

OUTSIDE AGREEMENT

between

SOUTHWESTERN LINE CONSTRUCTORS,

NECA

and

IBEW LOCAL UNION 769

RECOGNITION

For the purpose of Collective Bargaining, with respect to rates of pay, wages, hours of employment, and other conditions of employment, the Southwestern Line Constructors Chapter of the National Electrical Contractors Association and represented employers which constitute a multi-employer group, engaged in outside electrical work, recognizes the Union as the exclusive representative of the employees for whom the National Labor Relations Board Certified the Union in Case No. 28-RC-1107.

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OUTSIDE AGREEMENT PARTIES CLAUSE

Agreement by and between the Southwestern Line Constructors, NECA and Local Union 769, IBEW.

It shall apply to all firms who sign a Letter of Assent to be bound by this Agreement.

As used hereinafter in this Agreement, the term "Chapter" shall mean the Southwestern Line Constructors, NECA, and the term "Union" shall mean Local Union 769, IBEW.

The term "Employer" shall mean an individual firm who has been recognized by an assent to this Agreement.

SCOPE OF AGREEMENT

The scope of work covered under this Agreement and workmen employed under the provisions of this Agreement shall perform all production and maintenance work normally termed as outside construction work.

Section 1. Pole line construction, distribution, highway lighting systems, and traffic signals shall be handled in the same manner as pole line construction (whether built of wood, metal or other materials); the digging and backfilling of holes for poles, anchors and transmission tower foundations (by hand or mechanical equipment); the moving of men, tools or equipment; the loading and erection of all materials including the guying, stringing of conductors, final cleanup of all material on the right-of-way and marshalling yards or other work necessary on through to the ultimate completion of such pole line work.

Section 2. Steel and metal structures used for the purpose of carrying electrical wires, conductors, or equipment (this includes transmission towers, outdoor substations, switch racks, or similar electrical structures); the moving of men, tools, or equipment; the handling, assembly and erection of all material used on the job. Work covered shall include the grounding and testing for resistance of all such structures; the stringing and installation of wires, cables, and insulators or other electrical

equipment suspended from such structures; final cleanup of all material along right-of-way and reusable materials at marshalling or material yards or other work necessary on through to the ultimate completion of such steel line work; including the handling and placing, cleanup for, and painting of transformers or O.C.B.'s and other related electrical equipment.

Section 3. The loading and unloading and the handling and trucking of all materials and equipment from railheads, Contractor's permanent and/or temporary shops and approved material storage yards within the State of Arizona, to all work covered by the Outside Electrical Industry, substations, all overhead and underground distribution, and transmission lines shall be the work of the IBEW.

Section 4. Transmission tower footings, Oil-O-Static, gas filled pipe or direct burial lines and outdoor substations. This shall include: the layout for excavation, the foundation layout, all equipment, including transits, levels, chains, radar, laser beam, electric tapes, and any other tools or instruments used in layout and setting, the hauling of forms, templates or similar devices along the right-of-way, the building and setting of forms, the setting of stub angles and/or anchor bolts. The grounding and testing for resistance. The installation of foundations, (the operation of batch plants and concrete trucks, when batch plants are set up on the job), concrete finishing and stripping of forms, the backfilling, compaction, cleanup and preparation of construction sites, the building of landings for cranes, and the operation of all equipment.

The right-of-way clearing and the initial construction of access roads shall be included at the Contractor's option.

Section 5. All electrical underground construction: Ref: Oil-O-Static, gas filled pipe or direct burial primaries and related distribution secondaries shall be covered as follows: The moving of men, tools or equipment, the loading, moving and installation of all electrical materials, including wire, pipe or duct. The plowing in of cables, including excavation or suspension for pipe, duct, or direct burial cable.

The connecting and welding, or any other method of joining and all preparation of duct or pipe for installation. All cable or wire installation and operation of all equipment. The splicing and terminating of wire and cable, storage maintenance, and testing of oil, gas and piping systems. The pumping, filtering, cooling and operation of such equipment

Section 6. Installation and maintenance of catenary systems, trolley work, bonding of rails and related electrical work on railroad property.

Section 7. In connection with all of the above items, it is understood the Scope of Agreement shall include not only installation work, but shall also govern the regular, maintenance or dismantling of such structures, lines or equipment necessary to perform such work and any on the job maintenance of such equipment shall be the work of the IBEW, under this Agreement.

BASIC PRINCIPLES

The Employer and the Union have a common and sympathetic interest in the Electrical Industry. Therefore, a working system and harmonious relations are necessary to improve the relationship between the Employer, the Union and the Public. Progress in industry demands a mutuality of confidence between the Employer and the Union. All will benefit by continuous peace and by adjusting any differences by rational common sense methods. Now, therefore, in consideration of the mutual promises and agreements herein contained, the parties hereto agree as follows:

ARTICLE I EFFECTIVE DATE-CHANGES-GRIEVANCES-DISPUTES

Section 1.01 This Agreement shall take effect May 1, 2011 and shall remain in effect until July 27, 2013 unless otherwise specifically provided for herein. It shall continue in effect from year to year thereafter, from July 27th through July 26th of each year, unless changed or terminated in the way later provided herein.

Section 1.02 (a) Either party or an Employer withdrawing representation from the Chapter or not represented by the Chapter, desiring to change or terminate this Agreement must provide written notification at least 90 days prior to the expiration date of the Agreement or any anniversary date occurring thereafter.

(b) Whenever notice is given for changes, the nature of the changes desired must be specified in the notice or no later than the first negotiations meeting unless mutually agreed otherwise.

(c) The existing provision of the Agreement, including this Article, shall remain in full force and effect until a conclusion is reached in the matter of proposed changes.

(d) Unresolved issues or disputes arising out of the failure to negotiate a renewal or modification of this Agreement that remain on the 20th of the month preceding the next regular meeting of the Council on Industrial Relations for the Electrical Contracting Industry (CIR) may be submitted jointly or unilaterally to the Council for adjudication. Such unresolved issues or disputes shall be submitted no later than the next regular meeting of the Council following the expiration date of this Agreement or any subsequent anniversary date. The council's decision shall be final and binding.

(e) When a case had been submitted to the Council, it shall be the responsibility of the negotiating committee to continue to meet weekly in an effort to reach settlement on the local level prior to the meeting of the Council.

(f) Notice of a desire to terminate this Agreement shall be handled in the same manner as a proposed change.

Section 1.03 This Agreement shall be subject to change or supplement at any time by mutual consent of the parties hereto. Any such change or supplement agreed upon shall be reduced to writing, signed by the parties hereto, and submitted to the International Office of IBEW for approval, same as this Agreement.

Section 1.04 There shall be no stoppage of work either by strike or lockout because of any proposed changes in this Agreement or dispute over matters relating to this Agreement. All such matters must be handled as stated herein.

GRIEVANCES/DISPUTES:

Section 1.05 There shall be a Labor-Management Committee of three representing the Union and three representing the Employers. It shall meet regularly at such stated times as it may decide. However, it shall also meet within 48 hours when notice is given by either party. It shall select its own Chairman and Secretary. The Local Union shall select the Union representatives and the Chapter shall select the management representatives.

Section 1.06 All grievances or questions in dispute shall be adjusted by the duly authorized representatives of each of the parties to this Agreement. In the event that these two are unable to adjust any matter within 48 hours, they shall refer the same to the Labor-Management Committee.

Section 1.07 All matters coming before the Labor-Management Committee shall be decided by majority vote. Four members of the Committee, two from each of the parties hereto, shall be a quorum for the transaction of business, but each party shall have the right to cast the full vote of its membership and it shall be counted as though all were present and voting.

Section 1.08 Should the Labor-Management Committee fail to agree or to adjust any matter, such shall then be referred to the Council on Industrial Relations for the Electrical Contracting Industry for adjudication. The Council's decision shall be final and binding.

Section 1.09 When any matter in dispute has been referred to conciliation or arbitration for adjustment, the provisions and conditions prevailing prior to the time such matters arose shall not be changed or abrogated until agreement has been reached or a ruling has been made.

ARTICLE II
Employers Rights - Union Rights

Section 2.01 (a) The Union understands the Employer is responsible to perform the work required by the owner. The Employer shall therefore have no restrictions, except those specifically provided for in the collective bargaining Agreement, in planning, directing, and controlling the operation of all his work, in deciding the number and kind of employees to properly perform the work, in hiring and laying off employees, in transferring employees from job to job within the Local Union's geographical jurisdiction, in determining the need and number as well as the person who will act as foreman, in requiring all employees to observe the Employer's and/or owner's rules and regulations not inconsistent with this Agreement, in requiring all employees to observe all safety regulations, and in discharging employees for proper cause.

