

WORKERS' COMPENSATION ADDENDUM
(2011 Revision)

to

THE CURRENT COLLECTIVE BARGAINING AGREEMENT

between

ASSOCIATED GENERAL CONTRACTORS OF CALIFORNIA, INC.,
ENGINEERING AND UTILITY CONTRACTORS ASSOCIATION,
CONSTRUCTION EMPLOYERS' ASSOCIATION AND
ASSOCIATION OF ENGINEERING CONSTRUCTION EMPLOYERS

and

NORTHERN CALIFORNIA DISTRICT COUNCIL OF LABORERS,
THE NORTHERN CALIFORNIA CARPENTERS REGIONAL COUNCIL AND
OPERATING ENGINEERS LOCAL UNION NO. 3

and

THE SIGNATORY INDIVIDUAL EMPLOYER

This Workers' Compensation Addendum ("Addendum") is entered into by and between Associated General Contractors of California, Inc. ("AGC"), the Engineering and Utility Contractors Association ("EUCA"), the Construction Employers Association ("CEA"), the Association of Engineering Construction Employers ("AECE") referred to individually and collectively as the "EMPLOYER," and those Individual Employers who have granted bargaining authority to the Employer with regard to one or more collective bargaining agreements with the Union and who voluntarily agree to participate in the Workers' Compensation program contained herein (referred to individually and collectively as the "Individual Employer" and the Northern California District Council of Laborers, the Northern California Carpenters Regional Council and the Operating Engineers Local Union No. 3 referred to individually and collectively as the "UNION."

This Addendum is intended as an addendum to the current Collective Bargaining Agreements ("CBA") between the Employer and the Union.

ARTICLE I: PURPOSE

The purposes of this Addendum are the following: (1) to provide employees claiming compensable injuries under Division 4 of the California Labor Code ("Workers' Compensation Law") with improved access to high-quality medical treatment and prompt compensation, (2) to reduce the number and severity of disputes between employees and employers regarding workers' compensation, (3) to provide a better method to resolve such disputes when they occur, (4) to provide workers' compensation coverage in a way that improves labor management relationships, job security and organizational effectiveness, (5) to provide the foregoing on a stable and long-term basis, and (6) to provide an opportunity for those Individual Employers who have granted bargaining authority to the Employer with regard to one or more collective bargaining agreements with the Union to voluntarily participate in the Workers' Compensation program set forth herein.

These purposes will be achieved by utilizing provisions of California Labor Code § 3201.5, § 3201.7 and other relevant laws to establish the following: a labor-management trust, an employer safety group for insurance, an exclusive list of medical providers, an alternative dispute prevention and resolution system, and an exclusive list of medical evaluators.

The Employer and Union recognize the interdependent nature of each purpose and each means to achieve those purposes.

ARTICLE II: PLEDGE OF ACCORD

The Union and Employer enter into this Addendum with the understanding that the law authorizing this Addendum is new and evolving, and that problems may therefore arise in applying and administering this Addendum. Nevertheless, it is understood that long term benefits can be attained by Employees, the Union and Individual Employers by everyone's good faith performance of this Addendum. Therefore, it is agreed that every good faith effort shall be made to apply and administer this Addendum in accordance with the true intent of its purposes, rights and obligations.

ARTICLE III: SCOPE OF THE ADDENDUM

A. It is recognized that California law restricts which Individual Employers can become covered and remain covered by this Addendum. The terms of this Addendum will apply to the Employees, Union and Individual Employer, if:

1. The Individual Employer voluntarily becomes signatory to this Addendum and agrees to make contributions to the Trust as herein provided.
2. The Individual Employer satisfies all requirements of California Labor Code §3201.5 or §3201.7 to be eligible for coverage by this Addendum;
3. The Individual Employer secures and maintains workers' compensation coverage with the insurance carrier affiliated with the Basic Crafts Workers Compensation Benefits Trust Fund and complies with the requirements of California Labor Code §3201.5 or §3201.7 regarding insurance coverage;
4. The Individual Employer is not delinquent in making Trust contributions required by this Addendum for more than any four months; and
5. The Individual Employer fulfills its obligations pursuant to the Basic Crafts Employer Performance Criteria.

B. The Individual Employer's failure to satisfy any of the conditions in Paragraph A will terminate this Addendum, but not the CBA. Such termination will not prohibit the Individual Employer from again becoming signatory to this Addendum. An Individual Employer who is delinquent in making Trust Funds contributions shall be given written notice of the delinquency from the Trust Fund and a seven day period to cure the delinquency. If the Employer fails to cure the delinquency, the Employers coverage and obligation under the Addendum will not terminate. Rather the Employer will be liable for the delinquent amounts as well as interest and all collection cost. If

said delinquency is not remedied by the Employer's anniversary date, the Employer will not be allowed to renew its policy under the Addendum.

