DEPARTMENT OF INDUSTRIAL RELATIONS DIVISION OF WORKERS' COMPENSATION 455 Golden Gate Avenue, 9th Floor San Francisco, CA 94102-3660 (415) 703-4600

MAILING ADDRESS: P. O. Box 420603 San Francisco, CA 94142-0603



August 10, 2005

William T. Callahan, Jr., Ph.D, Executive Director Associated Roofing Contractors of the Bay Area Counties, Inc. 8301 Edgewater Drive Oakland, CA 94621

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Steve Tucker, Business Manager Roofers Local Union No. 40 150 Executive Park Blvd., Suite 3625 San Francisco, CA 94134-3309

Doug Ziegler, Business Manager Roofers Local Union No. 81 400 Enterprise Way, Room 122 Oakland, CA 94621

Dan Smith, Business Manager Roofers Local Union No. 95 293 Brokaw Road Santa Clara, CA 95050

Re: Associated Roofing Contractors of the Bay Area Counties, Inc. and United Union of Roofers, Waterproofers and Allied workers, Local 40, 81 and 95 Agreement Pursuant to Labor Code Section 3201.5

Dear Dr. Callahan, Mr. Tucker, Mr. Ziegler and Mr. Smith:

I am pleased to advise you that based on a review of the documents and materials submitted, I have determined that the parties continue to meet the eligibility requirements of Labor Code section 3201.5. The terms and conditions for continued eligibility, record keeping and reporting requirements outlined in the letter of October 9, 2003, remain in full force and effect.

Although the letter of eligibility will expire as to the group on July 31, 2006, (the expiration date of two of the collective bargaining agreements), it may become ineffective as to an individual employer on an earlier date, if that individual employer no longer carries the required workers' compensation insurance, or is no longer signatory to a current 3201.5 provision, or otherwise fails to meet the eligibility requirements of Section 3201.5.

Please submit a letter annually outlining any changes as provided by California Code of Regulations §10204(a).

I hope that this alternative workers' compensation system will be beneficial to every party and to the people of California in the years to come and that it will provide high-quality medical care, full compensation to injured workers with minimum dispute, and substantial savings to be redirected to more productive uses.

Respectfully,

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Administrative Director/

ALH/lt