(b) The Employer shall have the right to call Foreman by name provided:

- 1) The employee has not quit his previous employer within the past two weeks.
- 2) The employer shall notify the business manager in writing of the name of the individual who is to be requested for employment as a Foreman. Upon such request, the business manager shall refer said Foreman provided the name appears on the highest priority group.
- 3) When an employee is called as a Foreman he must remain as a Foreman for 1000 hours or must receive a reduction in force.

Section 2.02 No member of Local Union No. 769, while he remains a member of such local and subject to employment by Employers operating under this Agreement, shall himself become a contractor for the performance of any electrical work.

Section 2.03 (a) No member of any firm operating under this Agreement shall himself or any of his superintendents perform any manual electrical work. However, nothing in this section shall be construed as preventing any individual from making temporary repairs or adjustments where an emergency exists involving a hazard to life or property.

(b) Employees shall not use their personal vehicle in lieu of company equipment.

Section 2.04 Certain qualifications, knowledge, experience and financial responsibility are required of everyone desiring to be an Employer in the Line Construction Industry. Therefore, an Employer who contracts for electrical work is a person, firm, or corporation having these qualifications and maintaining a permanent place of business and a suitable status to meet payroll requirements. Any Employer before entering the Line Construction Industry shall have safe and sufficient equipment and tools to perform all work under this Agreement.

Employers are expected to maintain adequate tools and equipment for the performance all work.

Section 2.05 All Employers shall carry Workman's Compensation Insurance, Social Security, and make Contributions to the Arizona State Unemployment Commission, and such other protective insurance as may be required by the laws of the State of Arizona. Satisfactory proof of such regular payment must be furnished to the Union upon request. Employers carrying private carriers insurance will be responsible for prompt processing of claims. This provision shall comply with State Law. The employee or his supervisor will be responsible for reporting or recording on-the-job injuries on the date of occurrence.

Section 2.06 Before any men are dispatched to any Employer, that Employer shall have signed an appropriate Letter of Assent.

Section 2.07 The Union agrees that if during the life of this Agreement it grants to any other Employer in the Electrical Contracting Industry on work covered by this agreement any better terms or conditions than those set forth in this Agreement, such better terms or conditions shall be made available to the Employers under this Agreement and the Union shall immediately notify the Employer of any such concessions.

Section 2.08 The Union reserves the right to discipline its members for violation of its laws, rules and agreements.

Section 2.09 The Local Union is a part of the International Brotherhood of Electrical Workers, and any violation or annulment by an individual Employer of the approved agreement of this or any other Local Union of the IBEW, other than violations of paragraph 2 of this Section, will be sufficient cause for the cancellation of this agreement by the Local Union after a finding has been made by the International President of the Union that such a violation or annulment has occurred.

The subletting, assigning, or transfer by an individual Employer of any work in connection with electrical work to any person, firm or corporation not recognizing the IBEW or one of its Local Unions as the collective bargaining representative of his employees on any electrical work in the jurisdiction of this or any other Local Union to be performed at the site of the construction, alteration, painting or repair of a building, structure or other work, will be deemed a material breach of this Agreement.

All charges of violations of Paragraph 2 of this section shall be considered as a dispute and shall be processed in accordance with the provisions of this Agreement covering the procedure for the handling of grievances and the final and binding resolution of disputes.

Section 2.10 It is specifically agreed by the parties hereto that one of the purposes of Section 2.09 is to prevent, whether by direct or indirect methods the practice of double-breasted companies, as that term is used and commonly understood

in the contracting industry. Therefore, no contractor shall form any other company, or join with any company not a party to this Agreement where the object or result of such action is that work traditionally performed by member of the IBEW will be performed by employees under less favorable terms and conditions than are set forth herein. No contractor, nor any stockholder of Contractor, shall directly or indirectly hold an ownership interest or serve as an officer, director or supervisory employee in any other firm which engages in the performance of electrical contracting work through employees whose wages, fringe benefits or working conditions are less beneficial than those provided by this Agreement.

Section 2.11(a) In order to protect and preserve, for the employees covered by this Agreement, all work heretofore performed by them, and in order to prevent any device or subterfuge to avoid the protection and preservation of such work, it is hereby agreed as follows: If and when the Employer shall perform any on-site construction work of the type covered by this Agreement, under its own name or under the name of another, as a corporation, company, partnership, or any other business entity, including a joint venture, wherein the Employer, through its officers, directors, partners, or stockholders, exercises either directly or indirectly, management, control or majority ownership, the terms and conditions of this Agreement shall be applicable to all such work. All charges or violations of this Section shall be considered as a dispute and shall be processed in accordance with the provisions of this Agreement covering the procedure for the handling of grievances and the final and binding resolution of disputes.

(b) As a remedy for violations of this Section, the Labor-Management Committee, the Council on Industrial Relations for the Electrical Contracting Industry, and/or an independent arbitrator, as the case may be, are empowered, in their discretion and at the request of the Union, to require Employer to (1) pay to affected employees covered by this Agreement, including registered applicants for employment, the equivalent of wages lost by such employees as a result of the violations; and (2) pay into the affected joint trust funds established under this

Agreement any delinquent contributions to such funds which have resulted from the violations. Provision for this remedy herein does not make such remedy the exclusive remedy available to the Union for violation of this Section nor does it make the same or other remedies unavailable to the Union for violations of other Sections or other Articles of this Agreement.

(c) If, as a result of violations of this Section, it is necessary for the Union and/or the Trustees of the joint trust funds to institute court action to enforce an award rendered in accordance with subsection (b) above, or to defend an action which seeks to vacate such award, the Employer shall pay any accountants' and attorneys' fees incurred by the Union and /or Fund Trustees, plus cost of the litigation, which have resulted from the bringing of such court action.

Section 2.12 All trucks and vehicles carrying men and/or material shall have the firm's name in bold lettering. This shall include leased or rented trucks and vehicles.

Section 2.13 The Employer will provide a safe and dry place for the storage of employees' personal tools. (Safe and dry place means a storage box that can be locked.) Employees shall be responsible for securing the locks at quitting time. The Employer shall be responsible for employees' personal tools stored on the job, as per employee's current inventoried tool list signed by the employee and Employer. Tool list form provided by the Union. Tools that have been properly stored and that are stolen or destroyed shall be replaced promptly by the Employer.

Section 2.14 The Union shall have the right to appoint a Steward at any shop or on any job where workmen are employed under the terms of this Agreement. The Employer shall be notified and furnished the name of the Steward. Such Steward shall be allowed sufficient time and transportation during the regular working hours without loss of pay to see that the terms and conditions of this Agreement are observed at the shop or on the job. No Steward shall be discriminated against by any Employer

because of the faithful performance of duties as Steward, nor shall any Steward be removed from the job until notice has been given to the Business Manager of the Union. The Steward will be one of the last men laid off on any job other than established supervision. The Steward will be notified, when possible, prior to all hiring, discharging, promotions, demotions, or transfer of men by the Employer.

After the twenty-fifth (25th) man is employed on any one job by an Employer, the Steward may not be permanently assigned to any one crew, but shall perform any duties assigned him.

Section 2.15 The representatives of the Union shall be allowed access to any shop or job at any reasonable time where workmen are employed under the terms of this Agreement.

Section 2.16 The Business Manager of the Union or his assistants, in the event of any complaint, shall have the authority to inspect the Employer's payroll as to the time and wages of any workman employed under the terms of this Agreement.

Section 2.17 All employers who are successful bidders on jobs in the State of Arizona, which this Agreement covers, shall hold a pre-job conference with the representatives of this Local Union, before starting any work, when such is requested by either party.

Section 2.18 An employer signatory to a collective bargaining agreement or to a letter of assent to an agreement with another IBEW Local Union, who signs an assent to this agreement, may bring up to four bargaining unit employees employed in that Local Union's jurisdiction into this local's jurisdiction, and up to two bargaining unit employees per job from that local's jurisdiction to this local's jurisdiction for specialty or service and maintenance work. All charges of violations of this section shall be considered as a dispute and shall be processed in accordance with the provisions of this agreement for the handling of grievances with the exception that any discussion of a local

labor-management committee that may be contrary to the intent of the parties to the National Agreement on Employee Portability, upon recommendation of either or both the appropriate IBEW International Vice President or NECA Regional Executive Director, is subject to review, modification or rescission by the Council on Industrial Relations.

Any signatory contractor, whom the Local Union has referred employees to under the terms and conditions of this agreement, shall not allow, promote, solicit or provide in any fashion employees to a firm that has not become signatory to an IBEW agreement.

Section 2.19 All grievances must be started within ten (10) days or not be considered.

Section 2.20 The Union recognizes the Southwestern Line Constructors, NECA, "Controlled Substance Testing Policy". The cost of testing and employee's time will be paid by the Employer. The scheduling of the testing will be made by the Employer.

