

AGREEMENT

BETWEEN

FAMILY TREE SERVICES, INC.

And

LOCAL UNION 1245

OF THE

**INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS, AFL-CIO**



Term: January 1, 2013 through December 30, 2017

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This Agreement is made and entered into this 1 day of January 2013 by and between Family Tree Services, Inc. hereinafter referred to as the "Company" and Local Union 1245 of the International Brotherhood of Electrical Workers, AFL-CIO, hereinafter referred to as the "Union".

WITNESSETH THAT:

WHEREAS, the parties hereto desire to cooperate in establishing fair and equitable wages, hours, and working conditions for the employees hereafter designated, to facilitate the peaceful adjustment of differences that may from time to time arise between them and to promote harmony and efficiency to the end that Company, Union and other interested parties may benefit there from.

NOW, THEREFORE, the parties hereto do agree as follows:

**ARTICLE I
RECOGNITION**

1:1 For the purposes of collective bargaining with respect to rate of pay, wages, hours and other conditions of employment, the Company recognizes the Union as the exclusive representative of those categories of employees designated in National Labor Relations Board Case No. 20-RC-4720, who are employed by the Company doing tree surgery for utilities in the areas of California serviced by Pacific Gas and Electric Company, the Sacramento Municipal Utility District, the City of Palo Alto, the City of Redding, and the City of Shasta Lake, (Amended 11/23/99)

1:2 The Company is engaged in rendering service to a public utility which renders service to the public, and the Union and the Company recognize that there is an obligation on each party for the continuous rendition and availability of such services.

1:3 The duties performed by employees of the Company as part of their employment pertain to and are essential in operation of a public utility and the welfare of the public dependent thereon. During the term of this Agreement, the Union shall not call upon or authorize employees individually or collectively to cease or abstain from the performance of their duties for the Company, and the Company shall not cause any lockout.

1:4 Employees who are members of the Union shall perform loyal and efficient work and service, and shall use their influence and best efforts to protect the properties of the Company and its service to the public.

1:5 The Company and the Union support the principles of collective bargaining and self-organization and further, shall cooperate in promoting and advancing the mutual welfare of all concerned and in preserving the continuity of service to the public at all times.

1:6 It is the policy of Company and Union not to discriminate against any employee because of race, creed, sex, age, religion, color, disability, veteran status or national origin, as defined in any applicable federal and/or state law.

ARTICLE II
UNION SECURITY AND ACTIVITY – MANAGEMENT RIGHTS

2:1 (a) All employees covered by the terms of this Agreement shall be required to become and remain members of the Union or to pay an Agency Fee in lieu thereof as a condition of employment from and after the thirty-first (31st) day following the date of their employment, or the effective date of this Agreement, whichever is later.

(b) An employee who is or who becomes a member of the Union shall, as a condition of employment, maintain his membership in the Union.

c) The Union shall indemnify and save the Employer harmless against any and all claims, demands, suits or other forms of liability that shall arise out of or by reason of action taken by the Employer for the purpose of complying with any of provision of this Article.

2:2 Company shall deduct from their wages and remit to the proper officers of Union, the membership dues of the members of Union as provided in Subsection 2:1 who individually and voluntarily authorize such deductions in writing. The form of check-off authorization shall be approved by Company and Union.

2:3 Upon written request from the Union, the Company shall within thirty-one (31) calendar days, terminate the employment of any employee who fails to comply with the requirements of this Article.

2:4 If any dispute arises under the provisions of this Article; it shall be adjudicated under the grievance procedure provided for in this Agreement.

2:5 Company and the Union shall not discriminate against any employee because of his membership in Union or his activity on behalf of Union.

2:6 The Business Manager of the Union and/or his representatives shall have access to the Company's properties during regular working hours for the purpose of transacting Union business. The Union shall furnish the Company with a list of such representatives who shall be furnished with proper identification. This privilege shall not be abuses by the Union, nor shall the Union interfere with normal work of the Company.

2:7 Company shall provide all new employees with appropriate membership application forms on the first day of employment. All materials necessary to accomplish the above including postage shall be furnished to the Company by the Union. Company will furnish the Union on a quarterly basis with the name, address and social security number of all new employees or those returning from an extended leave of absence (i.e., LTD, Family Medical Leave, etc.) covered by this Agreement.

2:8 Company shall permit Union members to put one approved Union decal not to exceed 2 inches in diameter on their hard hats.

2.9 Management Rights

(a) Except as expressly modified or restricted by a specific provision of this Agreement, all inherent managerial rights, prerogatives, and functions are retained and vested exclusively in the Employer, including but not limited to, the rights, in accordance with its discretion: to reprimand, suspend or discharge for just cause, or otherwise discipline employees for just cause; to determine and revise the number of employees to be employed; to hire employees, and assign and direct their work; to promote, demote, transfer, lay off, recall to work; to train, retrain, and to test and determine their ability; to set and revise standards of work quality; to determine and change the equipment to be used and operated; to determine and change the staffing methods, means, and facilities by which operations are conducted; to control, regulate, delete or change the use of machinery, facilities, equipment and other property of the Employer and operating procedures pertinent thereto with the Employer providing employee training and education on operation of any new machinery and equipment; to schedule and reschedule work, jobs, and assignments; to introduce new or revised equipment and/or service or services; to determine the number, location and operation of bargaining unit work; to establish and revise safety standards; to conduct performance reviews of employees; to issue, amend and revise policies, rules, regulations, and practices not inconsistent with the specific terms of this Agreement; and to assure continuous performance of the unit's work. The enumeration of the above Employer's prerogatives shall not be deemed to exclude its other prerogatives not herein listed in this section.

(b) The Company maintains certain reasonable policies and practices by necessity, since all employment is based on successful execution of customer contracts which specify high standards of workmanship, conduct, productivity and safety. Violations of such policies and standards by employees, which shall be cause for disciplinary action or discharge, include but are not limited to (a) failure to observe safety rules, (b) dishonesty, (c) repeated tardiness, (d) unexcused absence, (e) getting into altercations with, or using profane or abusive language to customers, property owners, and/or tenants and fellow employees during working hours, (f) gross carelessness in the performance of duties, (g) causing damage to Company equipment by carelessness or improper use, (h) unauthorized use of Company equipment, (i) use of alcoholic beverages or narcotics during working hours, and (j) falsifying records.

ARTICLE III HOURS AND OVERTIME

3:1 A workweek is defined as seven (7) consecutive calendar days, from Saturday midnight to Saturday midnight. The basic workweek shall consist of five (5) workdays of eight (8) hours each and shall begin Monday and run through Friday, except when a job other than for a public utility is to be done on Saturday, then the Company may assign another day as a non-workday and Saturdays becomes a workday in the basic workweek. An extended workweek shall begin at starting time Monday and continue until the next Monday starting time. The regular hours of work for all employees shall be from 7:00 a.m. to 3:30 p.m. with a meal period of thirty (30) minutes which normally will be from 12:00 noon to 12:30 p.m. provided, however, that the regular lunch period may be advance or delayed an hour or less when work must necessarily be performed during the regular lunch period. Such a change in the lunch period shall not be deemed to require the payment of overtime.