C. This Addendum applies only to injuries, as defined by Workers' Compensation Law, sustained by Employees when covered by this Addendum. Injuries occurring after termination of this Addendum, or prior to the date that the Individual Employer becomes signatory to this Addendum for any reason, are not covered by this Addendum.

D. This Addendum is not intended to diminish any type of compensation that Employees are entitled under Workers' Compensation Law, to the full extent that compensation has been defined by Workers' Compensation Law.

E. This Addendum is binding upon the heirs, executors, administrators, purchasers and assigns of the Individual Employer, subject to the provisions of this Addendum, and is binding upon the Individual Employer regardless of a change of entity, name, or association.

F. The Individual Employer may delegate to its workers' compensation insurance carrier the performance of its obligations under this Addendum, but it cannot relieve itself of the legal responsibility for those obligations.

G. On projects where the owner, developer or general contractor supplies project wrap-up insurance that includes workers' compensation coverage, the Individual Employer may suspend this Addendum for work on that specific project.

H. This Addendum must remain in effect for the term of the CBA presently in effect, except as provided by this Addendum. At any time, the Union or the Employer may terminate this Addendum by giving the other party and the Trust one hundred and eighty (180) days written notice, and the Individual Employer may terminate this Addendum by giving the applicable Union(s) to which it has a CBA and the Trust ninety (90) days written notice.

I. Should the Individual Employer, for any reason, cease to be covered by this Addendum, it shall take all steps necessary to ensure that its obligations under California Workers' Compensation Law are met with respect to all Employees previously covered by this Addendum.

ARTICLE IV: WORKERS' COMPENSATION TRUST

A. This Addendum hereby provides for the establishment, maintenance and administration of a joint labor-management trust known as the BASIC CRAFTS WORKERS COMPENSATION BENEFITS TRUST FUND ("Trust"). The general purpose of the Trust is to hold funds in trust which will be used to achieve the purposes of this Addendum. This includes establishing a Trust Fund, administering the Alternative Dispute Prevention And Resolution System, retaining and directing an

Ombudsman, and ensuring that the Basic Crafts Safety Group of Employers for Workers' Compensation Insurance is established in compliance with California Insurance Code §§ 11656.6 and 11656.7 and California Labor Code §§ 3201.5 and 3201.7. The structure, purposes, duties and powers of the Trust shall be specifically set forth in the Trust Agreement for the Basic Crafts Workers' Compensation Benefits Trust Fund ("Trust Agreement").

B. The Individual Employer hereby adopts and agrees to be bound by the terms of the Trust Agreement, and further agrees to observe and be bound by the actions and determinations of the Board of Trustees ("Trustees") of the Trust.

C. The Individual Employer shall contribute to the Trust the sum of seven cents (\$.07) per hour for each hour worked, or paid for, by Employees performing work covered by this Addendum for the purposes of defraying costs and administering the Trust.

D. The Trustees may, from time to time, waive a portion of the contribution provided in this Addendum, subject to the Trust Agreement. The Trustees may also attempt to recover the cost of the administration of the Trust from the insurance carrier in the form of commission overrides and reimbursement of cost of specific claims-handling processes, such as mediation and arbitration.

E. In case the auditors for the Trustees conduct an audit and determine that the Individual Employer has violated the provisions of this Article, the collection procedures set forth in Article IV, Section 3 of the Trust Agreement shall be implemented.

F. Every Individual Employer who is audited and whom the Trustees conclude that contributions to the Trust have not been computed or made by it in the manner required by this Article will be liable for the expense of the audit in addition to any other liability set forth under this Article or the Trust Agreement.

G. If the Individual Employer is delinquent in making contributions or fails to comply with an audit request within ten days after written notice is sent, via Registered Mail or Certified Mail -- Return Receipt Requested by the Trust, the applicable Union may withhold service from the Individual Employer until such payments are made or compliance with the audit request has occurred.

ARTICLE V: INDIVIDUAL EMPLOYERS' SAFETY GROUP

A. The Individual Employer shall join the Basic Crafts Safety Group of Employers for Workers' Compensation Insurance ("Safety Group"), established pursuant to California Insurance Code §§ 11656.6 and 11656.7 and California Labor Code § 3201.5 and § 3201.7, to secure its workers' compensation coverage from the insurance carrier affiliated with the Safety Group to abide by the By Laws of the Safety Group.