ARTICLE III **Hours-Wages-Payment** **Working Conditions**

Section 3.01 Hours: Eight (8) hours between the hours of 7:00 a.m. and 4:30 p.m. with a thirty (30) minute lunch period between 12:00 and 12:30 p.m. with fifteen (15) minutes leeway when necessary shall constitute a work day. Summer Hours: During and between dates of April 1 and October 31 of each year, the employee's and employer, by mutual agreement may establish summer hours with the approval of the Local Union Office. The summer hours will be eight (8) continuous hours between 5:00 a.m. and 4:30 p.m., Monday through Friday, inclusive, with one-half hours required as a lunch period. After eight (8) hours in a scheduled work day, or forty (40) hours in a work week, overtime shall be paid at the applicable rate of pay.

Section 3.02 By mutual agreement between the Employer and the Local Union and with seventy-two (72) hours notice, the Employer may institute a work week consisting of four (4) consecutive ten-hour (10) days between the hours of 5:00 a.m. and 6:30 p.m., Monday through Friday, with one-half hour allowed for a lunch period. Friday may be used as a make-up day, and if utilized, a minimum of eight (8) hours work must be scheduled. Anyone not wishing to make up the day will not be required to do so and will not be discriminated against. After ten (10) hours in a scheduled workday, or forty (40) hours in a workweek, overtime shall be paid at the applicable rate of pay. When the workweek of 4-10's is changed to exceed four (4) days, then the workweek will revert back to a five (5) day workweek.

Section 3.03 All work performed outside the regular working hours as provided in this Article shall be paid for at time and one-half or double the straight time rate of pay, whichever is applicable including Section 3.07 and as follows:

(a) The hours between 8:00 p.m. and 5:00 a.m., double the straight time rate shall be paid. Exception shall be paragraph (b) of this section and Section 3.32 of this Article.

(b) When outages are scheduled in conjunction with a scheduled workday, Monday through Friday, time and one-half the straight time rate will be paid.

(c) In reference to Section 3.01 (5 day work week). Time and one-half the straight time rate of pay for 2 hours worked in excess of the scheduled 8 hour work day and double the straight time rate of pay thereafter. Exception will be paragraph (b) of this section.

(d) In reference to Section 3.02 (4 day work week). Time and one-half the straight time rate of pay for 1 hour worked in excess of the 10 hour scheduled work day and double the straight time rate of pay thereafter. Exception will be paragraph (b) of this section.

Section 3.04 Work performed on Saturday shall be paid at double the straight time rate of pay with the following exception:

Excluding holiday weekends and with a 48 hours notice, work may be scheduled on Saturday and time and one half the straight time rate of pay shall be paid during the normal workday hours. After ten (10) hours in a scheduled workday, double the straight time rate shall be paid.

All work performed on Sundays and the following holidays shall be paid for at double the straight time rate of pay. If any of the listed holidays shall fall on Saturday, the preceding Friday shall be observed as the holiday. If any of the listed holidays shall fall on Sunday, the following Monday shall be observed as the holiday. If a holiday falls on a Tuesday, the preceding Monday shall also be observed as a holiday. If a holiday falls on a Thursday, the following Friday shall also be observed as a Holiday. If Christmas Eve and Christmas day is observed on a Friday and Saturday, the preceding Thursday shall be observed as the holiday. If Christmas Eve and Christmas day is observed on a Sunday and Monday, the following Tuesday shall be observed as the holiday. New Year's Day, President's Day, Memorial Day, Fourth of July, Labor Day and Friday preceding Labor Day, Veteran's Day, Thanksgiving Day, Friday after Thanksgiving, Christmas Eve and Christmas Day. Section 3.02 may be instituted during a holiday week.

Section 3.05 No work will be performed on Labor Day except in case of extreme emergency and shall be reported to the Union Office.

Section 3.06 Men who are required to work beyond normal work hours shall receive a meal after thirteen (13) combined straight and overtime hours and every five (5) hours thereafter or receive one (1) hour straight time rate of pay at journeyman lineman rate of pay for each meal period. Meals shall be eaten on company time.

Section 3.07 Men shall not work over a sixteen (16) hour period or an accumulation of sixteen (16) hours, with out a continuous eight (8) hour rest period. This shall be strictly enforced by the Local Union, except for the protection of life and property. In the event an employee works over a sixteen (16) hour period or an accumulation of sixteen (16) hours without a continuous eight (8) hour rest period, he shall be paid double the straight time rate of pay.

Section 3.08 Employees shall be allowed time off with pay for the purpose of voting in all Federal and State Elections, providing they are eligible to vote. Time off will comply with the Labor Laws of the State of Arizona, Statue 16-897. The employee shall be able to supply proof of voting in order to receive pay.

Section 3.09 No man will be called out of the hiring hall for less than eight (8) hours' work. However, this will not conflict with Article III, Section 3.21 and 3.22.

Section 3.10 Zone I in Phoenix and Tucson, Arizona, shall be thirty-five (35) radius miles from the City Hall in the form of a circle. Exception, San Manuel, Arizona, will be Zone II.

Section 3.11 Zone II wages shall apply on any work performed outside the Zone I circles. Basing points shall determine the Zone pay.

Section 3.12 All basing points shall be set upon a paved street or highway. Starting and quitting time shall be at the basing point. Basing points may be changed from time to time as work progresses. However, within Zone I a four (4) hour notice of basing point change must be given within the normal work week. In Zone II a forty-eight (48) hour notice will be required within the normal work week. Every effort shall be made to make moves on the last working day of the week, except for emergency work. Basing points shall have suitable all weather parking areas and access roads and be located within five hundred (500) yards driving distance of a paved street or highway.

When workmen covered by this Agreement load or unload or transport materials, including ice and ice water, such time spent will be considered as time worked.

Section 3.13 Any Employer sending workmen from his permanent shop to Zone I cities of less than five (5) continuous days' duration, the Employer shall pay the Zone II rate of pay and Zone II rate shall be paid from shop to job at starting of job from job to shop at completion of job.

Section 3.14 When transporting men to and from jobs, protection from the weather, including heaters and proper ventilation shall be furnished by the Employer. Vehicles shall be furnished by the Employer. Vehicles used for hauling men shall be all metal designed by manufacturer for personnel and shall not haul tools, material, or supplies inside of man-hauler.

Section 3.15 Line Equipment Operators may operate cranes, crawler tractors, hole diggers, ditching machines, pole-hauling trucks, dump trucks, water trucks, pole setting trucks, or comparable equipment and any truck where winch and P.T.O. are used. Journeymen Linemen may operate all equipment in connection with conductor stringing or sagging. However, any Journeyman Lineman while operating equipment shall not be included in the ratio to determine Foreman. However, there shall be a combined maximum of ten (10) Journeymen on any conductor stringing sagging wire crew. Foreman and Apprentices will not be included in the Lineman ratio. Journeyman Technician to include Sagging Engineer, Instrument Man, Control Cable Terminator, Welder when welding on aerial electrical apparatus and equipment.

Section 3.16 Flat beds, pickups, and any trucks where a winch is not used may be operated by Groundmen.

Section 3.17 Equipment Mechanics are to perform all maintenance, welding and repair on all line equipment on job sites with the following exception:

(a) Personnel not covered under this agreement may perform tire and specialized maintenance at the discretion of the Employer.

(b) Line Equipment Operators and Equipment Mechanics may work as Groundmen.

(c) Operators to furnish hand tools, and may do emergency maintenance and repair of equipment on the job.

Section 3.18 Regardless of Sections 3.15, 3.16, and 3.17 above, Journeymen Linemen may operate any piece of equipment, (if properly licensed), at the discretion of the Employer and shall be paid Journeymen Lineman's rate of pay.

Section 3.19 Wages shall be paid weekly on a regularly established payday, but not later than quitting time. No more than five (5) days wages shall be withheld at any time. During the first two weeks of employment the employee may draw up to three days of his first week of employment if needed. Any employee required to wait for his pay shall receive pay at the regular straight time rate until paid not to exceed eight (8) hours waiting time per day. If any of the holidays enumerated in this Agreement fall on a regular payday then payday shall be the day previous to the holiday. Any Employer subject to this Agreement, whose checks are not honored by the bank because of insufficient funds, shall be required to pay all workmen in cash and continue to pay in cash or post sufficient bond to cover payroll. Checks shall be drawn on an in-state bank.

DIRECT DEPOSIT: Employees will have the option to be paid by Direct Deposit Transfer to the bank of their choice, provided that the employer has that option available. All Direct Deposit Transfers must be "Posted" to the employees' bank account by noon on Friday. The waiting time penalty shall only apply if the payment is late due to the fault of the employer.

Section 3.20 Employers are to use check stubs or other records that shall be dated and given to employees on information covering total amount of wages received amount

earned at overtime and shall show all deductions separately, such as withholding tax, state tax, social security and vacation fund deductions.

