

## MEMORANDUM OF UNDERSTANDING


This Memorandum of Understanding ("MOU") is entered into by and between Operating Engineers Local Union No. 3 (the "Union") and Associated General Contractors, Inc. of California ("AGC") with regard to monies paid by signatory contractors pursuant to Payroll Protection Program (PPP) Loans.

The Union and CEA agree as follows:

1. If PPP Loan proceeds are used to pay employees who are not actively working, the signatory contractor shall pay the normal taxable amounts (base wage, Vacation, Holiday and Sick Pay and Supplemental Dues), Health & Welfare, Pensioned Health & Welfare, Pension, Annuity and Vacation/Holiday/Sick Pay Administrative Fee, but the signatory contractor shall not be required to pay the other miscellaneous fringe benefits (Affirmative Action Training Fund, Industry Stabilization Fund, Job Placement Center/Market Area Committee Administrative Fee, Business Development & Marketing Trust and Contract Administration).
2. If the total taxable amount for an individual employee is greater than \$48.08 per hour, the signatory contractor may cap the taxable amount at \$48.08 per hour, in which case the full amount shall be paid for Vacation, Holiday and Sick Pay and Supplemental Dues and the base wage will be reduced to total \$48.08 per hour.
3. Each signatory contractor will notify the Union and the Local 3 Trust Funds when its 8-week PPP Loan period began and when it ended. This MOU shall apply to the entire 8-week PPP Loan period, even if the PPP Loan period started before this MOU was signed.
4. This MOU shall not apply to employees who are actively working (including covered and non-covered work) during the 8-week period covered by a contractor's PPP Loan.
5. Any disputes regarding the interpretation or application of this MOU shall be resolved pursuant to Section 18 of the Master Agreement between the Union and AGC.

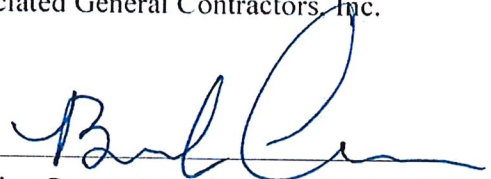
Dated: July 21, 2020

Operating Engineers Local Union No. 3

By:   
Dan Reding, Business Manager

Dated: July 21, 2020

Associated General Contractors, Inc.

By:   
Brendan Carter, Associate VP of Labor Relations

CONTRACTS

JUL 21 2020