The regular hours of work may be changed by the Company at the request or direction of the public utility or governmental authorities, and by mutual agreement between the Company and the Union. Such a change in the regular hours of work shall not be deemed to require the payment of overtime.

3:2 Employees shall report to work at pre-determined assembly points and shall return thereto at the conclusion of the day's work; and the time spent in traveling between such assembly points and the job site shall be considered as time worked.

3:3 Overtime is defined as (a) time worked in excess of forty (40) hours in a workweek, (b) time worked in excess of eight (8) hours on a scheduled workday, (c) time worked in excess of ten (10) hours up to and including (12) twelve hours for all employees working an agreed-to four-day, ten-hour work schedule, (d) time worked on a non-workday, except as provided for in Section 5:2, (e) emergency work outside of regular hours of work on a workday, and (f) time worked on a holiday. Overtime shall be computed to the nearest quarter hour. Nothing contained herein shall be construed to require payment of overtime under more than one of the foregoing definitions for a single period of overtime.

Overtime compensation shall be paid at a rate of pay equivalent to one and one-half times (1 ½Xs) the regular rate of pay for all hours worked in excess of eight (8) hours up to and including twelve (12) hours worked in any workday. Compensation shall be paid at two times (2Xs) the employee's regular rate of pay for all hours worked in excess of twelve (12) hours, until the end of the work shift. The end of the work shift is defined as a reasonable period of time off the job.

3:4 Company shall not require employees who have been required to work overtime to take equivalent time off during a workday.

3:5 (a) Emergency Work: Employees who are required to report for emergency work on non-workdays, or outside of their regular hours of work on a scheduled workday or on holidays which they are entitled to have off, shall be paid overtime compensation for the actual work time and for travel time in connection therewith, but such travel time shall not exceed one-half (1/2) hour.

(b) Prearranged Overtime: When, at the request of the supervisor in charge, an employee reports for prearranged work (a) on workdays outside of his regular work hours, he shall be paid overtime compensation for actual work time; (b) on non-workdays or on holidays he shall be paid overtime compensation for actual work time. For the purpose of this section, prearranged work is deemed to be work for which advance notice has been given prior to the end of the employee's normal work hours on the preceding day. Prearranged overtime will be voluntary, except when employees are working a 10 hour schedule approved by the Company and the Union.

3:6 Employees who report for work as provided in Section 3.5 (a) shall be paid a minimum of two (2) hours pay at the overtime rate. Employees who report for work provided under 3.5 (b) shall be paid a minimum of two (2) hours pay, at the overtime rate even if work is canceled for any reason. However, Company will not be required to pay overtime rate if the two (2) hour minimum goes into employees regular work hours on regular workdays.

3:7 Overtime work shall be distributed among employees in the same classification and in the same location as equally as is practicable.

3:8 When the Employer decides to offer a four (4) day, ten (10) hour schedule the following shall apply:

(a) Employees shall vote to change to the 4 day, 10 hour a day work schedule by secret vote, within the affected headquarters or division, whichever is applicable. The Company shall inform employees of the starting date and estimated stop date of the 4 day 10 hour work schedule.

(b) It shall take a two-thirds (2/3) majority vote in order to implement the 10 hour schedule.

(c) The basic workweek while on the 10-hour schedule shall be either Monday through Thursday, or Tuesday through Friday.

(d) The Company may designate a non-work day during the normal workweek (M-F) as a mandatory pre-arranged overtime day.

(e) When possible, the Company agrees to utilize an IBEW Local Union 1245 Shop Steward in the voting process.

(f) The Company agrees to send the Union copies of all employee-voting criteria by area and vote.

(g) With ten (10) days advance written notice, the Company may cancel the 4 day 10 hour work schedule, returning to the 5 day 8 hour work schedule.

ARTICLE IV INCLEMENT WEATHER

4:1 Employees who report for work on a workday or for prearranged work on a workday and are unable to work in the field because of inclement weather, heat or other causes, shall be paid for actual time worked, if any, but not less than two (2) hours at straight-time rates. Employees receiving subsistence as provided for in Section 5:2 shall continue to receive subsistence in addition to the amount provided for under this Section.

(a) The determination for laying off on an inclement day shall not be at the discretion of the Foreman and the employees shall work on such days unless specifically notified otherwise by Company Supervision.

4:2 Subject to approval of the General Foreman or Supervisor, those employees who, due to inclement weather or other excused absences were prevented from working forty (40) straight-time hours in a given workweek shall be permitted to work on a non-workday within the same workweek the number of hours necessary to total forty (40) straight-time hours for the week, but not to exceed eight (8) hours.

(a) It is intended that when such cases occur, employees who did not work because of inclement weather or other excused absences on a regular workday may be required to work on their next non-workday, but where agreement is reached between the General Foreman or Supervisor and the employee, the employee shall be excused from working on such make up day.

ARTICLE V EXPENSES

5:1 If Company requires an employee to work two (2) hours beyond regular work hours on an eight-hour workday or prearranged eight-hour non-workday, and each succeeding five (5) hours thereafter, the employee shall be granted a meal allowance of thirteen dollars (\$13.00). Time taken to consume such meals (30 minutes per meal) shall be considered as time worked and paid at the appropriate rate therefore. On a four-day ten-hour schedule, employees will be granted a meal after one (1) hour of overtime. Company may prearrange employees with 4/10 schedules for ten-hour shifts on non-workdays without making meal payments. Employees provide their own first meal on prearranged shifts. Company is required to provide meals or payments in lieu on emergency call-out shifts.

(a) If Company requires an employee to perform emergency work on days starting two (2) hours or more before regular work hours and such employee continues to work into regular work hours, the

employee shall be paid a meal allowance of thirteen dollars (\$13.00) for the first meal and a meal allowance of thirteen dollars (\$13.00) for every five (5) hours thereafter.

5:2 Employees who are assigned to work over sixty (60) miles from their assigned headquarters shall be allowed twenty-five dollars (\$25.00) per day as subsistence for each day worked at the temporary headquarters. Time spent traveling to such temporary jobs at its beginning and from its conclusion shall be paid for by Company. Company agrees to provide lodging when the Company assigns employees over 100 miles from their regular assigned headquarters.

Temporary work as used in this Article shall mean any assignment away from their regular established headquarters lasting ninety (90) days or less.

For employees assigned to a temporary work location or assembly point more than 60 miles away the following sequence will be observed:

- (1) The most senior volunteers in appropriate classifications.
- (2) The least senior individuals in the appropriate classifications.
- (3) Individuals relocated to another temporary headquarters will not be moved again until other individuals in the base headquarters have been relocated temporarily at least once. A temporary headquarters change will consist of a minimum of 15 consecutive workdays for an individual prior to activating the rotation process. (Individuals can volunteer to remain in the temporary assignment for longer than fifteen days.)

5:3 In other than emergency situations, the Company shall give at least forty-eight (48) hours notice to an employee who is to be sent out of town for temporary work, in order that the employee may have time to prepare for the trip.

5:4 It shall not be a condition of employment for an employee to use their personal automobiles or vehicles for Company's convenience.

5:5 Employees who are requested by the Company to use their personal automobiles for Company's convenience shall be reimbursed therefore at the appropriate rate as determined by the IRS for the mileage reimbursement.