Section 3.21 Any man reporting for work at the regular starting time and being notified that his employment is terminated shall receive not less than four (4) hours wages in order to gather his tools and personal belongings and shall be paid off immediately. In the event he is not paid off, waiting time at the regular rate shall be paid for regularly scheduled hours until his check is ready for payment. Employee will receive his final check at his basing point. In the event the employee does not receive his check by quitting time the day of such termination or discharge, he shall be paid not less than four (4) hours for having to wait until the following day. When men are laid off because of lack of work, job completion or cut backs, the Steward shall be notified of such layoff in sufficient time to see that the men have ample time to gather their tools and be ready to quit at the appointed quitting time.

Any employee, who notifies his Employer he has self-terminated, shall be paid in full within twenty-four (24) hours of self-termination, excluding Saturday, Sunday and Holidays in the twenty-four (24) hour period. In the event the check is mailed, mailing will be in the twenty-four (24) hour period defined in this paragraph. Self-terminated employee shall receive eight (8) hours pay each day, Monday through Friday exclusive, until check is paid in full as defined above.

Section 3.22 Show up time only. Men reporting for work at reporting point at regular starting time on any scheduled work day and no work is performed due to weather conditions, lack of materials, equipment failure, or any cause beyond their control shall receive show up time and "Per Diem" as applicable.

Show up time shall be two (2) hours per day, five (5) days per week (Monday through Friday), at the straight time rate of pay with ten (10) hours a week guaranteed, providing the man shows up at the reporting point at the job starting time each day. Employees may be held at the reporting point and may do indoor store room work for two (2) hours.

Section 3.23 Outside employees who have begun working on the job when inclement weather occurs before lunch period shall receive a minimum of four (4) hours' pay.

Section 3.24 When men are terminated they shall be given a slip stating the reasons of such termination. These slips will be furnished by the Union in triplicate with a copy being forwarded to the Local Union. No discriminatory action will be taken by the Union against the Employer or his supervisor for recording the reasons of termination. Termination slips shall be signed by the Employer representative. For the purpose of signing the Out-Of-Work list, employee shall be considered on the Company payroll until they have received a termination slip from the Employer

Any employee absenting himself from work for a period of three (3) days or longer without the express approval by the Employer and the Business Manager of the Local Union shall be considered terminated.

Section 3.25 Foremen may not supervise a crew with more than seven (7) Journeymen. After the fourth (4th) Journeyman is employed on the crew, there shall be a non-working foreman to supervise the crew. After the second (2nd) Foreman is employed, a General Foreman will be required, and may supervise a crew. After the third (3rd) Foreman is required, the General Foreman shall not supervise a crew, but may have up to eleven (11) Foremen under his supervision.

The General Foreman and non-working Foreman may haul hand tools and incidental material, but shall not perform any other work on a job normally done by a workman under the terms of this Agreements.

Section 3.26 Foremen and General Foremen will be selected by the Employer. However, they must be qualified Journeymen Linemen. The General Foreman and Foreman shall see that any overtime is equally divided with employees if practical and the Shop Steward shall be notified of this distribution. Workmen will take orders from their immediate supervising

Foreman, Foreman from General Foreman. Foreman of foundation setting crew shall be a qualified instrument operator. On Substations and Foundation work Journeyman Technicians may be Foreman or General Foreman.

Section 3.27 Groundmen shall perform work as directed by the Journeymen Linemen and Technicians and shall not climb. Groundmen will be allowed to climb on concrete footing forms. Groundman classification to include, but not limited to, vac- truck, jackhammer, vibrator, tamps, and finishing of tower footings. Not to include finishing on pads in substations.

Section 3.28 Line Equipment Operators and Groundmen shall not exceed the one to one ratio with the Journeyman Lineman except when setting foundation footings, hole digging, trenching, backfilling, pole setting and/or job tamping.

Section 3.29 All line construction including foundations, the assembly, fabrication and erection of steel towers shall be done by Linemen, Technicians, Line Equipment Operators and Groundmen.

Section 3.30 Journeymen Linemen shall provide themselves with the following minimum tools:

- | | |
|-----------------------------|-------------------------|
| Hooks | Crescent Wrench-12 Inch |
| Skinning Knife | Connectors |
| Hammer, Claw | Pliers |
| Safety Belt | Belt |
| 6 Foot Rule | Large Screwdriver |
| Safety Belt-Except on Steel | |

The employer shall furnish all other necessary tools including safety belts on steel tower jobs where needed. The Employer shall also furnish protective cotton gloves where men are working with creosote, painting and oil-impregnated wire.

Groundmen to furnish tools as follows:

- Pliers
- 6-Foot Rule
- Skinning Knife

Journeyman Cable Splicers shall furnish only hand tools.

Equipment Operators shall provide themselves with necessary hand tools for routine maintenance on equipment they are running.

Section 3.31 The terminating, joining, splicing and insulating, the placing of flame proof covering and lead wiping of cable shall be performed by Cable Splicers. When qualified Journeyman Linemen are performing cable splicing, they shall receive Cable Splicers rate of pay. When pre-manufactured terminations or splices are used on cable under 30KV, Splicers rate shall not apply.

Section 3.32 When so elected by the contractor, multiple shifts of eight (8) hours for at least five (5) days duration may be worked. When two (2) or three (3) shifts are worked:

The first shift (day shift) shall consist of eight (8) consecutive hours worked between the hours of 8:00 a.m. and 4:30 p.m. Workmen on the "day shift" shall be paid at the regular hourly rate for all hours worked.

The second shift (swing shift) shall consist of eight (8) consecutive hours worked between the hours of 4:30 p.m. and 1:00 a.m. Workmen on the "swing shift" shall be paid at the regular hourly rate plus 17.3% for all hours worked.

The third shift (graveyard shift) shall consist of eight (8) consecutive hours worked between the hours of 12:30 a.m. and 9:00 a.m. Workmen on the graveyard shift shall be paid at the regular hourly rate plus 31.4% for all hours worked.

The employer shall be permitted to adjust the starting hours of the shift by up to two (2) hours in order to meet the needs of the customer.

If the parties to the Agreement mutually agree, the shift week may commence with the third shift (graveyard shift) at 12:30 a.m. Monday to coordinate the work with the customer's work schedule. However, any such adjustment shall be for at least a five (5) consecutive days' duration unless mutually changed by the parties to this agreement.

An unpaid lunch period of thirty (30) minutes shall be allowed on each shift. All overtime work required before the established start time and after the completion of eight (8) hours of any shift shall be paid at one and one-half times the “shift” hourly rate.

There shall be no pyramiding of overtime rates and double straight-time rate shall be the maximum compensation for any hour worked. There shall be no requirement for a day shift when either the second or third shift is worked.

Section 3.33 (a) The minimum hourly rate of wage shall be as follows:

ZONE I	05/03/11	08/06/12
General Foreman	\$44.82	\$46.16
Foreman	\$42.24	\$43.51
Cable Splicer	\$40.41	\$41.62
Journeyman Lineman	\$38.48	\$39.63
Journeyman Technician	\$37.39	\$38.51
Crane Operator (80 ton & above)	\$37.39	\$38.51
Pilot	\$37.39	\$38.51
HD Equip. Operator 85% of JL	\$32.71	\$33.68
Equip. Operator 75% of JL	\$28.86	\$29.72
Powderman	\$27.13	\$27.94
Senior Field Trans. Mech. 85% of JL	\$32.71	\$33.68
Mechanic 75% of JL	\$28.86	\$29.72
Groundman (over 4000 hr)	\$22.32	\$22.99
(*) Groundman (2000 - 4000 hr)	\$19.45	\$20.03
(*) Groundman (0 - 2000)	\$16.16	\$16.64
(*) No IBEW Local 769 - Management Pension paid, all other benefits shall be paid as per paragraphs (b) and (c) of this Section.		
Heavy Equipment Operator - Defined as an equipment operator who is operating the following equipment:		

Crawlers D-8 & above for excavation work

Crane 35 to 80 tons

Auger Digger over 4” Kelly Bar

Tensioner – Puller 15,000 lb. & above

1st Step Period 60%	\$23.09	\$23.78
2nd Step Period 65%	\$25.01	\$25.76
3rd Step Period 70%	\$26.94	\$27.74
4th Step Period 75%	\$28.86	\$29.72
5th Step Period 80%	\$30.78	\$31.70
6th Step Period 85%	\$32.71	\$33.68
7th Step Period 90%	\$34.63	\$35.67

ZONE II

Zone I wage plus per diem per day = \$50.00

Section 3.33 (b) The following will be withheld and paid from the hourly rates shown in Section 3.33 (a):

1. Optional Vacation Fund - 10% of Gross Labor Payroll
2. IBEW Local 769 Assessments - 4% of Gross Labor Payroll
3. Optional 401(k) – The employee will have the option to contribute from one percent (1%) to seventy-five percent (75%) of before tax earnings into the plan (or such other percentage as is allowed by law and the Trustees).