B. The Individual Employer may choose to be exempt from this Article if it develops or projects an annual workers' compensation insurance premium in California of \$250,000 or more, or paid an annual workers' compensation insurance premium in California of \$250,000 in at least one of the previous three years, and if it also satisfies all other requirements for eligibility.

ARTICLE VI: MEDICAL PROVIDERS

A. All medical treatment required to be provided by the Individual Employer under Workers' Compensation Law shall be selected by the Employee from the Exclusive List of Medical Providers.

B. The Trust shall agree to the Exclusive List of Medical Providers under the provisions of the Trust Agreement and promulgate it appropriately. The Exclusive List may be changed at any time by the Trust.

C. The Exclusive List of Medical Providers must include the following specialties: Cardiology, Dermatology, Ears, Nose, Throat, General Practice, General Surgery, Internal Medicine, Orthopedics, Neurology, Neurosurgery, Obstetrics and Gynecology, Occupational Medicine, Oncology, Ophthalmology, Osteopathic Medicine, Prescription Medicine, Psychiatry, Psychology, Pulmonary/Respiratory, Radiology and Rheumatology. In any event, the Exclusive List must contain sufficient providers to respond to the medical treatment needs of Employees.

D. With the intent of making the Exclusive List of Medical Providers function fairly, efficiently and economically, and in recognition that the Exclusive List necessarily limits Employees:

1. In case of emergency when no authorized provider is available, the Employee may seek medical treatment from another health care professional during the emergency that is reasonable and necessary. The Employee shall transfer the treatment to an authorized provider as soon as reasonably possible, consistent with sound medical practices.

2. If an authorized provider determines that consultation or treatment is necessary from a specialist that is not included on the Exclusive List, the Individual Employer and Employee shall first use all best efforts to agree to such specialist, and failing an agreement, the Individual Employer shall select an appropriate specialist who offers treatment at a practical distance for the Employee.

3. If distance makes it unreasonable for the Employee to receive treatment from an authorized provider, the Individual Employer and Employee shall first use all best efforts to agree to a provider, and failing an agreement, the

Individual Employer shall select an appropriate provider who offers treatment at a reasonable distance for the Employee.

4. The Trust has the authority to adopt reasonable rules of practice and procedure regarding use of the Exclusive List of Medical Providers, as long as such rules do not conflict with provisions of this Addendum.

E. The Individual Employer is not liable for the cost of medical treatment furnished by anyone not authorized by this Addendum.

ARTICLE VII: ALTERNATIVE DISPUTE PREVENTION & RESOLUTION SYSTEM

A. GENERAL

1. The Alternative Dispute Prevention And Resolution System ("ADR") replaces all dispute resolution processes provided by Workers' Compensation Law, to the fullest extent permitted, except as provided by this Addendum.

a. Appendix 1 lists all Labor Code sections that involve dispute resolution processes contained in the provisions of Workers' Compensation Law that are not replaced by the ADR. Such operative dispute resolution Labor Code sections are intended to be in effect and to work in conjunction with those dispute resolution processes provided by this Addendum. Labor Code sections involving substantive law, rather than dispute resolution, are not listed, but are recognized as having full force and effect in claims filed within the jurisdiction of the Basic Crafts ADR.

b. From time to time, either as a result of statutory changes made at the state level, or in order to clarify processes and procedures in the Basic Crafts ADR, the Trustees may modify Appendix 1 by adding additional operative dispute resolution Labor Code sections, or by removing previously operative dispute resolution Labor Code sections.

2. If a conflict arises between the provisions of this Addendum and the dispute resolution processes of Workers' Compensation Law, including processes that are not replaced by this Addendum or that are supplemented by this Addendum, the provisions of this Addendum will take precedence to the fullest extent permitted by law.

3. The ADR replaces all dispute resolution processes contained in the California Code of Regulations that were issued pursuant to Workers'

Compensation Law, to the extent such provisions conflict with this Addendum and to the fullest extent permitted by law, except as provided by this Addendum.

a. It is the intent of this Addendum to not replace 8 CCR § 10344 or 8 CCR § 10346, to the extent that not replacing those provisions furthers the scope of the lawful authority of arbitrators selected pursuant to this Addendum.

4. The ADR is not limited to the terms of this Article. The ADR includes the Article Qualified Medical Evaluators, all dispute resolution processes provided in this Addendum and all rules of practice and procedure promulgated in furtherance of the ADR.

5. If a conflict arises between the provisions of this Addendum and the dispute resolution processes contained in the California Code of Regulations issued pursuant to Workers' Compensation Law, the provisions of this Addendum take precedence to the fullest extent permitted by law.