ARTICLE VI SENIORITY

6:1 Seniority is defined as the length of continuous service with the Company. Continuity of service shall be deemed to be broken when (1) an employee is discharged for cause; (2) except as otherwise modified by Section 10:3, an employee voluntarily terminates employment or voluntarily takes a layoff; (3) an employee has been laid off for more than six (6) consecutive months; or (4) an employee has violated the provisions of Article VIII, Section 8:6.

6:2 New employees within the bargaining unit will be probationary employees until they have been employed and actually worked within the bargaining unit for six (6) months (1040 hours) within any consecutive twelve (12) month period, and their seniority shall be adjusted accordingly. When employees complete six (6) months probationary period, their seniority date will be adjusted by moving their seniority date back six (6) months from the completion date. During the probationary period, Company may demote,

lay off, discipline or terminate such employee and such action shall not be subject to the grievance procedure.

6:3 Any employee entering the Trimmer Trainee classification with one (1) year or less of seniority will be subject to a six (6) month classification probationary period. Company may demote, layoff or terminate such employee and such action will not be subject to the grievance procedure.

6:4 Company shall furnish the Union with a seniority list including wage rates and division location by General Foreman area of all employees covered by this Agreement and shall keep the Union advised of all deletions or corrections at three (3) month intervals upon a request from the Union.

6:5 Seniority shall be used as the basis for determining such benefits as transfer rights, protection against demotion and layoff, hospital and life insurance, etc.

6:6 When the Company assumes a contract in an area where the work was formerly performed by another contractor signatory to Union, the following applies:

- (1) The Company will make a good faith effort to retain Union line clearance and vegetation control personnel who formerly worked the area.
- (2) With respect to employees who are hired within thirty (30) days of the Employer assuming a contract from another contractor:
 - a.) Employees who previously served a probationary period under a line clearance collective bargaining agreement shall be subject to a ninety (90) day probationary period with this Employer.
 - b.) Company agrees to place former employees of another contractor on the wage scale under this Agreement based upon the length of experience in the job classification the employee has with the other contractor. Where the Company takes over work in a new area and does not have a wage scale for that area, the Company will adopt the wage rates of the other contractor. In either event, the Company reserves the right to require evidence of the wage rate paid to these employees by the other contractor.
 - c.) For purpose of determining vacation or paid time-off (in this agreement referred to as PTO), the length of continuous union membership in Local 1245 will be used.
 - d.) For purposes of transfer, demotion, promotion and layoff, the Company seniority will be used.
 - e.) The Company shall offer those employees hired following the assumption of another contractor's area as provided in this Section with health care benefits (as described in Article XVI) the first of the month following three (3) months of service with the Company.

6:7 The continuity of an employee's service shall not be broken by absence for any of the following reasons, and his Company seniority shall accrue for the period of any such absence.

(a) Induction, enlistment, or active duty in the Armed Forces of the United States, or service in the Merchant Marine, under any Act of Congress which provides that the employee is entitled to re-employment.

(b) Absence on Union business not requiring a leave of absence.

(c) Absence by reason of authorized leave of absence without pay. Written request must be sent to the Company office.

(d) Absence due temporary disability incurred on the job while working for the Company.

ARTICLE VII LEAVES OF ABSENCE

7:1 A leave of absence without pay may be granted to regular employees with six (6) months or more of continuous service for urgent, substantial reasons, provided adequate arrangements can be made to take care of the employee's duties without undue interference with the normal routine of work. A leave will not be granted if the purpose for which it is requested may lead to the employee's resignation.

The Company shall grant a leave of absence when required by the Family and Medical Leave Act. Claims to enforce such leave requests shall not be brought under the grievance and arbitration provisions of this Agreement.

7:2 A leave shall commence on and include the first workday on which an employee is absent and terminate with and include the workday preceding the day he or she returns to work. The employee shall be restored to employment on the termination of his or her leave of absence. If during an employee's leave of absence a reduction in forces was necessary, the restoration of the employee to active employment would depend upon the application of Article X.

7:3 Except as otherwise provided herein, an employee's seniority shall not accrue while he is on leave without pay. However, an employee's status as a regular employee shall not be impaired by a leave of absence.

7:4 Company shall at request of Union grant a leave of absence without pay for three (3) years or less to an employee who is appointed or elected to any office or position in the Union and whose services are required by the Union.

7:5 A leave of absence under the foregoing conditions shall be granted to an employee who enters the Armed Forces of the United States provided, however, that any such leave of absence and the reinstatement of any such employee shall be subject to the terms of any Act of Congress which provides for re-employment.

7:6 If an employee fails to return immediately on the expiration of his leave of absence, or if he accepts other employment while on leave, or if he makes an application for unemployment benefits while on leave, he shall thereby forfeit the leave of absence and terminate his employment with the Company.

(a) If any employee applies for unemployment compensation at any other time other than after layoff or discharge, he shall terminate his employment with the Company.

7:7 Any employee who is called upon to be absent from duty due to a death in his immediate family shall be excused, without loss of regular pay, for a reasonable time, not to exceed three (3) days, in order to permit him to make arrangements for and to attend the funeral. "Immediate family", as used in this paragraph, means the employee's father, mother, son, daughter, brother, sister, husband, wife,

grandmother, grandfather, and mother and father of the current spouse. Upon prior notice, verification may be required by the Company.

Employees shall be allowed up to one (1) day's unpaid absence for attending or making funeral arrangements for a step father, step mother, step son or step daughter.

**ARTICLE VIII
WAGES**

8:1 The minimum wages to be paid employees of the Company covered by this Agreement shall be as follows. County descriptions are intended to differentiate the applicable scales. The wage scale will be applicable if work for the Employer's customer defined in Section 1:1 falls within the County.

San Joaquin/North Coast

Counties: Alpine, Amador, Calaveras, Fresno, Kern, Kings, Madera, Mariposa, Merced, Sacramento, San Joaquin, Stanislaus, Tulare, Tuolumne, Humboldt, Lake, Mendocino, and Sonoma.

	Effective	2% Effective	3% Effective	3% Effective	Effective	Effective
	<u>1/1/12</u>	<u>7/28/13</u>	<u>8/3/14</u>	<u>8/2/15</u>	<u>7/31/16*</u>	<u>7/30/17**</u>
<u>Foreman</u>						
Start	\$21.38	\$21.81	\$22.46	\$23.13		
6 mo	\$21.76	\$22.20	\$22.87	\$23.56	See	See
1 year	\$23.48	\$23.95	\$24.67	\$25.41	Below	Below
<u>Climber</u>	\$21.10	\$21.52	\$22.17	\$22.84		
<u>Climber Trainee</u>						
Start	\$15.51	\$15.82	\$16.29	\$16.78		
6 months	\$17.75	\$18.11	\$18.65	\$19.21		
1 year	\$18.87	\$19.25	\$19.83	\$20.42		
18 months	\$19.88	\$20.28	\$20.89	\$21.52		
<u>Groundperson</u>						
Start	\$13.50	\$13.77	\$14.18	\$14.61		
6 months	\$14.47	\$14.76	\$15.20	\$15.66		

North Valley

Counties: Butte, Colusa, Glenn, Lassen, Shasta, Sutter, Tehama, Yuba, and Trinity.

