

AMENDED AGREEMENT

between

SAN DIEGO TRANSIT CORPORATION

and

LOCAL UNION 465

INTERNATIONAL BROTHERHOOD

of ELECTRICAL WORKERS

JANUARY 1, 2008 through DECEMBER 31, 2010

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AGREEMENT

This Amended Agreement entered into this 1st day of January 2008 between the SAN DIEGO TRANSIT CORPORATION of San Diego, California, its assigns or successors, who are referred to hereinafter as the "Corporation" and LOCAL UNION 465 of San Diego California, of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, affiliated with the AFL-CIO, who may be hereinafter referred to as the "Local Union," covering all classifications of employees listed in Article VI, Section 1.

WITNESSETH: That for the purpose of facilitating the peaceful adjustment of differences that may arise from time to time, and promoting harmony and efficiency to the end that the Corporation, the Local Union and the general public may mutually benefit, the parties hereto contract and agree with each other as follows, to wit:

ARTICLE I

A. The Corporation is engaged in public service requiring continuous operation, and it is agreed that recognition of such obligation of continuous service during the term of this Agreement is imposed upon the Corporation and its employee members of said Local Union. The representatives of the Corporation will meet with the Business Manager of the Union, and if requested by either party, one or more of the employees in the department affected in reference to any grievance brought up by any employee hereunder.

B. The Corporation agrees that it will cooperate with the Local Union in its effort to promote harmony and efficiency among all of the Corporation's employees and to treat all employees fairly and alike.

The Corporation and Union are committed to providing equal employment opportunities for all applicants seeking employment, as well as for present employees.

All personnel policies will be administered without regard to sex, creed, color, national origin, age, sexual orientation, handicap (except as specifically exempted by a bona fide occupational qualification), or obligation for services to the Armed Forces.

Both parties agree to comply with applicable laws pertaining to equal employment and discrimination.

Words used in this Agreement in the masculine gender shall include the feminine.

C. Assignability. This agreement shall be binding upon the successors and assigns of the parties hereto, and no provisions, terms or obligations therein contained shall be affected, modified, altered or changed in any respect whatsoever by the consolidation, merger, sale, transfer or assignment of either party hereto, or affected, modified, altered or changed in any

respect whatsoever by any change of any kind of the ownership or management of either party hereto, or by any change, geographical or otherwise, in the location or place of business of either party hereto.

All employees of the Corporation coming within the classifications covered by this Agreement shall be required to share in the cost of maintaining and operating the Union as their bargaining agency, and shall be members thereof in good standing. All new employees covered by this Agreement shall become members in good standing of the Union within thirty (30) days of their employment. Part-time jobs that belong to the bargaining unit shall be performed by Union members. The Union hereby agrees that membership shall not be refused arbitrarily and that employees shall not be deprived of membership except for just cause.

D. The Corporation agrees to deduct from the pay of each employee covered by the terms of this Agreement, who authorizes in writing and maintains such authorization with the Corporation for such deductions, all Union initiation fees and dues as may be established by the Union against such members. The Corporation shall remit such deductions once each month to the Financial Secretary of the Union.

E. The employer under this Agreement has the general duty to furnish each of his employees employment and places of employment, free from recognized hazards causing, or likely to cause, death or serious physical harm and the employer has the specific duty of complying with safety and health standards proclaimed under the California Safety and Health Act. The parties hereto agree that nothing in this Agreement is intended or shall be used to violate any municipal ordinance, state law or safety standards, or any other legal public requirement, nor is it intended to allow public or personal danger to continue to the detriment of either the general public, the Company or any employee. Each employee has the duty to comply with these safety and health standards, and all rules, regulations and orders issued pursuant to the California Safety and Health Act which are applicable to his own actions and conduct.

F. The management of maintenance, including the type and kind of equipment and tools to be used, the number of employees, the maintenance of discipline and efficiency, the hire, promotion, or transfer of shop men (in accordance with contract provisions) as is necessary, the discharge or discipline for proper cause and in accordance with terms of this Agreement, are the sole responsibilities of the Corporation, except that any employee discharged or disciplined shall have recourse through the grievance and arbitration procedure.

The Union, having a grievance under provisions of this Agreement, shall have recourse through the grievance and arbitration procedure. An employee may be suspended or discharged for being under the influence of alcoholic beverages, the use or sale of restricted dangerous drugs or marijuana and its derivatives or narcotics while on Corporation property.

G. The Company hereby agrees to honor contribution deduction authorization from its employees who are Union members in the following form:

I hereby authorize the Company to deduct from my pay the sum of fifty cents (\$.50) a month and to forward that amount to the International Brotherhood of Electrical Workers, AFL-CIO, Committee on Political Education, 1125 Fifteenth Street, N.W., Washington,

D.C. 20005. This authorization is signed voluntarily and with the understanding that the IBEW-COPE will use the money to make political contributions and expenditures in connection with Federal, State and Local elections and that this voluntary authorization is in response to a joint fund raising effort by the IBEW and the AFL-CIO.