Section 3.33 (c) In addition to the hourly rates shown in Section 3.33 (a), employer shall make contributions as follows:

1. NEBF -- 3% of Gross Labor Payroll
2. Industry Fund -- 1% of Gross Labor Payroll
3. SWLC-JATC Training -- Per Outside Training Agreement.
4. IBEW Local 769 - Management Pension Fund -- fifteen percent (15%) of the straight time hourly rate.
5. Local Union 769 Health and Welfare – Four cents (\$0.04) per hour worked.
6. LINECO Health and Welfare:
(Maximum)
As of January 1, 2011 -----\$5.00 per hour worked.

ARTICLE IV

Safety

Section 4.01 All rubber gloves, blankets, and sleeves used for the protection of Linemen doing hot work shall be electrically and visually tested and stamped with the date of last testing, when taken out of storage, and shall be electrically tested one hundred and eighty (180) days after they are put into use. Gloves and other rubber goods shall be visually tested daily while in use. Workmen shall be responsible for all such equipment and it shall be kept in first class condition in containers provided by the Employer. No workman shall be required or permitted to furnish his own rubber gloves.

Rubber gloves shall be worn by all workmen under the following conditions:

(a) On energized circuits and apparatus, or working within reach or falling distance of energized conductors, or exposed live parts with a potential greater than 50 volts until made safe by approved protective equipment.

(b) On Series Street lighting circuits unless properly grounded.

(c) Pulling wires in or out if it is over, under, or near energized conductors.

(d) Setting poles through or near energized circuits.

(e) Energized conductors or equipment carrying up to 25,000 volts from phase to phase may be worked with rubber gloves and sleeves, provided that the workman is "isolated" from any ground potential. Hot sticks shall be used on all voltages in excess of 25,000 volts from phase to phase and to disconnect or connect any apparatus when a difference in potential exists.

(g) When moving or changing ground wires or neutrals on energized equipment or when working on a neutral when it is in the primary position.

(h) When any set of circumstances exist that the workman may consider them advisable for his safety.

DEFINITIONS

“Insulated” The employee will be insulated by the use of rubber gloves, rubber sleeves, rubber line hose, rubber blankets, etc., from the energized conductors and equipment they work on.

“Isolate” The use of insulated aerial buckets, insulated mats, or insulated platforms to isolate the worker from completing a path to ground.

Section 4.02 The following safety procedures shall be implemented on all energized work environments and are minimal requirements. Any additional requirements are subject to the discretion of the Qualified Person performing the work.

(a) A Qualified Person wearing rubber gloves may open any equipment for the purpose of inspection.

(b) A Qualified Person shall perform work on any conductor or parts of equipment when a potential of 50 volts, not to exceed 600 volts, exist.

(c) A Qualified Person may install/remove rubber or fiber protective equipment on conductors on parts of equipment that are insulated.

(d) On underground systems there shall be two Qualified People when exposed to any live lines, live equipment parts, or any work that is preformed on conductors, equipment, or parts of equipment that the potential exceeds 600 volts.

(e) There shall be two qualified people performing the work with a qualified observer when working on or exposed to any overhead conductor or equipment where the potential exceeds 600 volts.

(f) When energized conductors are de-energized in order to perform work. They shall be tested with approved equipment and determined to be de-energized, then the approved grounds on such conductors shall be installed and removed with hot sticks by a qualified person at the authorization of the person in charge of said job.

(g) At no time shall the number of apprentices exceed a one to one ratio to Journeymen Linemen and an apprentice shall be under the supervision of a journeyman at all times.

DEFINITIONS

"Qualified Observer" A Journeyman Lineman that is not performing manual labor and has full authority over work procedures.

"Qualified Person" A Journeyman Lineman or an apprentice lineman that is 4th period or above.

Section 4.03 Safety discussions will be held on Company time weekly. It will be the Steward's duty to inspect first aid kits and their content.

The Employer shall furnish an adequate first aid kit to each crew and each kit shall contain the following items:

Knuckle Bandages	Eyewash Solution
Ammonia Inhalant	Burn Ointment
Tyvek Triangular	PVP Iodine
Cold pack	Sting Kill
2" Bandage Compress	1" X 3" Bandages
4" Bandage Compress	CPR Micro shield

A container shall be furnished to house all first aid items in order to keep them dry and sterile. Any employee removing First Aid Kits or any parts thereof, unnecessarily, shall be subject to immediate discharge.

Drinking cups and dispensers, ice water, insect repellent and toilet tissue shall be furnished by the Employer.

Section 4.04 All accidents shall be reported immediately to the Job Steward and investigated.

Section 4.05 Any unsafe conditions in equipment noted at safety meetings will be adjusted by the Company before that equipment is used again. No man will be required to operate equipment in an unsafe condition.

Section 4.06 The Company will meet the minimum Safety rules and regulations of the customer.

Section 4.07 A Union appointed Safety Committee shall be allowed access to any shop or job site.

Section 4.08 Waterless soap shall be furnished by the Employer on all mechanic trucks, wire splicing and sleeving trucks and whenever full treated creosote materials are used.

It shall be the exclusive responsibility of the Employer to insure the safety of its employees and their compliance with these and the company's safety rules and standards.

ARTICLE V

Apprenticeship and Training

The Area Training Agreement entered into between the Southwestern Line Constructors Chapter of NECA, and IBEW local union number 769 as approved by the International President on August 13, 1999, and as amended, shall govern all matters of apprenticeship and training, and the financing thereof. Presently the contribution rate to the Apprenticeship and Training Trust is one (1) percent of the Gross Labor Payroll. Apprentices' wages and ratio of apprentice to Journeymen are specified in the Area Training Agreement.

ARTICLE VI

Benefits

Section 6.01 NATIONAL ELECTRICAL BENEFIT BOARD: It is agreed that in accord with the Employees Benefit Agreement of the National Electrical Benefit Fund ("NEBF"), as entered into between the National Electrical Contractors Association and the International Brotherhood of Electrical Workers on September 3, 1946, as amended, and now delineated as the Restated Employees Benefit Agreement and Trust, that unless authorized otherwise by the NEBF, the individual employer will forward monthly to the NEBF's designated local collection agent an amount equal to 3% of the gross monthly labor payroll paid to, or accrued by, the employees in this bargaining unit, and a completed payroll report prescribed by the NEBF. The payment shall be made by check or draft and shall constitute a debt due and owing to the NEBF on the last day of each calendar month, which may be recovered by suit initiated

by the NEBF or its assignee. The payment and the payroll report shall be mailed to reach the office of the appropriate local collection agent not later than fifteen (15) calendar days following the end of each calendar month.

The individual employer hereby accepts, and agrees to be bound by, the Restated Employees Benefit Agreement and Trust.

An individual employer who fails to remit as provided above shall be additionally subject to having his agreement terminated upon seventy-two (72) hours notice in writing being served by the Union, provided the individual employer fails to show satisfactory proof that the required payments have been paid to the appropriate local collection agent.

The failure of an individual Employer to comply with the applicable provisions of the Restated Employees Benefit Agreement and Trust shall also constitute a breach of his labor agreement.

Section 6.02 PAYROLL DEDUCTION OF ADDITIONAL WORKING DUES: The Employer agrees to deduct and forward to the Financial Secretary of the Local Union - upon receipts of a voluntary written authorization - the additional working dues of each IBEW member. The amount to be deducted shall be the amount specified in the approved Local Union Bylaws. Such amount shall be certified to the Employer by the Local Union upon request by the Employer.

Section 6.03 HEALTH AND WELFARE.
IBEW Local 769 Health and Welfare Trust Fund: Employers employing employees under the terms of this Agreement shall pay to IBEW Local 769 Health and Welfare Trust Fund, an amount equal to four cents (\$.04) per hours worked. These monies shall be forwarded by an Employer to the IBEW Local 769 Health and Welfare Trust Fund using the transmittal form and depository that is separately designated by the IBEW Local 769 Health and Welfare Trust Fund.

These monies shall be payable monthly on or before the fifteenth (15th) of the month succeeding the calendar month for which payment is to be made, and no later than the fifteenth (15th)

of each succeeding month that the Employer has employees on his payroll under the terms of this Agreement.

The trustees are empowered to set up reciprocity agreements with other trust to aid in establishing portability.

The trustees are empowered to retain advisors or consultants.

The Trustees of the Health & Welfare Trust Fund, two (2) selected by the Southwestern Line Constructors, NECA, and two (2) selected by the Local Union 769, IBEW, shall meet before May 1, 1966, to establish eligibility rules and approve a proper plan for the employees for whom such payments have been made. Such plan arrived at between the Health & Welfare Trust Committee shall become effective no later than June 20 1966.

