

LABORERS' INTERNATIONAL UNION OF NORTH AMERICA

In re: Supervision Proceeding)
LIUNA Local 2, Chicago, IL) No.

SUPERVISION AGREEMENT

The General Executive Board ("GEB") Attorney of the Laborers' International Union of North America ("LIUNA") and Local Union No. 2 ("Local 2"), by and through its Executive Board (hereinafter, the Parties), enter into this agreement the 1st day of May, 2002, in order to resolve certain matters under investigation by the Inspector General ("IG") and the GEB Attorney's Office with respect to the internal affairs of Local 2.

WHEREAS, the IG and the GEB Attorney have become aware of allegations of: (1) the improper exclusion of a Local 2 member from participation in a membership meeting; (2) failure to observe prudent financial procedures, including but not limited to, unauthorized loans, paycheck advances, and use of the Local's credit cards; failure to control and document cost of renovations to the Local's Hall; failure to control travel expenses for the 2001 Convention in Las Vegas, Nevada; and (3) use of the Local's mailing lists for a mailing for a foot doctor without prior approval from the General President.

WHEREAS, the Parties agree that supervision over the affairs of Local 2 is appropriate for the following purposes among others: resolving the issues under investigation by the IG and the GEB Attorney's Office; assuring that the Local is operated in a democratic manner; although no funds have been determined to be missing, insuring prudent financial practices are followed, and advancing the objectives of the International and Local Union Constitutions in a manner that serves the best interests of the membership of Local 2.

THEREFORE, the Parties agree as follows:

1. Pursuant to Article IX, Section 7 of the Constitution of the Laborers' International Union of North America, Local 2 consents to the appointment of a Supervisor who shall be authorized to exercise all of the powers and responsibilities set forth in that Section. The Supervisor shall be authorized to take full charge of the affairs of Local 2 during the period of Supervision and to take any and all action that, in the Supervisor's judgment, is necessary to preserve or manage the Local and to protect its interests consistent with this agreement and LIUNA's governing law. Such authority shall include, but will not be limited to, the power (a) to appoint or replace any union trustee of any trusts or funds established by or associated with Local 2; (b) to appoint, terminate or replace any employees or officers, consistent with paragraph four (4) of this Agreement; (c) to appoint, terminate, replace and/or supervise any stewards; (d) to retain or replace lawyers, accountants, other professionals, and service providers on behalf of Local 2 after consultation with the Executive Board; and (e) to retain persons to assist the Supervisor in the exercise of these responsibilities.

2. The Supervisor shall have full and sole authority to manage, conduct, and oversee the financial affairs of the Local, including signature authority over checks, orders and accounts of Local 2. The Supervisor shall have the authority to delegate these powers in his or her discretion.

3. The GEB Attorney shall have complete authority to select the Supervisor and, if necessary, to replace the Supervisor during the period of Supervision.

4. The Supervisor, in his or her sole discretion, shall have the authority to remove and to replace an officer upon concluding that such action is consistent with the purposes and provisions of the LIUNA Constitution, the Ethical Practices Code, and/or the Ethics and Disciplinary Procedure. Members of the Executive Board may exercise only such authority as shall

be delegated to them by the Supervisor, who shall have discretion to exercise the powers granted in paragraph one, above.

5. The Supervisor or designee shall preside over all meetings of Local 2, unless in the Supervisor's discretion, the Supervisor authorizes the appropriate officials of Local 2 to conduct the proceedings.

6. The costs of the Supervision, including the salaries or fees of the Supervisor, any deputy Supervisor, or assistants shall be borne by Local 2.


7. The GEB Attorney reserves all rights to seek to impose a trusteeship over Local 2 in accordance with the LIUNA Constitution or to initiate disciplinary actions against any member, officer or employee of Local 2. Deliberate violations of this Agreement by Local 2, its officers, members or employees will constitute obstruction and may be grounds for a trusteeship or disciplinary action under the Ethics and Disciplinary Procedure.


8. The anticipated term of this Supervision shall be for a period of eighteen (18) months; however, following consultation with the Supervisor of Local 2 and LIUNA's Regional Manager, the GEB Attorney, in his sole discretion, may limit the period of the Supervision to less than eighteen (18) months or extend the Supervision beyond the eighteen (18) month period.

9. The Supervision shall commence May 8, 2002.


10. Any dispute arising hereunder shall be adjudicated before the Independent Hearing Officer in accordance with such rules as he shall devise.

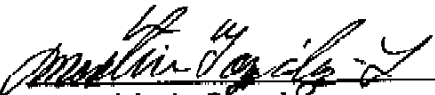
EXECUTIVE BOARD
LOCAL 2


Name: Terrence Bohne
Title: Business Manager/President

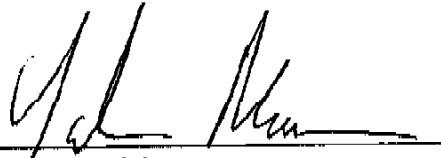

Name: Charles Auriemma
Title: Recording Secretary


Name: Reggie Robinson
Title: Secretary-Treasurer

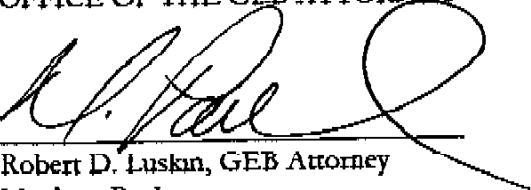

Name: Juan Hernandez
Title: Vice-President


Name: Martin González
Title: Executive Board Member


Name: Rufus Chapman
Title: Executive Board Member


Name: Yann Mann
Title: Executive Board Member

OFFICE OF THE GEB ATTORNEY


Robert D. Luskin, GEB Attorney
Matthew Paul