ARTICLE II

GENERAL WORKING RULES

Section A - Probationary Period:

A. 1 Any applicant for employment entering service shall be accepted or rejected within one hundred and eighty (180) days after employee begins work, providing the 180 day period has not been interrupted by extended illness or leave of absence. If there is an interruption there will be an extension made to fulfill the one hundred eighty (180) day requirement. When applicant is not notified to the contrary within the time stated, it will be understood that employee becomes an accepted employee.

No seniority shall be considered for an employee until he has been with the Company for six months, but after serving this period his seniority shall be computed from the date on which he was hired. The Union will not accept or process a grievance involving the termination of an employee as an unsatisfactory probationer during the first six months of employment.

A.2 An employee promoted to a higher position or to another classification shall be accepted or returned to his former position within ninety (90) days, and unless notified to the contrary within the time stated, it will be understood that he is accepted in the new position. If he misses work during his ninety (90) day probationary period, there will be an extension to make up any time missed. When an employee is returned to his former position because of a lack of qualifications, he shall be granted a hearing before the grievance committee and the foreman involved. An employee who is returned to his former position for lack of qualifications during the ninety (90) day trial period shall take his former place on the seniority list, and shall be disqualified from the opportunity of promotion to the same position until six (6) months following return to his former position, but he shall remain eligible for any other opportunity for promotion to a higher position or to another classification.

Successful bidders for Servicer A jobs and below will be given a minimum of fifteen (15) days' qualifying period at the bid classification rate of pay. Where possible, existing Mechanic A positions will be slotted in day work. Mechanic A's and Journeymen are equivalent positions during shakeups. Classification seniority prevails in picking shifts.

A.3 If an employee is left in a temporary appointment for a total of eight (8) months, or accrues any combination of eight (8) months within a twelve (12) month period, he shall be permanently rated in that pay grade. In the event that he is dropped back, he will return to his last classification and former place on the seniority list.

A.4 Nothing detrimental to an employee shall be entered into personal records without first being discussed with, and initialed by, the employee involved. Initialing indicates that the employee has seen the entry. The employees shall be given the opportunity to enter into their record, in writing, any statement that is pertinent to the case.

The Corporation shall call a recognized Shop Steward if they want to interview the employee and the outcome of said interview could lead to disciplinary action.

A.5 Any maintenance employee promoted into management will have 180 days in which to return to the hourly ranks without loss in seniority. Beyond 180 days from date of promotion there will be no return to the bargaining unit.

A.6 Revocation or suspension of driver's license shall constitute just cause for discipline up to and including termination, unless the Corporation and Union mutually agree in writing to grant a leave of absence for the employee covering the duration of the revocation or suspension of the license. Maintenance employees may not work without a valid Class B drivers license and all of the necessary endorsements, absent exemption from state or federal law (e.g., American with Disabilities Act).

Section B - Departmentalization:

B.1 The organization of the San Diego Transit Corporation's Maintenance Department will be composed of seven (7) sections.

They are:

- a. Paint and Body
- b. Mechanical
- c. Electronic, Electrical, Air Conditioning
- d. Building Maintenance
- e. Stores
- f. Services and Cleaning
- g. Revenue Department

B.2 All lot dispatchers will be out of the Servicer A level.

B.3 Management has the discretion to assign work to qualified employees as required to meet the demands of bus maintenance and repair. Department status will not prevent anyone from performing a job they are trained and qualified to do. Employee may decline work if they reasonably believe they are unqualified to perform competently.

B.4 Existing job classifications will be mutually agreed to by both parties.

B.5 Shake-ups will be held once a year, in the month of February by sections. The purpose of these shake-ups is to satisfy conditions of Article II, Section C.7. The IBEW will assist in expediting the Shake-ups for assignments and vacation. It is further agreed that workload changes that require a change of shift will only be instituted after mutual agreement between the parties. These shake-ups and workload changes shall be applied by section. Additional shake-ups may be held upon mutual agreement of both parties to this agreement.

B.6 In the event of a vacancy within a section and there are no qualified bidders within that section, the bid will then go Companywide; if there are no qualified bidders, then the Company will go to the street to hire.

B.7 Mechanic "C's" can perform any "C" job within the maintenance department.

Mechanic "C's" may move laterally between sections only if there is mutual agreement between all parties.

Mechanic "C's" will not be required to purchase additional special tools for work performed outside of their regular section.

B.8 Any union member while in the relief foreman position will use no tools and do no work on any vehicle.

B.9 All stock clerks currently making more than the top rate of the January 1, 1991 pay structure will be red lined; however, they will still receive annual increases until such time they vacate their current position. Those employees with two years of service in the storeroom may bid out.

There will be two relief shifts in the storeroom. These two positions can be used for vacancies caused by sickness, vacations, industrials or any type of absence. They can be moved no more than once in a three week period with less than 8 hours notice until such relief positions can be filled. In emergency situations back up can still be obtained from the maintenance department. Employees who bid into the storeroom will be required to work in the storeroom for a minimum of two years.