All costs and the administration of the IBEW Local 769 Health and Welfare Trust Fund shall be paid from such fund upon the approval of the Trustees.

Employers employing employees under the terms of this Agreement hereby accept, and agree to be bound by the IBEW Local 769 Health and Welfare Trust Fund Agreement. The failure of an Employer employing employees under the terms of this Agreement to comply with the provisions of the IBEW Local 769 Health and Welfare Trust Fund Agreement shall also constitute a breach of such Employer's labor agreement.

Line Construction Benefit Fund (LINECO):

The Employer agrees to pay into a Welfare Fund, known as the Line Construction Benefit Fund, five dollars (\$5.00) for each hour paid to all employees covered by this agreement and any increase above this amount shall be paid for through a wage reduction. The contributions of the Employer shall be used to provide temporary disability, dental, hospital, surgical and medical expense benefits to eligible employees and/or their dependents in such and amount as the trustees of the Welfare Fund may determine and to provide funds for the organization and administration expenses of the Welfare Fund. The contributions may also be used to provide group life insurance to eligible employees if the trustees of the Welfare Fund may determine this protection is advisable.

The Employer agrees to be bound by the terms and conditions of the Trust documents and by the actions of the trustees, excluding any action prohibited by law or which diverts the funds from the purposes for which the Trust was created and to make available to the Lineco trustees such information and records as will enable the Lineco trustees to perform their functions.

The said Welfare Fund shall be administered pursuant to an Agreement and Declaration of Trust administered jointly by representatives of the NECA Chapters & IBEW Unions. If any employer fails to make contributions to said Welfare Fund as provided in this agreement, no later than the 15th day following the end of each calendar month, he shall be subject to having this agreement terminated upon seventy-two hours notice in writing being served by the Union, provided the individual Employer fails to show satisfactory proof that the required payments have been paid to the Line Construction Benefit Fund. In addition, if suit is instituted to collect any delinquent payment, the Employer shall also be liable for such interest, damages, fees and costs as are provided for by law.

Section 6.04 PENSION. Employers employing employees under the terms of this agreement shall pay to the Trustees of the IBEW Local 769 - Management Pension Fund an amount equal to fifteen percent (15%) of the straight time Zone I hourly rate.

These monies shall be payable monthly on or before the fifteenth (15th) of the month succeeding the calendar month for which payment is to be made using the transmittal form and depository designated by the Trustees.

The Trustees are empowered to set up reciprocity agreements with other trusts to aid in establishing portability.

The Trustees are empowered to retain advisors or consultant.

The Trustees of the Pension Fund shall meet as soon as is practicable to develop a pension plan, the effective date of which shall be June 30, 1969.

All costs and the administration of this plan shall be paid from the Pension Trust Fund upon the approval of the Trustees.

The individual employer hereby accepts, and agrees to be bound by, the I.B.E.W. Local 769 – Management Pension Fund Trust Agreement.

The failure of an individual employer to comply with the applicable provisions of the I.B.E.W. Local 769 – Management Pension Fund Trust Agreement shall also constitute a breach of his labor agreement.

If during the term of the collective bargaining agreement, the Trustees of NEBF increase the required funding, the Local 769 Management Pension Fund contribution provided in the collective bargaining agreement will be reduced by the amount of the NEBF increase effective the date such increase commences and the Employer shall then contribute to the NEBF such increase described above.

Section 6.05 INDUSTRY FUND. Each individual Employer shall contribute an amount not to exceed one percent (1%) nor less than .2 of 1% of the productive electrical payroll, as determined by each local Chapter and approved by the Trustees, with the following exclusions:

(a) Twenty-five percent (25%) of all productive electrical payroll in excess of 75,000 man-hours paid for electrical work in any one Chapter area during any one calendar year, but not exceeding 150,000 man-hours.

(b) One hundred percent (100%) of all productive electrical payroll in excess of 150,000 man-hours paid for electrical work in any one Chapter area during any one calendar year.

(Productive electrical payroll is defined as the total wages {including overtime} paid with respect to all hours worked by all classes of electrical labor for which a rate is established in the prevailing labor area where the business is transacted.)

Payment shall be forwarded monthly to the National Electrical Industry Fund in a form and manner prescribed by the Trustees no later than fifteen (15) calendar days following the last day of the month in which the labor was performed. Failure to do so will be considered a breach of this Agreement on the part of the individual Employer.

Section 6.06 VACATION PLAN. The

Employer shall pay to each employee subject to this Agreement as a vacation allowance an amount equal to ten percent (10%) of wages, which amount is included in the wage rate listed in the Labor Agreement. This deduction is at the Employee's option and shall be declared at the time of hiring. A change may be made once a year in January.

This vacation allowance shall be withheld from the employee's weekly pay and shall be deposited no later than the fifteenth (15th) of each month in the Arizona Federal Credit Union, 5151 North 19th Avenue, Phoenix, Arizona 85015.

Section 6.07 IBEW/NECA 401(k) PLAN

It is agreed that the individual Employer, in accord with the National Electrical 401(k) Plan Agreement and Trust ("Agreement and Trust") as entered into between the National Electrical Contractors Association and the International Brotherhood of Electrical Workers, as amended, will participate in the National Electrical 401(k) Plan ("NEFP").

The individual Employer recognizes that applicable rules require contributions to be transmitted to a 401(k) plan as soon as they can reasonably be segregated from the general assets of the Employer. The Trustees of the NEFP strongly encourage all contributing employers to regularly remit to the NEFP or its designee any and all bargaining unit employee elective deferrals within seven business days of the date when the Employer receives or withholds such employee elective deferrals. However, in recognition that some employers may be unable reasonably to segregate participant contributions from their general assets more frequently than the standard monthly processing cycle for participant contributions to pension plans, as noted in U.S. Department of Labor Field Assistance Bulletin 2003-2, all contributions must be remitted by the fifteenth (15th) of the month following the month in which the amounts would otherwise have been payable to the participant. In all events, contributions not remitted by this date shall constitute a debt due and owing to the NEFP. In making such contributions, the individual Employer shall utilize the NEFP's electronic remittance system. Further, in agreeing to participate in the NEFP, the individual

Employer agrees to cooperate with the NEFP by submitting all reasonably requested documents and information necessary for the NEFP to perform all required testing of the NEFP under the tax laws.

The Chapter and/or the individual Employer, as the case may be, and the Local Union certify that no existing defined benefit plan was terminated or modified in any manner solely as a condition upon or as a result of the adoption of the NEFP. This provision does not interfere with the rights and obligations of such local plan(s)' trustees to make changes to the plan(s) pursuant to the needs of the plan(s), their fiduciary duty, the requirements of ERISA, the Pension Protection Act, Outside Revision December 2008, other laws and regulations.

Inasmuch as the NEFP is intended to offer bargaining unit employees the opportunity to defer current salary into a retirement savings plan and not to replace any existing Employer-funded defined benefit plan, no Employer contributions will be required or accepted on behalf of individuals for hours worked under the terms of this agreement.

The individual Employer hereby accepts, and agrees to be bound by, the Agreement and Trust.

An individual Employer who fails to remit employee elective deferrals as provided above shall be subject, in addition to all remedies afforded by law or in the Agreement and Trust, to having its participating in the NEFP suspended or terminated at the discretion of the Trustees of the NEFP upon written notice to the individual Employer. An individual Employer who fails to remit as provided above shall be additionally subject to having this agreement terminated upon seventy-two (72) hours' notice in writing being served by the Union, provided the individual Employer fails to show satisfactory proof that the required payments have been paid to the appropriate local collection agent.

The failure of an individual Employer to comply with the applicable provisions of the Agreement and Trust shall also constitute a breach of his labor agreement.

Section 6.08 ADMINISTRATIVE

MAINTENANCE FUND: All Employers who are signatory to this Labor Agreement shall contribute an amount equal to 0.2%

(two tenths of one percent) of their gross monthly payroll, payable to the Southwestern Line Chapter Administrative Maintenance Fund. Annual contributions to the fund shall be limited to the first 75,000 man hours per employer.

The Fund shall be administered solely by the Southwestern Line Constructors Chapter, NECA, Inc. and shall be utilized to pay for the Chapter's administration cost of this labor contract including negotiations, labor relations, disputes and grievance representation performed on behalf of the signatory employers. In addition, all other management duties and responsibilities pursuant to this agreement.

The Southwestern Line Chapter Administrative Maintenance Fund contribution shall be submitted with all other benefits as designated in the Labor Agreement by the fifteenth (15th) of the following month. In the event any Employer is delinquent in submitting the required amount, the Southwestern Line Chapter shall have the authority to recover any funds, along with attorney fees, court costs, interest at one percent (1%) per month and liquidated damages.. The enforcement for the delinquent payments to the fund shall be the sole responsibility of the fund. These monies shall not be used to the detriment of the IBEW or IBEW Local Union 769.

