INTERNATIONAL UNION OF OPERATING ENGINEERS

Craft-Maintenance Division State of California Unit 12 Locals 3, 12, 39 & 501, AFL-CIO

March 14, 2012

Julie Chapman Director of Personnel Administration State of California 1515 S Street, Suite 400 Sacramento, California 95814

Dear Ms. Chapman:

This letter is being written in regards to the collective bargaining Agreement between the International Union of Operating Engineers, Craft-Maintenance Division, State Of California, Locals 3, 12, 39 and 501 (IUOE State Unit 12) and the State of California.

IUOE State Unit 12, oh behalf of our membership, is proposing a one year extension of the current Agreement, in addition to Health and Welfare increases for 2012 & 2013, pursuant to the Ralph C. Dills Act, Section 3523 and Article 22 of the current Agreement. This request would extend our contract to July 1, 2013.

All applicable provisions and established side letters will remain in force until July 1, 2013.

We thank you in advance for your consideration.

Respectfully,

) - Lop

Tim Neep Director, IUOE State Unit 12