	Effective <u>1/1/12</u>	2% Effective <u>7/28/13</u>	3% Effective <u>8/3/14</u>	3% Effective <u>8/2/15</u>	Effective <u>7/31/16*</u>	Effective <u>7/30/17**</u>
<u>Foreman</u>						
Start	\$21.66	\$22.09	\$22.75	\$23.43		
1 year	\$23.76	\$24.24	\$24.97	\$25.72	See Below	See Below
<u>Climber</u>	\$21.40	\$21.83	\$22.48	\$23.15		

Climber Trainee

Start	\$15.54	\$15.85	\$16.33	\$16.82
1 year	\$19.06	\$19.44	\$20.02	\$20.62

Groundperson

Start	\$12.13	\$12.37	\$12.74	\$13.12
6 months	\$14.56	\$14.85	\$15.30	\$15.76

East Bay/Sierra

Counties: Alameda, Contra Costa, El Dorado, Nevada, Placer, Plumas, Sierra, Solano, Yolo.

	Effective <u>1/1/12</u>	2% Effective <u>7/28/13</u>	3% Effective <u>8/3/14</u>	3% Effective <u>8/2/15</u>	Effective <u>7/31/16*</u>	Effective <u>7/30/17**</u>
<u>Foreman</u>						
Start	\$21.75	\$22.19	\$22.86	\$23.55		
6 mo	\$22.11	\$22.55	\$23.23	\$23.93	See Below	See Below
1 year	\$23.89	\$24.37	\$25.10	\$25.85		
<u>Climber</u>	\$21.48	\$21.91	\$22.57	\$23.25		

Climber Trainee

Start	\$15.79	\$16.11	\$16.59	\$17.09
6 months	\$18.06	\$18.42	\$18.97	\$19.54
1 year	\$19.19	\$19.57	\$20.16	\$20.76
18 months	\$20.21	\$20.61	\$21.23	\$21.87

Groundperson

Start	\$13.75	\$14.03	\$14.45	\$14.88
6 months	\$14.75	\$15.05	\$15.50	\$15.97

Redwood

Counties: Marin and Napa

	Effective	2% Effective	3% Effective	3% Effective	Effective	Effective
<u>Foreman</u>	<u>1/1/12</u>	<u>7/28/13</u>	<u>8/3/14</u>	<u>8/2/15</u>	<u>7/31/16*</u>	<u>7/30/17**</u>
Start	\$21.02	\$21.44	\$22.08	\$22.74		
6 mo	\$21.43	\$21.86	\$22.52	\$23.20	See	See
1 year	\$23.10	\$23.56	\$24.27	\$25.00	Below	Below

Climber

\$20.79	\$21.21	\$21.85	\$22.51
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Climber Trainee

Start	\$15.28	\$15.59	\$16.06	\$16.54
6 months	\$17.45	\$17.80	\$18.33	\$18.88
1 year	\$18.53	\$18.90	\$19.47	\$20.05
18 months	\$19.57	\$19.96	\$20.56	\$21.18

Groundperson

Start	\$13.30	\$13.57	\$13.98	\$14.40
6 months	\$14.27	\$14.56	\$15.00	\$15.45

Golden Gate

Counties: Santa Clara, San Francisco, San Mateo

	Effective	2% Effective	3% Effective	3% Effective	Effective	Effective
<u>Foreman</u>	<u>1/1/12</u>	<u>7/28/13</u>	<u>8/3/14</u>	<u>8/2/15</u>	<u>7/31/16*</u>	<u>7/30/17**</u>
Start	\$22.29	\$22.74	\$23.42	\$24.12		
6 mo	\$22.67	\$23.12	\$23.81	\$24.52	See	See
1 year	\$24.46	\$24.95	\$25.70	\$26.47	Below	Below

Climber

\$22.01	\$22.45	\$23.12	\$23.81
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Climber Trainee

Start	\$16.17	\$16.49	\$16.98	\$17.49
6 months	\$18.24	\$18.60	\$19.16	\$19.73
1 year	\$19.66	\$20.05	\$20.65	\$21.27
18 months	\$20.74	\$21.15	\$21.78	\$22.43

Groundperson

Start	\$14.12	\$14.40	\$14.83	\$15.27
6 months	\$15.09	\$15.39	\$15.85	\$16.33

Central Coast

Counties: San Benito, San Luis Obispo, Santa Cruz

	Effective <u>1/1/12</u>	2% Effective <u>7/28/13</u>	3% Effective <u>8/3/14</u>	3% Effective <u>8/2/15</u>	Effective <u>7/31/16*</u>	Effective <u>7/30/17**</u>
<u>Foreman</u>						
Start	\$22.63	\$23.08	\$23.77	\$24.48		
6 mo	\$23.04	\$23.50	\$24.21	\$24.94	See	See
1 year	\$24.87	\$25.37	\$26.13	\$26.91	Below	Below
<u>Climber</u>	\$22.36	\$22.81	\$23.49	\$24.19		

Climber Trainee

Start	\$16.43	\$16.76	\$17.26	\$17.78
6 months	\$18.78	\$19.16	\$19.73	\$20.32
1 year	\$20.00	\$20.40	\$21.01	\$21.64
18 months	\$21.11	\$21.53	\$22.18	\$22.85

Groundperson

Start	\$14.35	\$14.64	\$15.08	\$15.53
6 months	\$15.37	\$15.68	\$16.15	\$16.63

Vegetation Control Technician (VC) Wage Schedule

	Effective <u>1/1/12</u>	Effective <u>7/28/13</u>	Effective <u>8/3/14</u>	Effective <u>8/2/15</u>	Effective <u>7/31/16*</u>	Effective <u>7/30/17**</u>
VC Technician 1 (Entry Level)	\$12.76	\$13.02	\$13.41	\$13.81	See	See
VC Technician 2(6 months and 950 hours)	\$14.23	\$14.51	\$14.95	\$15.40	Below	Below
VC Technician 3 (12 months and 1900 hours)	\$15.70	\$16.01	\$16.49	\$16.98		

*Effective July 31, 2016, the wage rates that were in effect on August 2, 2015 will be increased based upon the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U), as published by the U.S. Bureau of Labor Statistics, for the twelve month period ending June of 2016 for the San Francisco-Oakland-San Jose local area (Table 4). However, the wage increase to be effective July 31, 2016 shall be no less than one percent (1%), nor more than three percent (3%) of the wage rates that were effective on August 2, 2015.

**Effective July 30, 2017, the wage rates that were in effect on July 31, 2016 will be increased based upon the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U), as published by the U.S. Bureau of Labor Statistics, for the twelve month period ending June of 2017 for the San Francisco-Oakland-San Jose local area (Table 4). However, the wage increase to be effective July 30, 2017 shall be no less than one percent (1%), nor more than three percent (3%) of the wage rates that were effective on July 31, 2016.

Should the U.S. Bureau of Labor Statistic discontinue publishing or change the CPI-U index referenced above, the parties shall meet to negotiate a substitute index.

(a) Six-month wage steps shall be granted when the employee has worked at least nine hundred and fifty (950) hours and six (6) months since the last wage increase.

