

**Associated General Contractors of Alaska  
And  
International Union of Operating Engineers Local 302**


**Letter of Understanding**

Subject: Termination of Locals 302 and 612 of the International Union of Operating Engineers-Employers Construction Industry Defined Contribution Trust

The Trustees agreed to terminate the Trust for several reasons. The expenses of the Trust were becoming prohibitive versus the contributions and returns. Annual expenses for this Trust (total assets of approximately \$1.5 million) are eroding the assets, and returns are low due to the market and small size of the Trust. Therefore, the following action has been taken: 1) consent of the bargaining parties to terminate the Trust has been obtained; and 2) the Trust has submitted a determination qualification letter from the IRS relating to this termination.

As the Trustees are terminating the Defined Contribution Trust, all language in the current Collective Bargaining Agreement between the Associated General Contractors of Alaska and Local 302 of the International Union of Operating Engineers, at Section 2, and under "Pensions" at Schedule A, regarding the Locals 302 and 612 of the International Union of Operating Engineers-Employers Construction Industry Defined Contribution Trust, is hereby deleted effective on March 31, 2010, the day prior to the April 1, 2010 date of termination determined by the Trustees.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed by their duly authorized representatives this 1<sup>st</sup> day of August 2010.

  
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John MacKinnon, Executive Director  
ASSOCIATED GENERAL CONTRACTORS  
OF ALASKA

  
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Daren Koropaski, Business Manager  
INTERNATIONAL UNION OF OPERATING  
Engineers, Local 302