6. With respect to the ADR, the Trust has the authority to adopt reasonable rules of practice and procedure, as long as such rules do not conflict with provisions of this Addendum.

7. Any workers' compensation claim subject to this Addendum that is filed with the Workers' Compensation Appeals Board shall immediately be removed by the Employee and placed in the ADR by contacting the Ombudsman as provided.

8. All parties and their representatives may contact the ADR Director regarding any of the Exclusive Lists, ADR Forms or rules of practice and procedure regarding the ADR or any portion of this Addendum. The ADR Director's name, address and telephone are provided in Appendix 2 to this Addendum.

9. In addition to any other duties and authority delegated to it by the Trust, the ADR Director has the authority to schedule and enforce the scheduling of Informal Conciliations and Arbitrations.

10. The Employee and Individual Employer shall make all good faith efforts to expedite resolution of all matters, including the scheduling and direction of their employees and agents.

11. The Ombudsman's purpose is to prevent or limit disputes at the earliest possible time by aiding and counseling Employees regarding claims, complaints and inquiries, including explaining to Employees when necessary the effect of the facts and law, which may at appropriate times include an element of mediation. The Ombudsman's duties include being available to respond to

Employees before and after any formal action is taken by either the Employee or Individual Employer and acting as a liaison between the Employee and the Individual Employer's insurance carrier. The Ombudsman shall be competent in relevant matters regarding this Addendum and legal and medical matters of Workers' Compensation Law, along with having reasonable knowledge about the crafts in which Employees work. The Ombudsman shall act on behalf of the injured Employee in protecting the Employee's best interest and shall work to expedite the Employee's case to a satisfactory conclusion.

- a. The Ombudsman is provided at no cost to employees.
- b. All statements by the Employee to the Ombudsman are confidential.
- c. The Trust shall retain and compensate the Ombudsman or more than one if it determines that is necessary, and determine its qualifications, purposes, duties and powers.
- d. It is the intent of the Addendum, Ombudsman, Trust Agreement and Trustees that the Ombudsman shall not be the attorney, lawyer or legal representative of any Employee.
- e. The Employee has the right to legal representation at all stages during the dispute resolution process.

B. PROCEDURE

1. The Employee must immediately notify the Individual Employer of all work related injuries as provided by Workers' Compensation Law.
2. Within one working day of receiving notice or knowledge of an industrial injury or illness, or a claim of industrial injury or illness, which results in lost time beyond the Employee's work shift at the time of injury or which results in medical treatment beyond first aid, the Individual Employer shall provide, personally or by first-class mail, a claim form and a notice of potential eligibility for workers' compensation benefits to the injured Employee, or in the case of death, to his or her dependents.
3. When the Individual Employer provides the Employee with the claim form and notice of eligibility required by Workers' Compensation Law, it shall concurrently provide the Employee any other documents that may be required by the Trust. Section 5401 of Workers' Compensation Law is hereby supplemented accordingly. The Employer shall also notify the Ombudsman of the Employee's claim.

4. All documents required to be filed with the Basic Crafts Alternative Dispute Resolution Program, including but not limited to documents filed for the purpose of tolling or satisfying statutes of limitations, must be timely filed with the Basic Crafts ADR Director at 265 Hegenberger Road, Suite 240, Oakland, CA 94621.

5. When the Individual Employer denies, reduces or terminates compensation to an Employee, in addition to any notices and forms required by Workers' Compensation Law, the Individual Employer shall provide Written Notice ("Notice") to the Employee, and to his or her attorney, if any, of such action within fifteen days. The Notice must include a summary of the Individual Employer's reason for the action, in terms which are readily understandable by the Employee.

6. After an Employee, or his or her attorney, receives a Notice, or after an Employee, or his or her attorney, believes for any reason that he or she is not receiving the entitled compensation, the Employee shall, within thirty days, notify the Ombudsman, if not represented by an attorney and attempt to resolve the matter, if the Employee disputes the Individual Employer's action or inaction. If the Employee is represented by an attorney, the Employee or the attorney, within thirty days, shall notify the Employer or its insurance company, and attempt to resolve the matter. This action is in addition to any documents the Employee must file with the Individual Employer.

a. The Employee shall provide the Ombudsman a copy of the Notice, if one was issued. If represented by counsel, the Employee or his or her attorney shall provide the Employer or its insurance company with all other documents and information relevant to the belief that he or she is not receiving the entitled compensation.