(b) After six months at the 18-Month Climber Trainee rate, the Trainee shall be promoted to the Climber classification and wage rate upon successfully passing all the requirements of the Company Line Clearance Tree Trimmer Certification Program.

Vegetation Control Technician (VC)

The Company shall make Pre-inspection training available at least annually. Training shall be paid by the Company and offered equitably to all VC 3 employees. If a VC 3 employee applies and fails the Pre-inspection testing and desires to be tested a second time or more, the Company may require the employee to use employee's own time to retest. The Company agrees to apply this requirement equitably amongst all VC 3 employees. If any employee uses his/her own time, such time off will be considered an excused absence. The employee shall have the choice to apply their accumulated vacation or paid time off towards this testing day.

See Attached Letter of Understanding

Patrolman: Employees may file request, in writing, for promotion to Patrolman. Seniority and experience will be given preference for a Patrolman classification. The employee shall accept the Patrolman classification at the same rate of pay that he/she is then receiving with progression raises, the same as the other classification. The Company reserves the right to return the employee to his/her previous classification for any reason, at any time. Pay rate and benefits shall be unaffected by this decision. In the event an employee is promoted to Patrolman and is not a qualified Line Clearance Tree Trimmer at that time, and returns to a crew, he/she shall enter the training program at the level he/she was promoted from with no reduction in wages.

Working Foreman: An employee who is in charge of a crew not more than five men including himself, engaged in line clearance work. (In the application of Article X, the Company need not consider the application for promotion to this classification from any employee having less than one year of experience in the Climber classification.)

8:2 Union will establish an "IBEW Local Union 1245 Money Purchase Pension Plan" for all bargaining unit employees that will be held in individual employee accounts and will only be paid to employees upon severance with the Company. The Company shall contribute three (3) percent of each employee's hourly rate for each hour worked to fund the "IBEW Local Union 1245 Money Purchase Pension Plan". Employees hired after July 1, 2008, will be eligible for a company contribution upon completion of their probationary period.

8:3 Employees may elect to have their paycheck directly deposited into a bank account, or mailed (using the United States Postal Service regular First Class Mail) to them. The parties hereto strongly encourage employees to be paid by direct deposit.

If reports are received by Monday, all direct deposits will be placed electronically to the employee's bank no later than Friday (for the prior week's work). For employees that do not desire direct deposit, a good faith effort will be made to put paychecks in the U.S. Mail by Wednesday (for the prior week's work).

For employees that choose direct deposit, a good faith effort will be made to put pay stubs in the U.S. Mail by Wednesday (for the prior week's work).

8:4 An employee shall be paid at the wage rate established for his/her classification. When an employee is temporarily assigned to work in a classification higher than his regular classification for four (4) hours or more during the day, he shall be paid no less than the minimum rate established for such classification for all time worked in the assigned classification.

When an employee is temporarily assigned to work in a classification higher than his regular classification for emergency call out work, he shall be paid no less than the minimum rate established for such classification for all time worked in the assigned classification.

8:5 When Climbers are hired, due consideration shall be given to their previous experience in work similar to that covered by this Agreement and they may be credited for the equivalent value of such experience in the Climber's wage schedule, as determined by the Company.

8:6 Company and Union may agree to additional classifications and/or revisions of existing classifications and wages with respect thereto during the term of this Agreement. When Company and Union reach agreement on the wage rate for the new classification and/or revised classification, it shall be retroactive to the date when the classification was first established or revised.

8:7 Company expects that in each step of the Climber Trainee Program, an employee performs certain job requirements for advancement. Company will evaluate, record and document the employee's job performance. The employee must also successfully complete any written examination associated with each step. The employee shall be advanced in the Trainee Program, once the employee as successfully completed all associated requirements (time in position, performance, driving and testing).

The wage progression of an employee who is absent on a leave of absence without pay will be delayed by a period of time equivalent to such leave of absence.

ARTICLE IX PROMOTION AND TRANSFER

9:1 Employees may file requests, in writing, for promotion to the Working Foreman classification or for a transfer to a new location in their present classification with the Office of the Company. Whenever a vacancy occurs, the Company will, before filling such vacancy, first give consideration to such requests and qualifications being sufficient give preference on the basis of seniority.

(a) Company shall give consideration to applications for promotion and transfer to vacancies on the basis of seniority, ability and qualifications.

9:2 Requests for promotion or transfer shall expire at the end of six (6) months from the time of receipt by Company unless the Company has within the six (6) month period, received a request for extension. If such request for promotion or transfer is offered and the employee refuses, the request becomes null and void and he/she shall resubmit his/her request no sooner than six (6) months after the original request.

9:3 Company may either promote a lower classification or transfer an employee in the same classification, if a job is not filled under Section 9:1.

9:4 Whenever a temporary vacancy occurs in any job classification, the Company may fill it by appointment. If practicable, the Company shall fill such vacancy with the senior qualified employee in the next lower classification within the headquarters. Temporary vacancies shall be those vacancies caused by the absence of an employee due to industrial injury, leave of absence, vacation or sick leave and additional jobs which the Company contemplates will be of ninety (90) days' duration or less.

9:5 Whenever the Company establishes a new headquarters or additional crews, employees within that geographical division shall be notified a sufficient time in advance to enable them to file a request for transfer or promotion to the new headquarters or crew. The Supervisor in the geographical area will notify the area Business Representative of new crew locations.

9:6 Employees who accept a promotion to a new headquarters more than 60 miles from their present headquarters waive subsistence payment. Their new headquarters becomes their permanent headquarters. The employee will indicate in writing that he understands that acceptance of the promotion establishes him in a new permanent headquarters without expenses.

ARTICLE X DEMOTION AND LAYOFF

10:1 In the event reduction of forces or curtailment of operation shall occur, employees shall be laid off in the reverse order of their Company seniority in the area in which they are working at the time of the reduction. The application of this Section to an employee working temporarily in an area shall apply only to the extent that it affects him/her in his/her regular area.

10:2 An employee who has six (6) months or more of continuous Company service and whose job is being eliminated, may request to displace an employee with less seniority than his/her own in the following sequence:

- (a) the employee in the same classification in the District who has the least seniority;
- (b) the employee in the lower classification in the District who has the least seniority;
- (c) no employee may displace another employee who has greater Company seniority than his/her own.

10:3 If Company cannot effect a displacement in accordance with Section 10:2 or if an employee requests not to take a demotion as provided in Section 10:2(b), an employee who has one (1) year or more continuous service with the Company may elect to displace an employee with less seniority than his/her own in the following sequence:

- (a) the employee in the same classification in the area *working for the same customer* who has the least seniority;
- (b) no employee may displace another employee who has greater seniority than his/her own, except as provided in Article 10:3(c) below;
- (c) Foremen and Climbers who possess a current commercial driver's license, and airbrake endorsement when required by the Company, may displace the next *senior employee in their classification (*this senior employee shall be the least senior of those employees in the same classification by District) who has no commercial driver's license and/or airbrake endorsement, if the vehicle of the crew being

displaced requires an airbrake endorsement. In the event a Foreman is displaced subject to this Article, he/she shall be reclassified to the top climber classification. Foremen and climbers shall maintain all demotion and layoff rights to those crews consisting of vehicles they are licensed to operate.

