Employer/Owner premises refer to all property, offices, facilities, land,

buildings, structures, fixtures, installations, aircraft, automobiles, vessels, trucks and all other vehicles and equipment - whether owned, leased or used.

Section 3. Employees who violate this Article or the established Substance Abuse Prevention Program will be subject to disciplinary action up to and including termination.

Section 4. The Employer reserves the right to establish drug and/or alcohol search and screening procedures consistent with applicable local, state and federal laws.

Section 5. The Union shall support the Employer in the development, implementation and administration of the substance abuse prevention programs.

Section 6. The Employer and all employees will participate in and fully comply with any owner-imposed substance abuse prevention programs when such programs are a contractual condition.

ARTICLE XXIII
LABOR/MANAGEMENT INNOVATION INITIATIVES

Section 1. Present and future work efficiency and effectiveness, within the scope of work of this Agreement, is supported and promoted by all signatory Employers and Unions. Therefore, all parties are encouraged to develop and institute, by mutual agreement, innovative approaches and concepts applicable to special and/or unusual work conditions. These approaches and concepts shall not be in conflict with the spirit and intent of this Agreement. Examples of special initiatives would be:

A. Partnership and teaming programs that promote worker involvement in improving safety, cost, schedule and quality performance.

B. The establishment of incentive pay programs for craft workers, when practical and appropriate to the Employer's contractual arrangements. The intent of a program of this nature would be to reward workers for positive contributions to improving cost, safety, schedule performance and quality of work.

C. Work and shift schedules that may be required for special or innovative work approaches.

Section 2. The SNS Project has been designated a Mega Construction Project by the Office of Federal Contract Compliance Programs (OFCCP). The Mega Construction Project initiative stipulates the establishment of an oversight committee and special reporting aimed at increasing the participation rates of

minorities and women in the trades involved in the Project. All signatory Employers and Unions agree to cooperate fully with the oversight committee, to serve on the committee if called upon, to fulfill reporting requirements, to utilize the resources provided by the committee, and to participate in developing and using strategies to enhance good faith efforts in goal attainment.

Section 3. The above examples are not all inclusive; the intent of this article is to allow and encourage Employers and Unions to explore, discuss and institute labor/management programs that benefit the worker, Employer Union and client. The development of new work approaches under this Article does not require reopening of the Agreement.

ARTICLE XXIV
GENERAL SAVINGS CLAUSE

Any provisions in this Agreement which are in contravention of any federal, state, local or county regulation or laws affecting all or part of the limits covered by this Agreement shall be suspended in operation within the limits to which such law or regulation is applicable for the period during which such law or regulation is in effect. Such suspension shall not affect the operation of any such provisions covered by this Agreement to which the law or regulation is not applicable. Nor shall it affect the operations of the remainder of the provisions of the Agreement within the limits to which such law or regulations is applicable. The Employer and the Unions agree that if and when any provision of this Agreement is held or determined to be illegal or void, they will then promptly enter into lawful negotiations concerning those provisions.

ARTICLE XXV
ENTIRE UNDERSTANDING

The parties agree that the total results of their bargaining and the entire understanding between the parties is embodied in this Agreement.

ARTICLE XXVI
DURATION

This Agreement shall be effective October 1, 1999, through the completion of construction for the SNS Project, and shall continue in full force and effect from year to year thereafter, unless the Administrator or the Unions give written notice to the other of a desire to change, amend, modify or terminate this Agreement at least ninety (90) days, but not less than sixty (60) days prior to October 1 of each succeeding year.

The parties, by their signatures below, hereby agree to the above terms and conditions.

Jacobs Sverdrup Constructors Inc.

Andrew E. Carlson
Chairman and President

Knoxville Building & Construction Trades Council

Dean Ball
President

Employer

Company		
Address		
City	State	Zip

Signature	Date
Name (print)	Title
Phone	Fax

SIGNATORY UNIONS

Boilermakers' Local 453

International Union of Bricklayers and Allied Craftworkers **Local 5**

United Brotherhood of Carpenters and Joiners of America - Tennessee Carpenters Regional Council - Carpenters' Local 50 and Millwrights' Local 1544

Operative Plasterers' and Cement Masons' International Association - Local 78

International Brotherhood of Electrical Workers - Local 270

International Association of Heat and Frost Insulators and Asbestos Workers - Local 46

International Association of Bridge, Structural Ornamental and Reinforcing Iron Workers - Local 384

Laborers' International Union of North America - Local 818

International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America - Local 519

International Union of Operating Engineers - Local 917

International Brotherhood of Painters and Allied Trades - Local 437

United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada - Local 102

United Union of Roofers, Waterproofers and Allied Workers - United Union of Roofers, Water- Local 176

Sheetmetal Workers' International Association - Local 5

Road Sprinkler Fitters' - United Association - Local 669