b. The Individual Employer shall provide, at its expense, the Ombudsman with all requested documents and information relevant to the matter. If the Employee is represented by counsel, all requested relevant documents and information shall be forwarded to the Employee's counsel.

c. The Ombudsman is not responsible for timely completing or filing ADR Forms or other documents for the Employee; it is the Employee's responsibility. If requested, however, the Ombudsman may help the Employee.

d. The Ombudsman shall respond to any initial inquiry by an attorney representing the employee by advising the attorney of the status of the Employee's case, clarifying any substantive or procedural issues raised by the Employee to the attorney, and then referring the attorney to the ADR Director for any further information. The Ombudsman shall

not discuss any further matters regarding the Employee's claims, complaints or inquiries with any attorney that undertakes the representation of the Employee and under no circumstances shall the Ombudsman work in tandem with the Employee's attorney in furtherance of the interest of the Employee.

e. The Ombudsman shall provide the Employee with a final response as soon as reasonably possible under the circumstances involved. If the Employee is represented by counsel, the Employer or its insurance company shall provide the Employee, and his or her attorney, with a final response as soon as reasonably possible.

7. If the Employee is not satisfied with the Ombudsman's final response, or the Employers' or carriers' final response, the Employee may proceed to Informal Conciliation by filing a Workers' Compensation Grievance ("Grievance") with the ADR Director within thirty days after receiving the Ombudsman's or the Employer's or carrier's final response. The purpose of the Informal Conciliation is to seek a negotiated resolution of the dispute.

a. The ADR Director shall schedule and hold an Informal Conciliation between the Employee and Individual Employer, and provide notice of the scheduled date.

b. If requested by the Employee, the Ombudsmen shall aid and counsel the Employee at Informal Conciliation, including explaining, when necessary, the effect of the facts and law. The Ombudsman may, in any event, attend Informal Conciliation.

8. If the Employer or its insurance company wishes for any reason to initiate proceedings, the Employer or carrier may also file a Workers' Compensation Grievance in order to initiate the scheduling of an Informal Conciliation session.

9. If following Informal Conciliation either party is not satisfied, either party may proceed to Arbitration by filing an Arbitration Request with the ADR Director within thirty days.

a. Once a party files an Arbitration Request, the Ombudsman shall not aid or counsel the Employee regarding the issues covered in that Request. It becomes the Employee's duty at such time to retain any desired legal representation if this has not already been pursued.

b. The ADR Director shall schedule the Arbitration as soon as possible, but shall allow a reasonable time for the preparation of cases.

10. Arbitration will be conducted pursuant to rules adopted by the Trust and by utilizing arbitrators selected by the parties using a method adopted by the Trust. The Employee and Individual Employer shall make every effort to arbitrate disputes as quickly, efficiently and economically as possible.

a. No written or oral offer of resolution, or statement made in pursuit thereof, is admissible evidence in the Arbitration proceeding. The Arbitrator has no jurisdiction to order otherwise. This provision cannot be waived.

b. No statement to the Ombudsman by the Employee, Union, Employer, Individual Employer, Medical Provider, Rehabilitation Provider or Medical Evaluator, or statement by the Ombudsman to any of the foregoing, is admissible evidence in the Arbitration proceeding. The parties shall not make any such offer of evidence or seek any order to the contrary; the Arbitrator has no jurisdiction to order otherwise. This provision cannot be waived.

c. The retention, scheduling and cost of interpreters will be pursuant to Workers' Compensation Law.

d. Arbitrator's authority and duties:

(1) The Arbitrator shall not add to, subtract from, change or modify any provisions of this Addendum.

(2) The Arbitrator shall render a decision within thirty days.

(3) The findings of fact, award, order or decision of the Arbitrator are final, except that it is subject to reconsideration and appeal to the extent provided under the California Labor Code

(4) Since all findings of fact, awards, orders and decisions of the Arbitrator are subject to reconsideration and appeal, they must be in conformance with the relevant law.

(5) If a conflict arises between this Addendum's provisions and Workers' Compensation Law, including the provisions that are not replaced or supplemented by this Addendum, and including the dispute resolution processes contained in the California Code of Regulations issued pursuant to Workers' Compensation Law, the Addendum's provisions take precedence to the fullest extent permitted by law.

11. All settlements, including any agreements known as settlements, compromises or releases, or Stipulations with Request for Award must be approved by the ADR Director or a Mediator or an Arbitrator selected by the ADR Director.

12. All parties involved in the ADR have the right to retain legal representation at their own expense, at any stage of the proceedings.

13. In addition to any other requirements of Workers' Compensation Law regarding filing and serving liens, all lien claimants shall concurrently file a copy of all liens and related documents with the ADR Director.