ARTICLE VII

National Labor Management Cooperation Committee

Section 7.01 The parties agree to participate in the NECA-IBEW National Labor-Management Cooperation Fund, under authority of Section 6(b) of the Labor-Management Cooperation Act of 1978, 29 U.S.C. 175(a) and Section 302(c)(9) of the Labor-Management Relations Act, 29 U.S.C. 186(c)(9).

The purpose of this Fund includes the following:

- 1) To improve communication between representatives of labor and management;
- 2) To provide workers and employers with opportunities to study and explore new and innovative joint approaches to achieving organization effectiveness;

- 3) To assist workers and employers in solving problems of mutual concern not susceptible to resolution within the collective bargaining process;
- 4) To study and explore ways of eliminating potential problems which reduce the competitiveness and inhibit the economic development of the electrical construction industry;
- 5) To sponsor program which improve job security, enhance economic and community development, and promote the general welfare of the community and the industry;
- 6) To encourage and support the initiation and operation of similarly constituted local labor-management cooperation committee;
- 7) To engage in research and development programs concerning various aspects of the industry, including, but not limited to, new technologies, occupational safety and health, labor relations, and new methods of improved production;
- 8) To engage in public education and other programs to expand the economic development of the electrical construction industry;
- 9) To enhance the involvement of workers in making decisions that effect their working lives; and
- 10) To engage in any other lawful activities incidental or related to the accomplishments of these purposes and goals.

Section 7.02 The fund shall function in accordance with, and as provided in, its Agreement and Declaration of Trust, and any amendments thereto and any other of its governing documents. Each Employer hereby accepts, agrees to be bound by, and shall be entitled to participate in the NLMCC, as provided in said Agreement and Declaration of Trust.

Section 7.03 Each Employer shall contribute one cent (1¢) per hour worked under this Agreement up to a maximum of 150,000 hours per year for work performed under the terms of IBEW Local Union agreement with the Southwestern Line Constructors Chapter, N.E.C.A. Payment shall be forwarded

monthly, in a form and manner prescribed by the Trustees, no later than fifteen (15) calendar days following the last day of the month in which the labor was performed. The Southwestern Line Constructors Chapter, N.E.C.A., or its designee, shall be the collection agent for this Fund.

Section 7.04 If an Employer fails to make the required contribution to the Fund, the Trustees shall have the right to take whatever steps are necessary to secure compliance. In the event the Employer is in default, the Employer shall be liable for a sum equal to 15% of the delinquent payment, but not less than the sum of twenty dollars (\$20), for each month payment of contribution is delinquent to the fund, such amount being liquidated damages, and not a penalty, reflecting the reasonable damages incurred by the Fund due to the delinquency of the payments. Such amounts shall be added to and become a part of the contribution due and payable, and the whole amount due shall bear interest at the rate of ten percent (10%) per annum until paid. The Employer shall be liable for all costs of collecting the payment together with attorneys' fees.

ARTICLE VIII

Local Labor-Management Cooperation Committee (LMCC)

Section 8.01 The parties agree to participate in a Labor-Management Cooperation Fund, under authority of Section 6(b) of the Labor Management Cooperation Act of 1978, 29 U.S.C. §175(a) and Section 302(c)(9) of the Labor Management Relations Act, 29 U.S.C. §186(c)(9). The purposes of this Fund include the following:

- 1) to improve communications between representatives of Labor and Management;
- 2) to provide workers and employers with opportunities to study and explore new and innovative joint approaches to achieving organizational effectiveness;
- 3) to assist workers and employers in solving problems of mutual concern not susceptible to resolution within the collective bargaining process;

- 4) to study and explore ways of eliminating potential problems which reduce the competitiveness and inhibit the economic development of the electrical construction industry;
- 5) to sponsor programs which improve job security, enhance economic and community development, and promote the general welfare of the community and industry;
- 6) to engage in research and development programs concerning various aspects of the industry, including, but not limited to, new technologies, occupational safety and health, labor relations, and new methods of improved production;
- 7) to engage in public education and other programs to expand the economic development of the electrical construction industry;
- 8) to enhance the involvement of workers in making decisions that affect their working lives; and,
- 9) to engage in any other lawful activities incidental or related to the accomplishment of these purposes and goals.

Section 8.02. The Fund shall function in accordance with, and as provided in, its Agreement and Declaration of Trust and any amendments thereto and any other of its governing documents. Each Employer hereby accepts, agrees to be bound by, and shall be entitled to participate in the LMCC, as provided in said Agreement and Declaration of Trust.

Section 8.03. Each employer shall contribute zero (.0) cents per hour worked under this agreement up to a maximum of 150,000 hours per year for work performed under the terms of IBEW Local Union agreement with the Western Line Construction Chapter, N.E.C.A. Payment shall be forwarded monthly, in a form and manner prescribed by the Trustees, no later than fifteen (15) calendar days following the last day of the month in which the labor was performed. The Western Line Constructors Chapter, NECA, or its designee, shall be the collection agent for this Fund.

Section 8.04. If an Employer fails to make the required contributions to the Fund, the Trustees shall have the right to take whatever steps are necessary to secure compliance. In the event the Employer is in default, the Employer shall be liable for a sum equal to 15% of the delinquent payment, but not less than the sum of twenty dollars (\$20), for each month payment of contributions is delinquent to the Fund, such amount being liquidated damages, and not a penalty, reflecting the reasonable damages incurred by the Fund due to the delinquency of the payments. Such amount shall be added to and become a part of the contributions due and payable, and the whole amount due shall bear interest at the rate of ten percent (10%) per annum until paid. The Employer shall also be liable for all costs of collecting the payment together with attorneys' fees.

ARTICLE IX

Referral Procedure

Section 9.01 In the interest of maintaining an efficient system of production in the industry, providing for an orderly procedure of referral of applicants for employment, preserving the legitimate interests of employees in their employment status within the area and of eliminating discrimination in employment because of membership or non-membership in the Union the parties hereto agree to the following system of referral of applicants for employment.

Section 9.02 The Union shall have the sole and exclusive source of referral of applicants for employment.

Section 9.03 The Employer shall have the right to reject any applicant for employment.

Section 9.04 The Union shall select and refer applicants for employment without discrimination against such applicants by reason of membership or non-membership in the Union and such selection and referral shall not be affected in any way by rules, regulations, by-laws, constitutional provisions or any other aspect or obligation of Union membership policies or

requirements. All such selection and referral shall be in accordance with the following procedure.

Section 9.05 The Union shall maintain a register of applicants for employment established on the basis of the Classifications and Groups listed below. Each applicant for employment shall be registered in the highest priority Group in the classification or classifications for which he qualifies.

Classification A
Journeyman Lineman - Journeyman Technician

GROUP I All applicants for employment who have three and one-half (3 1/2) or more years' experience in the trade, are residents of the geographical area constituting the normal construction labor market, have passed a Journeyman Lineman's examination given by a duly constituted Outside Construction Local Union of the IBEW or have been certified as a Journeyman Lineman by any Outside Joint Apprenticeship and Training Committee, and who have been employed in the trade for a period of at least one (1) year in the last three and one-half (3 1/2) years in the geographical area covered by the collective bargaining agreement.

Group I status shall be limited to one Local Union at one time. An applicant who qualifies for Group I in a local union shall be so registered electronically and remain on Group I in that local union unless and until the applicant designates another local union as his or her Group I local union. If an applicant qualifies for Group I status in a local union other than his or her home local union and designates that local as his or her Group I local union, the business manager of the new group I status local union shall by electronic means notify the business manager of the applicant's former Group I status local union.

GROUP II All applicants for employment who have three and one-half (3 1/2) or more years' experience in the trade and who have passed a Journeyman Lineman's examination given by a duly constituted Outside Local Union of the IBEW or have been certified as a Journeyman Lineman by any Outside Joint Apprenticeship and Training Committee.

GROUP III All applicants for employment who have two (2) or more years' experience in the trade, are residents of the geographical area constituting the normal construction labor market, and who have been employed in the normal construction labor market area for at least six (6) months in the last two and one-half (2 1/2) years in the geographical area covered by the collective bargaining agreement.

GROUP IV All applicants for employment who have worked at the trade for more than one year.

Classification B

Line Equipment Operators - Line Equipment Mechanics

GROUP I All applicants for employment who have experience in the trade, are residents of the geographical area constituting the normal construction labor market, have passed an examination pertaining to their classification given by a duly constituted Outside Construction Local Union of the IBEW, and who have been employed in the trade for a period of at least one (1) year in the last four (4) years in the geographical area covered by the collective bargaining agreement.

