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MEMORANDUM OF UNDERSTANDING
between the
WESTERN STATES REGIONAL COUNCIL OF CARPENTERS
and
ASSOCIATED GENERAL CONTRACTORS OF WASHINGTON, INC.

The Western States Regional Council of Carpenters ("Union") and Associated General Contractors of Washington, Inc. have entered into this Memorandum of Understanding ("MOU") to clarify the terms of the MEMORANDUM OF UNDERSTANDING REGARDING CONTRIBUTION RATES WITHIN THE 2021 – 2024 AGREEMENT AND EXTENSION, dated March 28, 2024 ("Extension"):

1. The Extension entered into between the parties contains the following clause:

> "The Parties agree to implement an alternative payment structure for sick leave payments under the Washington State Paid Sick Leave Law by establishing a joint Labor Management PTO fund to replace or alter the existing vacation program (hereinafter "PTO fund"). The parties have allocated two dollars ($2.00) of the negotiated increase to be allocated to the fund once the program is established. This PTO fund must be fully compliant with the Washington Paid Sick Leave provisions in RCW 49.46.180 – 49.46.830 and its implementing regulations. The PTO fund must also constitute an express waiver of those sick leave provisions in accordance with RCW 49.46.180(1)(c). The PTO fund must be defined as 'usual benefits' to be included in the prevailing wage and include protections should the sick leave law be changed to disallow pre-payment of sick leave benefits. Should this program be found to not meet the construction exemption of RCW 49.46 by rule, amendment, direction, decree, or order from an arbitrator, or a court of competent jurisdiction, Washington's Department of Labor and Industry, the State, or any Local government or agency, the obligation to contribute under this program will immediately cease and the parties will bargain for an alternative solution."

2. The Parties have determined and agree that, The Southwest Carpenters Vacation, Sick Leave and Paid Time Off Plan ("Vacation/PTO Fund") will be compliant with Washinton Paid Sick Leave Provisions in RCW 49.46.180 – 49.46.180 ("WA Paid Sick Leave Law") effective January, 1 2025. The Parties agree that, effective June 1st, 2024, the Parties have allocated two dollars ($2.00) from the 2024 (Year 1) Total Package to The Vacation/PTO Fund. The Parties agree any individual Employee hours accrued under WA Paid Sick Leave Law prior to January 1, 2025 will be honored by the Employers in accordance with the WA Paid Sick Leave Law. The Parties agree that the Washington Paid Sick Leave provisions in RCW 49.46.180 – 49.46.830 and its implementing regulations will be exempted, and this is an express waiver in accordance with RCW 49.46.180(1)(c).

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3. To that end, the Parties agree the two dollars ($2.00) allocated, as of June 1, 2024, to the Vacation/PTO Fund have accrued within the Vacation/PTO Fund, the Employers will honor any individual Employee hours accrued in accordance with WA Paid Sick Leave Law prior to January 1, 2025 thereby enabling the Vacation/PTO Fund to assume administration of paid sick leave from Employers effective January 1, 2025 while continuing to meet the requirements of the Washinton Paid Sick Leave Law.

Dated: 08/15/2024

ASSOCIATED GENERAL CONTRACTORS OF WASHINGTON, INC.

DocuSigned by:
By: Bill DeJarlais
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Print: Bill DeJarlais
Date: 8/15/2024

DocuSigned by:
By: Randy Boettcher
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Print: Randy Boettcher
Date: 8/15/2024

WESTERN STATES REGIONAL COUNCIL OF CARPENTERS

Signed by:
By: Stephen A. Araiza
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Print: Stephen A. Araiza
Date: 8/15/2024

Stephen Araiza, Director of Contract Administration