14. Reconsideration and Appeal:

a. The Trust is not responsible for any costs incurred by either party regarding Reconsideration or Appeal. If the Trust incurs any costs as a result of Reconsideration or Appeal, other than for any action it may take pursuant to Article XI, Paragraph C, the petitioner or appellant causing such costs shall reimburse the Trust for those costs. Under no circumstance, shall an Employee be liable for costs generated by an Employer or carrier in furtherance of reconsideration or an appeal.

b. No written or oral offer of dispute resolution, or statement made in pursuit thereof, can be offered as evidence on Reconsideration or Appeal. This provision cannot be waived.

c. No statement to the Ombudsman by the Employee, Union, Employer, Individual Employer, Medical Provider, Rehabilitation Provider or Medical Evaluator, or statement by the Ombudsman to any of the foregoing, can be offered as evidence on Reconsideration or Appeal. This provision cannot be waived.

ARTICLE VIII: QUALIFIED MEDICAL EVALUATORS

A. All qualified medical evaluators ("QME") shall be selected, by the party using the evaluator, from the Exclusive List of Medical Evaluators.

B. The Trust shall agree to the Exclusive List of Medical Evaluators under the provisions of the Trust Agreement and promulgate it appropriately.

1. The Exclusive List of Medical Evaluators is the May 1, 2004 Official Qualified Medical Evaluators List promulgated by the Department of Industrial Relations, Industrial Medical Council ("Medical Council"), as that list may be amended from time to time by the Medical Council, and with the following limitation: it is limited to QME's in the counties of Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Fresno,

Glenn, Humboldt, Kings, Lake, Lassen, Madera, Marin, Mariposa, Mendocino, Merced, Modoc, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Shasta, Sierra, Siskiyou, Sonoma, Solano, Stanislaus, Sutter, Tehama, Trinity, Tulare, Tuolumne, Yolo, and Yuba, as reflected in the Medical Council's list.

2. The Exclusive List may be changed at any time by the Trust.

C. Each party may select one QME from the Exclusive List of Medical Evaluators to conduct a comprehensive medical evaluation which must address all medical issues in dispute.

D. No party may obtain more than one evaluation, except that where an additional evaluation is reasonably necessary to address a specialty, the party needing the additional QME shall select it from the Exclusive List and that QME is limited to addressing only that specialty.

E. The parties may agree to an Agreed Medical Evaluator ("AME") regarding any issues in dispute, only where the Employee is represented by Counsel.

F. The evaluation and opinion of the authorized medical provider, or providers if there is more than one, is admissible evidence at Arbitration at the request of any party, regardless of whether the requesting party also seeks admission of evidence from a QME or AME.

G. The Individual Employer is not liable for the cost of medical evaluations furnished by anyone not authorized by this Addendum.

ARTICLE IX: ADDITIONAL DISPUTE RESOLUTION RULES

A. All disputes concerning the interpretation or application of this Addendum must be submitted for resolution as provided in this Addendum.

1. If such dispute arises within the dispute resolution processes of the ADR, including Appendix 1 to this Addendum, or such dispute is susceptible to resolution by those processes, it must be submitted for resolution according to the ADR.

2. Paragraphs A and A.1 do not include disputes that may concern the interpretation or application of this Addendum when they arise in the following circumstances: by deadlock of the Trustees as provided in Article VIII of the Trust Agreement; those regarding Trust contributions as provided in Articles II and IV of the Trust Agreement; or those regarding Trust contributions as provided in Article IV of this Addendum.

B. The applicable CBA is amended to the extent necessary that all disputes concerning the interpretation or application of this Addendum will be submitted to resolution as provided by this Addendum and the Trust Agreement. The ADR in this Addendum is intended to operate separate and distinct from any grievance or arbitration procedures contained in the applicable CBA.

C. Any dispute with an Employee regarding compensation that could otherwise be brought before the Workers' Compensation Appeals Board by the Individual Employer shall be submitted for resolution within the ADR, with the following modifications:

1. The Individual Employer shall not bring the dispute to the Ombudsman.
2. The Individual Employer shall provide sufficient written notice to the Employee of the dispute and any action that it intends to take.
3. The Individual Employer shall give adequate time to the Employee to seek resolution via the Ombudsman. If resolution is not reached, the Employer has the burden of moving the dispute toward resolution according to the ADR.
4. With respect to the Individual Employer bringing matters within the ADR, the Trust has the authority to adopt reasonable rules of practice and procedure, as long as such rules do not conflict with provisions of this Addendum.