10:4 The Company shall give employees whose jobs are eliminated as much notice as possible. Employees desiring to exercise the provisions of Section 10:2 or 10:3 shall give the Company notice of at least five (5) workdays.

10:5 If in the application of the provisions of this Article an employee in a classification which, in the normal line of progression, is higher than an Trainee classification can effect a displacement in such classification, the former shall not take such Trainee classification but shall be given the rate of classification next higher thereto.

ARTICLE XI HOLIDAYS

11:1 Employees with six (6) months seniority who have met the working attendance requirement (see below), shall be entitled to have the following holidays off with pay when they fall on a workday:

New Year's Day (January 1)
Memorial Day (Last Monday in May)
Independence Day (July 4)
Labor Day (1st Monday in September)
Thanksgiving Day (4th Thursday in November)
The Friday after Thanksgiving
Christmas Day (December 25)

The working attendance requirement is defined as an employee who works every day he/she is scheduled to work during the week each holiday falls including the workday before and the workday after each holiday.

An employee may be excused from the working requirement if the employee contacts their Supervisor at least ninety (90) minutes before their scheduled workday and has a verified doctor's excuse when they return to work. If attempts to reach the Supervisor are unsuccessful, the employee shall contact the Stockton office, subject to the above conditions.

11:2 When any of the above holidays falls on a Sunday, the Monday following shall be observed as the holiday.

11:3 When any of the holidays falls on a Saturday, another agreed to day will be observed as the holiday.

11:4 Notwithstanding Section 11:1, employee may be required to work on the above designated holidays which fall on their workdays. In which event any such employee shall be compensated at one and one-half times (1 ½Xs) his regular rate of pay for all time worked on such days.

ARTICLE XII VACATIONS

12:1 All employees who have completed one (1) year of continuous service for the Company shall be entitled to five (5) days vacation (40 hours). All employees who have completed three (3) years continuous service work for the Company shall be entitled to ten (10) days vacation (80) hours. All employees who have completed ten (10) years continuous service work for the Company shall be entitled to fifteen (15) days vacation (120 hours). Service with the Company for vacation purposes shall be considered to have started on the anniversary date of employment. To qualify for a full vacation allotment, the employee shall have actually worked a minimum of sixteen hundred (1600) hours in the employee's anniversary year.

An employee who actually worked at least eight hundred (800) hours in the employee's anniversary year but did not actually work sixteen hundred (1600) hours during that period shall be entitled to a pro rata share of vacation.

12:2 An employee shall be allowed up to three (3) excused absence days per year, to be taken one (1) day at a time, for emergency situations. An employee may choose to use a vacation day to compensate for the emergency day off. In either case, the employee shall notify their Supervisor prior to the scheduled workday. If the attempt to contact the Supervisor is unsuccessful, the employee shall notify the Stockton Office at least ninety (90) minutes prior to the start of the scheduled workday. For the provisions of this Article, no employee shall be required to provide a doctor's excuse.

12:3 If a holiday occurs on a weekday during an employees' vacation, such employee shall be entitled to an additional day of vacation.

12:4 Vacation arrangements must be scheduled with the employee's immediate supervisor. Vacation shall not be cumulative from year to year but must be taken in the year in which it is due. In case of conflict over scheduling of employees vacation periods, seniority shall be the determining factor.

12:5 Employees will be permitted their choice of vacation time on a seniority basis. If it can do so without interfering with the work in progress, Company shall permit vacation at any time during the calendar year.

12:6 In the event an employee entitled to a vacation quits the service of the Company before such vacation is taken, the employee shall upon giving five (5) days written notice of intention to quit be entitled to vacation pay for all earned vacation. Terminated employees shall be entitled to all earned vacation and exempt from this provision.

ARTICLE XIII SAFETY

13:1 The Company and the Union recognize that there is a common interest in safety on the job and agree to cooperate in the development and promotion of this common interest.

13:2 Company reserves the right to draft reasonable safety rules for employees and to insist on the observance of such rules. A copy of the rules will be furnished to the Union.

13:3 Company shall hold safety first aid meetings for all employees at least once a month. The meetings shall be held at pre-designated locations during regular work hours, and shall be no less than one-half (1/2) hour in duration.

Each crew shall have daily tailboard briefings on-the-job which shall outline the safe and proper methods of performing the day's work.

All trucks must be equipped with a proper first aid kit which must be kept fully stocked.

13:4 Upon request of the Union, Company shall meet with the Union at such times and places as may mutually be agreed upon. At such meetings, the Union may submit suggestions to Company concerning the revision and enforcement of safety rules.

13:5 The Electrical Safety Orders of the state where employed shall apply when employees are working in proximity of energized conductors.

13:6 The Company shall report to the Union any lost-time industrial injury which has been reported to Company. Said notice shall be furnished to the Union at the same time the Company reports the injury to its Workmen's Compensation Insurance carrier. In the event the Company is self-insured for purposes of Workmen's Compensation, then such notice shall be given to the Union within five (5) days after the injury has been reported to the Company.

13:7 Employees will be required on their own time to attend first aid and CPR training. Employees will be required to obtain and maintain a current card or certificate of completion of first aid and CPR training. Company will pay for the materials involved in the first aid and CPR training, upon employees' proof of completion and receipt for materials purchased by the employee. Company and Union will cooperate in assisting employees in this program.

ARTICLE XIV MISCELLANEOUS

14:1 Private Work will be subject to Company Policy.

14:2 The Company shall furnish all necessary tools and equipment. Employees will be responsible for the tools and equipment issued to them providing the Company provides a safe place for storage. Employees may be required to pay for tools lost or damaged due to gross negligence.

14:3 Whenever two regular Foremen are assigned to work one truck, the junior Foreman in seniority at that assembly point shall be assigned and receive Top Climber wages for the time worked.

Whenever, two regular Foremen are assigned to a three-man crew, the Junior Foreman in seniority will have the option to take vacation or PTO in lieu of demotion to Top Climber.

14:4 If an employee becomes injured on the job to the extent that he cannot perform the work of his classification, Company may give such employee light work, when available, within his ability to perform for which he shall be compensated at the rate of pay established for such work.

14:5 Employees shall report to work dressed in suitable attire to perform their duties and shall be neat and clean in appearance.

14:6 Company requires all Foremen, Climbers and Trainees to have and maintain a Commercial Drivers License as a condition of employment. All Foremen, Climbers and Trainees will receive an additional \$.10 per hour above their pay classification for maintaining a Commercial Drivers License. The Company will provide a truck for testing purposes. All Foremen and Top Climbers shall receive an additional \$.13 an hour above their classification pay for maintaining a Commercial Drivers License with airbrake endorsement (this is equal to \$270.40 per year if the employee is compensated for every straight-time hour within a year).

14:7 During the months of June, July and August the Company will provide employees a minimum of one (1) block of ice per week, per crew, or as needed in the event that one (1) block of ice does not last one (1) week. The Company will reimburse employees for the cost of ice in remote areas where it is not practical for the Company to deliver. This provision does not restrict the Company from providing ice on a greater regularity than listed in this Section.