Group I status shall be limited to one Local Union at one time. An applicant who qualifies for Group I in a local union shall be so registered electronically and remain on Group I in that local union unless and until the applicant designates another local union as his or her Group I local union. If an applicant qualifies for Group I status in a local union other than his or her home local union and designates that local as his or her Group I local union, the business manager of the new group 1 status local union shall by electronic means notify the business manager of the applicant's former Group I status local union.

GROUP II All applicants for employment who have experience in the trade, and have passed an examination pertaining to their classification given by a duly constituted Outside Construction Local Union of the IBEW.

GROUP III All applicants for employment who have experience in the trade, are residents of the geographical area constituting the normal construction labor market, and who have been employed in the normal construction labor market area for at least six (6) months in the last three (3) years in the geographical area covered by the collective bargaining agreement.

GROUP IV All applicants for employment who have worked at the trade for more than one year.

Classification C Groundman - Truck Driver

GROUP I All applicants for employment who have experience in the trade, are residents of the geographical area constituting the normal construction labor market, have the necessary qualifications pertaining to their classification, and who have been employed in the trade for a period of at least one (1) year in the last four (4) years in the geographical area covered by the collective bargaining agreement.

Group I status shall be limited to one Local Union at one time. An applicant who qualifies for Group I in a local union shall be so registered electronically and remain on Group I in that local union unless and until the applicant designates another local union as his or her Group I local union. If an applicant qualifies for Group I status in a local union other than his or her home local union and designates that local as his or her Group I local union, the business manager of the new group 1 status local union shall by electronic means notify the business manager of the applicant's former Group I status local union.

GROUP II All applicants for employment who have worked in the trade for more than one year.

GROUP III All applicants for employment who have experience in the trade, are residents of the geographical area constituting the normal construction labor market, and who have been employed in the normal construction labor market area for at

least six (6) months in the last three (3) years in the geographical area covered by the collective bargaining agreement.

GROUP IV All other applicants for employment.

Section 9.06 If the registration list is exhausted and the Local Union is unable to refer applicants for employment to the Employer within forty-eight (48) hours from the time of receiving the Employer's request, Saturdays, Sundays and holidays excepted, the Employer shall be free to secure applicants without using the Referral Procedure but such applicants, if hired, shall have the status of "temporary employees".

Section 9.07 The Employer shall notify the Business Manager promptly of the names and Social Security numbers of such "temporary employees" and shall replace such "temporary employees" as soon as registered applicants for employment are available under the Referral Procedure.

Section 9.08 **NORMAL CONSTRUCTION LABOR MARKET** is defined to mean the following geographical area plus the commuting distance adjacent thereto which included the area from which the normal labor supply is secured: State of Arizona.

The above geographical area is agreed upon by the parties to include the area defined by the Secretary of Labor to be the appropriate prevailing wage area under the Davis-Bacon Act to which this Agreement applies.

Section 9.09 **Resident.** Means a person who has maintained a permanent home in the above defined geographical area for a period of not less than one (1) year or who, having had a permanent home in this area, has temporarily left with the intention of returning to this area as his permanent home.

Section 9.10 **Examinations.** An "Examination" shall include experience rating tests if such examination shall have been given prior to the effective date of this procedure, but from and after the date of the procedure, shall include only written

and/or practical examinations given by a duly constituted Outside Construction Local Union of the IBEW. Reasonable intervals of time for examinations are specified as ninety (90) days. An applicant shall be eligible for examination if he has three and one-half (3 1/2) years' experience in the trade.

Section 9.11 The Union shall maintain an "Out of Work List" which shall list the applicants within each Group in chronological order of the dates they register their availability for employment

Section 9.12 Re-registration. An applicant who has registered on the "Out of Work List" must renew his application every thirty (30) days or his name will be removed from the "List".

Section 9.13 An applicant who is hired and who receives, through no fault of his own, work of forty hours or less, shall upon re-registration, be restored to his appropriate place within his Group.

Section 9.14(a) Employers shall advise the Business Manager of the Local Union of the number of applicants needed. The Business Manager shall refer applicants to the Employer by first referring applicants in GROUP I in the order of their place on the "Out of Work List" and then referring applicants in the same manner successively from the "Out of Work List" in GROUP II, then GROUP III, and then GROUP IV. Any applicant who is rejected by the Employer shall be returned to his appropriate place within his Group and shall be referred to other employment in accordance with the position of his Group and his place within his Group.

Section 9.14(b) An applicant who is discharged for cause two (2) times within a Twelve (12) month period shall be referred to the neutral member of the Appeals Committee for a determination as to the applicant's continued eligibility for referral. The neutral member of the Appeals Committee shall, within three (3) business days, review the qualifications of the applicant and the reasons for the discharges. The neutral member of the Appeals

Committee may, in his or her sole discretion: (1) require the applicant to obtain further training from the JATC before again being eligible for referral; (2) disqualify the applicant for referral for a period of four weeks or longer depending on the seriousness of the conduct and/or repetitive nature of the conduct; (3) refer the applicant to an employee assistance program, if available, for evaluation and recommended action; or (4) restore the applicant to his/her appropriate place on the referral list.

Section 9.15 The only exceptions which shall be allowed in this order of referral are as follows:

(a) When the Employer states bona fide requirements for special skills and abilities in his request for applicants, the Business Manager shall refer the first applicant on the register possessing such skills and abilities.

(b) If the age ratio clause in the Agreement calls for the employment of an additional employee or employees on the basis of age, the Business Manager shall refer the first applicant on the register satisfying the applicable age requirement provided, however, that all names in higher priority groups, if any, shall first be exhausted before such over-age reference can be made.

Section 9.16 An Appeals Committee is hereby established composed of one member appointed by the Union, one member appointed by the Employer or by the Association, as the case may be, and a Public Member appointed by both of these members.

Section 9.17 It shall be the function of the Appeals Committee to consider any complaint of any employee or applicant or employment arising out of the administration by the Local Union of Section 9.04 through 9.15 if this Agreement. The Appeals Committee shall have the power to make a final and binding decision on any such complaint which shall be complied with by the Local Union. The Appeals Committee is authorized to issue procedural rules for the conduct of its business, but it is not authorized to add to, subtract from, or modify any of the provisions of this Agreement and its decisions shall be in accord with this Agreement.

Section 9.18 A representative of the Employer or of the Association, as the case may be, designated to the Union, in writing, shall be permitted to inspect the Referral Procedure records at any time during normal business hours.

Section 9.19 A copy of the Referral Procedure set forth in this Agreement shall be posted on the Bulletin Board in the offices of the Local Union and the offices of the Employers who are parties to this Agreement.

Section 9.20 Apprentices shall be hired and transferred in accordance with the Apprenticeship provisions of the Outside Area Training Agreement.

ARTICLE X

Substance Abuse

Section 10.01 The dangers and costs that alcohol and other chemical abuses can create in the electrical contracting industry in terms of safety and productivity are significant. The parties to this Agreement resolve to combat chemical abuse in any form and agree that, to be effective, programs to eliminate substance abuse and impairment should contain a strong rehabilitation component. The local parties recognize that the implementation of a drug and alcohol policy and program must be subject to all applicable federal, state, and local laws and regulations. Such policies and programs must also be administered in accordance with accepted scientific principles, and must incorporate procedural safeguards to ensure fairness in application and protection of legitimate interests of privacy and confidentiality. To provide a drug-free workforce for the Electrical Construction Industry, each IBEW local union and NECA chapter shall implement an area-wide Substance Abuse Testing Policy. The policy shall include minimum standards as required by the IBEW and NECA. Should any of the required minimum standards fail to comply with federal, state, and/or local laws and regulations, they shall be modified by the local union and chapter to meet the requirements of those laws and regulations.

**ARTICLE XI
CODE OF EXCELLENCE**

Section 11.01 The parties to this Agreement recognize that to meet the needs of our customers, both employer and employee must meet the highest levels of performance, professionalism, and productivity. The Code of Excellence has proven to be a vital element in meeting the customers' expectations. Therefore each IBEW local union and NECA chapter shall implement a Code of Excellence Program. The program shall include minimum standards as designed by the IBEW and NECA.

SEPARABILITY CLAUSE

Should any provision of this Agreement be declared illegal by any court of competent jurisdiction, such provisions shall immediately become null and void, leaving the remainder of the Agreement in full force and effect and the parties shall, thereupon, seek to negotiate substitute provisions which are in conformity with the applicable laws.

Subject to the approval of the International President, IBEW

Signed
Southwestern Line Constructors, NECA

Signed
Local Union 769, IBEW

By JOE MITCHELL
Title Chapter Manager
Date _____

By JOEL D. BELL
Title Business Manager
Date _____

By HOWARD FILLEMAN
Title Committee Chairman
Date _____

Negotiations Committee:

Joe Mitchell
Howard Filleman
Brad Proctor
Rod Enders

Joel D. Bell
Mark Cunningham
Brian Rice
Jeff Carpenter