D. Should any party seek to have a court of law confirm or vacate any award, order or decision resulting from arbitration provided for by this Addendum, such action shall be brought in a state court of competent jurisdiction located in San Francisco County.

E. In any civil or arbitral proceeding involving the terms of this Addendum, no statement to the Ombudsman by the Employee, or statement by the Ombudsman to the Employee, can be offered as evidence and the parties shall not make any such offer or seek any order to the contrary, except that the Ombudsman may offer such evidence in defense of a claim brought against it by an Employee.

ARTICLE X: GENERAL PROVISIONS

A. The Individual Employer and Union shall cooperate to the fullest extent with the Trust and Safety Group to maintain compliance with all applicable laws.

B. If any provision of this Addendum or its application to any person or circumstance is held invalid, the invalidity will not affect other provisions or applications of this Addendum that can be given effect without the invalid provision or

application, and to this end the provisions of this Addendum are declared to be severable.

C. In order to protect the jurisdiction, authority and power granted by California Labor Code §§ 3201.5 and 3201.7, the Trust may take any legal action that it deems useful before any administrative or judicial body, including but not limited to, lawsuit, petition, intervention, injunction, amicus curie and writ.

D. Modification to the Trust Agreement or to this Addendum which are mandatory under Senate Bill 899 or under any subsequent amendments to the statutes will be implemented immediately upon the effective date of the statute. Changes which are voluntary under Senate Bill 899 or any subsequent legislation will be implemented only upon the mutual agreement of the parties.

E. Nothing herein is intended to affect any additional rights or duties of any Individual Employer signatory to this Addendum which are granted by recently enacted workers compensation laws, including Senate Bill 899.

F. This Addendum and any amendments may be executed in counterpart.

APPENDIX 1

In accordance with Article VII, Paragraph A.1. of the Addendum, the dispute resolution processes contained in the provisions of Workers' Compensation Law listed in this Appendix are not replaced by the Alternative Dispute Prevention And Resolution System, and shall remain operative dispute resolution Labor Code sections intended to work in conjunction with those dispute resolution processes provided by this Addendum. The headings provided below are not intended to govern, limit, modify or affect the scope, meaning or intent of the dispute resolution process not being replaced. All Labor Code sections involving substantive law, rather than dispute resolution, are not listed, but are recognized as having full force and effect in claims filed within the jurisdiction of the Basic Crafts ADR.

PART 1, CHAPTER 1: GENERAL PROVISIONS

- 3202 Liberal Construction.
- 3202.5 No Relief From Meeting Burden of Proof.
- 3208.3 Psychiatric Injury; Determination of Compensability.

PART 1 CHAPTER 3: CONDITIONS OF COMPENSATION LIABILITY

- 3600 Compensation Liability; Requirements.
- 3600.8 Alternative Commute Program; Acting Within Course of Employment.
- 3601 Compensation Exclusive Remedy; Action Against Employees.
- 3602 Concurrence of Conditions of Compensation; Compensation Exclusive Remedy Against Employers.

PART 1, CHAPTER 4: COMPENSATION INSURANCE AND SECURITY

- 3706 Actions at Law Against Employer For Failure to Secure Compensation.
- 3707 Attachment of Employer's Property.
- 3708 Presumption of Employer's Negligence.
- 3708.5 Employee to Send Complaint to Uninsured Employer's Fund.
- 3709 Judgment in Excess of Compensation.
- 3709.5 Satisfaction by Employer of Attorney's Fees.
- 3715 Uninsured Employer; Appeals Board Application In Lieu of Civil Action.
- 3820 Misrepresentations; Penalties.

PART 1, CHAPTER 5: SUBROGATION OF EMPLOYER

- 3850 - 3865 Subrogation of Employer.

PART 1, CHAPTER 7: MEDICAL EXAMINATIONS

- 4050 Employee's Medical Examination.
- 4051 Time and Place for Medical Examination.
- 4052 Employee's Physician at Examination.
- 4053 Refusal of Examination; Compensation.
- 4054 Refusal of Examination; Disability Payments.
- 4055 Testimony as to the Results.
- 4055.2 Subpoena of Medical Records.
- 4056 Refusal of Medical Treatment.
- 4060-4066 Medical Legal Evaluation.

PART 1, CHAPTER 11: ASBESTOS WORKERS' ACCOUNT

- 4401 - 4418 Asbestos Workers' Account: Definitions; Conditions; Benefits; Collections.