14:8 Employees shall be required sign all written performance notices to acknowledge receipt and the employee shall be furnished a copy of the notice.

ARTICLE XV GRIEVANCE PROCEDURE

15:1 A grievance is hereby defined as a claim of a violation of any specific provisions of this Agreement. No grievance shall be considered unless it has first been presented within fifteen (15) working days of the alleged occurrence or the date the employee or Union should have reasonably become aware of the incident which is the basis for the grievance. Grievances will be considered and adjusted by conference as follows:

15.2 As the initial step in the adjustment of a grievance, it shall be presented to the General Foreman by the Union Shop Steward or in the absence of a Shop Steward, by an authorized Union Representative within the time limit set forth above. Upon mutual agreement the parties shall meet to discuss the grievance; otherwise, the parties shall discuss the grievance by telephone. The General Foreman shall make his/her reply to the person presenting the grievance within seven (7) calendar days of receipt of the grievance or of the meeting, if held. The General Foreman and the Shop Steward or Business Representative shall state the reasons in writing as to why they have been unable to resolve the grievance at this level, when and if, it becomes necessary to refer to the next step of the grievance procedure.

15.3 If a grievance is not settled satisfactorily under Section 15:2, it shall be presented in writing by the Union to the Supervisor within fifteen (15) calendar days, following receipt of the General Foreman's reply, setting forth the following:

- (a) A statement of the nature of the grievance and the facts upon which it is based,
- (b) The Section or sections of this Agreement, if any, relied upon as being applicable thereto,
- (c) The specific remedy or correction which is desired and a list of employees to whom the remedy is requested.

Upon mutual agreement the parties shall meet to discuss the grievance; otherwise, the parties shall discuss the grievance by telephone. The Supervisor shall reply in writing within fifteen (15) calendar days after the

receipt or the grievance meeting setting forth the Company's position on the grievance. The Supervisor and the Business Representative shall state the reasons in writing as to why they have been unable to resolve the grievance at this level, when and if, it becomes necessary to refer to the next step of the grievance procedure.

15:4 If a satisfactory settlement cannot be reached under Section 15:3, it shall be referred to the Union Business Manager or Representative and the Company's Regional Manager or Representative in writing within three (3) working days. The grievance meeting shall be held within thirty (30) days of the submission by the Union of the matter in question. The Company Representative shall give a written answer to the grievance within ten (10) working days of the grievance meeting.

15:5 If no satisfactory settlement is arrived at under Section 15:4, either party may within twenty-one (21) calendar days of the Company's response, request in writing that the grievance be referred to arbitration.

15:6 After a grievance has been appealed to arbitration, representatives of each party shall meet for the purpose of attempting to agree upon a neutral arbitrator. In the event the parties are unable to agree, the moving party shall request the Federal Mediation and Conciliation Service to submit a list of at least seven (7) arbitrators who are members of the National Academy of Arbitrators. A name shall be selected from the list agreeable to both parties. The expense of the Arbitrator shall be borne equally by both parties. The Arbitrator shall, without delay, hear the evidence and render his decision in writing, which shall be final and binding upon both parties.

Either party may call any employee as a witness in any proceeding before the Arbitrator. If the employee is on duty, the Company agrees to release such employee from duty so he/she may appear as a witness. Each shall bear the expense of its own witnesses.

The Arbitrator shall have no right to add to, subtract from, alter, amend or modify any of the terms of this Agreement.

ARTICLE XVI HEALTH & WELFARE

16:1 The Employer will make contributions to the Line Construction Benefit Fund in the amount of five dollars (\$5.00) per hour worked effective January 1, 2013.

The Employer agrees to pay 50% of any increase in LINECO that occurs during the term of this Agreement. Any additional contributions required will be deducted from the employee's pre-tax earnings for each hour worked.

If there is a significant increase in the contributions required by LINECO during the term of this Agreement, upon the request of either party, the parties agree to meet and confer over such increase. Upon mutual agreement of the parties, this Agreement may be amended to reflect any agreed upon changes to the Employer's contribution to LINECO and/or any other concurrent changes to this Agreement.

**ARTICLE XVII
JURY DUTY**

17:1 Any employee who may be called for jury duty shall be permitted to be absent for a maximum of three (3) weeks, with Company paying the difference between jury fees and the basic wage rate.

**ARTICLE XVIII
MOST FAVORED NATION**

18:1 If the Union grants to any other employer, doing the same type of work covered by this Agreement in any geographical area covered by this Agreement, a contract with any wages and/or fringe benefits less favorable to the employees covered under such an agreement than any wage and fringe benefits applicable to employees covered under the instant Agreement, the Company or its successors or assigns, may at the Employer's option, incorporate into the instant Agreement any of the wages and/or fringe benefits provided for in such other contract without regard to any geographic limitations contained in such other contract. Said incorporation of more favorable terms into the instant Agreement may be done at any time by the Employer informing the Union in writing of said incorporation, and may, at the sole discretion of the Employer, be applied to any or all of the employees covered under this Agreement regardless of geographic location.

If the Union negotiates with any other employer, doing the same type of work covered by this Agreement in any geographical area covered by this Agreement, a contract with any wages and/or fringe benefits more favorable to the employees covered under said agreement than any wage and/or fringe benefits applicable to employees covered under the instant Agreement, the Company or its successors and assigns shall, upon written demand by the Union, bargain in good faith regarding increasing the wages and/or fringe benefits in the instant Agreement to the amount of any of the wages and/or fringe benefits contained in such other agreement, without regard to any geographic limitation contained in such other agreement. All provisions of this Agreement and any extensions or amendments thereto, shall remain in full force and effect throughout any bargaining pursuant to this Article.

In order to facilitate the operation of this Article, the Union agrees to furnish the Employer with copies of all collective bargaining agreements and any addendums in any geographic area covered by this Agreement between the Union and other employers which are or hereafter may become effective during the term of this Agreement.

**ARTICLE XIX
TERM**

19:1 This Agreement shall take effect as of January 1, 2013 and shall continue in full force and effect until midnight, December 30, 2017 and it shall continue thereafter from year to year unless written notice of termination shall be given by either party to the other sixty (60) days prior to the end of the then current term.

19:2 If either the Company or the Union desires to amend this Agreement, it shall give notice to the other party sixty (60) days prior to the end of the then current term, in which event the parties shall commence negotiations on any proposed amendment as soon as practicable after such notice has been given. Failure of the parties to agree on such proposed amendment shall not cause termination of this Agreement unless either party has given notice of termination as provided in Section 19:1.

Notwithstanding the provisions of Section 19:1, either the Company or the Union may forthwith terminate this Agreement in the event that the other breaches its obligations set forth in Section 1:3 hereof.

19:3 Any provision of this contract which may be found by a court of competent jurisdiction to be in conflict with any Federal or State, regulation or executive order, shall be suspended and inoperative to the extent of and for the duration of such conflict.

**AGREEMENT BETWEEN FAMILY TREE SERVICES, INC.
AND LOCAL UNION 1245 OF THE
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO
January 1, 2013 –December 30, 2017**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written, acting by and through their duly authorized officers.

FAMILY TREE SERVICES, INC.

**LOCAL UNION NO. 1245
INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS, AFL-CIO**

By _____
Greg Musgrave
CFO

By _____
Tom Dalzell
Business Manager

By _____
Ronald Cochran
Sr. Assistant Business Manager

LETTER OF AGREEMENT

The following is an addendum to the collective bargaining agreement entered into by and between (Family Tree Services, Inc.) (hereinafter referred to as the "Employer") and Local Union No. 1245 of the International Brotherhood of Electrical Workers (hereinafter referred to as the "Union") effective through December 30, 2017.

Whereas, the parties hereto have entered into a collective bargaining agreement effective through December 30, 2017; and

Whereas, during the negotiations for the collective bargaining agreement the parties reached certain additional understandings and agreements;

Now, therefore, said agreements are set forth herein.

Agreement

1. Regarding the provisions of Section 13.7, during the term of the collective bargaining agreement the Employer agrees to pay employees at the applicable rate of pay for the time spent in First Aid/CPR Training for employees working on the property of Pacific Gas and Electric Company.

2. During the term of the collective bargaining agreement the parties agree the provisions of Article 18 shall not be applicable to approved "disadvantaged business enterprises" (minority owned, woman owned or disabled veteran owned businesses) performing work as a subcontractor for prime contractors, for investor owned utilities included in the scope of the collective bargaining agreement.

Article XVIII shall not apply to Family Tree Service prior to December 31, 2012 and Windy Tree prior to December 31, 2013.

3. Employees on the Employer's payroll as of the ratification date of this Agreement qualified for the previous VC4 "Specialist" classification shall be grandfathered and shall be allowed to retain their existing higher rate of pay (\$19.29). They will also be granted the general wage increases provided in the collective bargaining Agreement (\$19.68 effective 7/28/13, \$20.27 effective 8/3/14, \$20.87 effective 8/2/15, and increases thereafter in the same percentage amount as the increases to the other classifications in 2016 and 2017). In order to keep the higher wage rate, the VC4 must maintain the QAC. Employees who fail to maintain the QAC will be reduced to the VC Tech 3 pay rate. The following language will be applicable to such grandfathered employees:

Vegetation Specialist shall be allowed one (1) Company paid day off of work every 12 months in order to attend QAC certification related courses/training in order to comply with QAC continuing education units (CEU's). Additional needed days off of work related to CEU's within each calendar year shall be unpaid, but considered as excused time off of work.

In the event that seventy-five percent (75%) of employees at any given headquarters request Company paid time off to attend QAC testing and/or QAC CEU training, the employees shall agree to an alternative work week (Article 4.1) in order to allow that the employees shall actually work a forty (40) hour straight time work week (i.e., if 75% or more of the employees at a headquarters elect to attend training on

Wednesday of a 4-day, 10-hour per day workweek schedule of Monday through Thursday, then the employees will work Friday at straight time in order that they actually work a 40 hour straight time work week).

Besides Company paid time off as cited above, Vegetation Control Technicians and Vegetation Specialists shall be responsible for any and all QAC related costs (i.e., testing fees, CEU upkeep fees, etc.)

4. Employees on the Employer's payroll as of the ratification date of this Agreement who qualified for the previous "Master Foreman" job classification shall be allowed to retain their existing higher rate of pay (5% pay differential), provided they maintain the following qualifications:

- ISA Certified Arborist
- Five year minimum experience as Foreman with the Company
- Safety acceptable
- Attendance good
- Training abilities
- Equipment care and knowledge
- CPR and first aid

5. Effective January 1, 2013, the provisions of the preceding collective bargaining agreement regarding the accrual and use of Paid Time Off (PTO) shall be discontinued and superseded by the Vacation and Holiday provision of the current collective bargaining agreement. After January 1, 2013, employees shall accrue pro-rated vacation to be awarded on their next anniversary date of employment. Employees shall have the remainder of calendar year 2013 to use their accumulated Paid Time Off. Employees shall be required to exhaust PTO before they use vacation time. PTO that is not used by the end of 2013 shall be paid off at the employees December 2012 rate of pay. (For ATE: The provisions of the previous collective bargaining agreement regarding PTO for employees in the San Joaquin area shall continue to apply through December 31, 2012.)

IN WITNESS WHEREOF, the parties have executed this Letter of Agreement as of the day and year first above written, acting by and through their duly authorized officers.

FAMILY TREE SERVICES, INC.

**LOCAL UNION NO. 1245
INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS, AFL-CIO**

By _____
Greg Musgrave
CFO

By _____
Tom Dalzell
Business Manager

By _____
Ronald Cochran
Sr. Assistant Business Manager

LETTER OF AGREEMENT

The following is an addendum to the collective bargaining agreement entered into by and between (Family Tree Services, Inc.). (hereinafter referred to as the "Employer") and Local Union No. 1245 of the International Brotherhood of Electrical Workers (hereinafter referred to as the "Union") effective through December 30, 2017.

Safety Incentive Bonus

- A.) The Employer agrees to offer a safety incentive bonus to be paid quarterly with the money distributed under the provisions listed below:
- (1) The Safety incentive bonus amount will be one percent (1.0%) of the employee's gross wages for the quarterly period.
 - (2) The safety incentive will be paid to employees on the payroll at the end of the quarter no later than the third week following the end of the quarter. The quarterly periods will be January through March, April through June, July through September and October through December. The safety bonus incentive will be subject to withholdings required by law.
- B.) Employees will be disqualified from receiving a safety incentive payment under the following conditions:
- (1) An employee who incurs an OSHA recordable on the job injury, in which the employee's rule violation contributed to the injury, will forfeit the safety incentive payment for the quarterly period in which the injury occurs.
 - (2) Employees who incur a loss of time of one or more full days as a result of an on the job injury in which they were not at fault will not lose their safety incentive payment.
 - (3) An employee who causes a property damage claim shall forfeit his/her safety for incentive payment for the period in which the damage occurs.
 - (4) An employee who causes an automotive (vehicular) accident shall forfeit his/her safety incentive payment for the quarter in which the accident/claim occurs..
 - (5) An employee who causes an outage, shall forfeit his/her safety incentive payment for the quarter in which the outage occurs.
 - (6) An employee who fails to timely report an on-the-job injury, a property damage, a vehicle accident or an outage shall forfeit his/her safety incentive payment for the quarter in which the incident occurs.
 - (7) An employee who receives a disciplinary suspension for a safety related infraction forfeits any safety incentive payment for the quarter in which the suspension is given.
 - (8) An employee who tests positive for drugs or alcohol pursuant to the Employer's Substance Abuse Policy, shall forfeit his/her safety incentive payment for four consecutive quarters.

C.) Forfeiture of a safety incentive payment does not exclude the employee from other disciplinary action (warning, suspension, or termination of employment) which may be appropriate.

IN WITNESS WHEREOF, the parties have executed this Letter of Agreement as of the day and year first above written, acting by and through their duly authorized officers.

FAMILY TREE SERVICES, INC.

**LOCAL UNION NO. 1245
INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS, AFL-CIO**

By _____
Greg Musgrave
CFO

By _____
Tom Dalzell
Business Manager

By _____
Ronald Cochran
Sr. Assistant Business Manager