PART 2, CHAPTER 2: COMPENSATION SCHEDULES

- 4550 Payment of Compensation By Employer
- 4551 Employee Misconduct; Compensation Reduction.
- 4552 Compensation Reduction.
- 4553 Employer Misconduct; Compensation Increase.
- 4553.1 Employer Misconduct; Required Findings.
- 4554 Failure to Secure Payment of Compensation; Penalty.
- 4555 Failure to Secure Payment of Compensation; Attorney's Fee.
- 4555.5 Petition for Award Reduction Denied.
- 4556 Increases Unaffected by Maximums for Computation of Average Earnings.
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APPENDIX 2

Arthur Scears
Assistant Director/Ombudsman
Basic Crafts Workers' Compensation Benefits Trust Fund
265 Hegenberger Road, Suite 200
Oakland, CA 94621


Richard Pires
Executive Director
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Basic Crafts Workers' Compensation Benefits Trust Fund
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Oakland, CA 94621

SIGNATURE PAGE

FOR THE UNION:

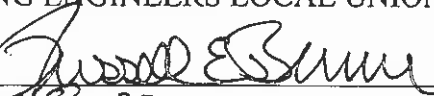
NORTHERN CALIFORNIA CARPENTERS REGIONAL COUNCIL

By:  _____
Dated: 8-23-11

NORTHERN CALIFORNIA DISTRICT COUNCIL OF LABORERS

By: _____
Dated: _____

OPERATING ENGINEERS LOCAL UNION NO. 3

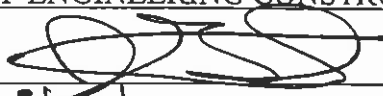
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Dated: 8-23-11

FOR THE EMPLOYER:

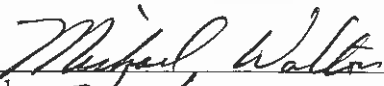
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Dated: _____

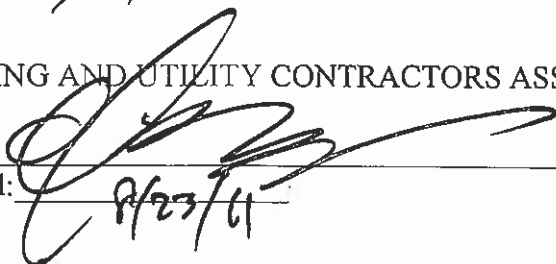
ASSOCIATION OF ENGINEERING CONSTRUCTION EMPLOYERS

By:  _____
Dated: 8/23/11

CONSTRUCTION EMPLOYERS' ASSOCIATION

By:  _____
Dated: 8/23/11

ENGINEERING AND UTILITY CONTRACTORS ASSOCIATION

By:  _____
Dated: 8/23/11

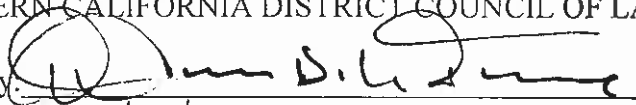
SIGNATURE PAGE

FOR THE UNION:

NORTHERN CALIFORNIA CARPENTERS REGIONAL COUNCIL

By: _____
Dated: _____

NORTHERN CALIFORNIA DISTRICT COUNCIL OF LABORERS

By:  _____
Dated: 9/07/11 _____

OPERATING ENGINEERS LOCAL UNION NO. 3

By: _____
Dated: _____

FOR THE EMPLOYER:

ASSOCIATED GENERAL CONTRACTORS OF CALIFORNIA, INC.

By: _____
Dated: _____

ASSOCIATION OF ENGINEERING CONSTRUCTION EMPLOYERS

By: _____
Dated: _____

CONSTRUCTION EMPLOYERS' ASSOCIATION

By: _____
Dated: _____

ENGINEERING AND UTILITY CONTRACTORS ASSOCIATION

By: _____
Dated: _____

SIGNATURE PAGE

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NORTHERN CALIFORNIA CARPENTERS REGIONAL COUNCIL

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Dated: _____

NORTHERN CALIFORNIA DISTRICT COUNCIL OF LABORERS


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Dated: _____

OPERATING ENGINEERS LOCAL UNION NO. 3

By: _____
Dated: _____

FOR THE EMPLOYER:

ASSOCIATED GENERAL CONTRACTORS OF CALIFORNIA, INC.

By:  _____
Dated: 9/13/2011

ASSOCIATION OF ENGINEERING CONSTRUCTION EMPLOYERS

By: _____
Dated: _____

CONSTRUCTION EMPLOYERS' ASSOCIATION

By: _____
Dated: _____

ENGINEERING AND UTILITY CONTRACTORS ASSOCIATION

By: _____
Dated: _____