Section C - Seniority:

C.1 The Corporation agrees that seniority shall govern in matters of lay-off and recall provided that employees, in a higher classification subject to lay-off and being qualified, shall have the privilege of displacing employees in lower rated classifications with less seniority and shall receive the rate of pay for that lower classification. Persons who are laid off due to lack of work shall be recalled inversely in the order of lay-off, provided, however, that if any such employee fails to reply within seven (7) days from the date the Corporation mails him notice to reply by registered mail, addressed to the last address known to the Corporation, he shall lose his right to be recalled hereunder. Copy of said notice is to be mailed to the Union.

C.2 Promotions in all classifications shall be based on qualifications and SDTC work history. If two or more employees meet the above standards, seniority shall prevail. Any employee on probation due to disciplinary action shall not be allowed to bid a promotion until successfully completing his probationary period.

If no employee bidding has sufficient qualifications and ability, the Corporation may hire from outside. The Corporation shall determine qualifications and ability, subject to the grievance procedure.

C.3 Promotions to mechanic positions shall be granted based on the terms of the SDTC current training program until the Joint Apprenticeship Program is operational. Servicer Bs and Servicers A will be required to pass the Basic Skills requirements to be considered for promotion to mechanic positions.

C.4 Each employee will be evaluated at least once a year for overall performance.

C.5 The Union and the Company will support a questionnaire that will be circulated to all maintenance employees who will list all previous maintenance training and experience. (Each employee will be responsible for updating such information from time to time).

C.6 Union reserves the right to grieve qualifications set forth by the Company in any classification the Union deems necessary.

C.7 The opportunity to relieve in a higher classification shall be considered as a promotion and be subject to seniority rules.

C.8 Names of all employees covered by this Agreement entering, leaving service or changing classification shall be forwarded to the Union in writing not less frequently than once a month.

C.9 Should any change in the transportation policy of the Corporation jeopardize the jobs of employees, these persons shall be given preference toward employment in other departments covered by this Agreement.

C.10 No seniority shall be considered until an employee has been with the Corporation one hundred eighty (180) days or as adjusted under Article II, Section A.1, but after this period his seniority shall be computed from his hiring date.

C.11 When a permanent vacancy occurs in a more desirable shift, senior men working under the same classification shall have the right to fill such vacancies.

C.12 In the event of a lay-off for lack of work, employees with the least Corporation seniority shall be laid off, provided that employees in higher rated classifications subject to lay-off, and being qualified, shall have the privilege of displacing employees in a lower rated classification with less seniority, and shall receive the rate of pay for that lower classification.

C.13 Employee's seniority shall be terminated by:

- a. Quitting
- b. Discharge
- c. Six (6) consecutive months of unemployment except in cases of sickness or accident, in which case the employee's seniority may be extended up to six (6) additional months by mutual consent. If, at the end of the second six (6) months, the employee is still unable to return to work his seniority may be extended an additional six (6) months by mutual consent.

C.14 Application of seniority

- a. Classification seniority shall prevail regarding promotions, as stated in Article II, Section C.2.
- b. Companywide seniority shall prevail commensurate with Article II, Section C - Seniority.
- c. We do not recognize seniority gained in a non-bid advance.
- d. In establishing a man's classification seniority date, a man reduced in rate through no fault of his should, when promoted to his previous accepted classification, accrue seniority from the date of the original advancement. No consideration will be given when the reduction in rate was for voluntary or disciplinary reasons.
- e. The Corporation will maintain and forward to the Union an updated seniority list on a quarterly basis.
- f. In determining the date of seniority of two or more employees, who were hired on the same day, the date of application will be the first tie-breaking factor. If that day should be the same, alphabetical order will be the second and final tie-breaking factor.
- g. Revenue Processors will accrue seniority in the Servicer A classification such that when competing for qualified openings the aggregate time served, as a Revenue Processor and/or Servicer, will prevail.

Section D - Promotions, Transfers and Temporary Vacancies Within A Section:

D.1 Permanent Vacancy: When new positions are created or vacancies other than temporary vacancies occur which will last for more than thirty (30) working days, except for mutually-agreed to special projects, such positions will be posted for bid for three (3) working days. The posting will reflect job, title, shift and division. Determination of promotion will be based on the provisions as outlined in Article II, Section C.2. If two (2) or more bidders are qualified, seniority shall prevail. The Company will furnish the Union with a list of all bidders on all jobs. The Company will post on the Company bulletin boards the name of the successful bidder. If no qualified employees bid from a section or Companywide, the Company may fill the position with a qualified employee from the outside.

D.2 Temporary Vacancy: When a temporary vacancy occurs in a section due to unscheduled absence or vacation, termination, sickness, leave of absence or waiting for the results of a permanent bid, the Company may at its own discretion temporarily fill the position with senior qualified person in that section. Should the job become permanent, the provision of the Permanent Vacancy Clause shall prevail. If an employee is to work in a higher classification because of a temporary vacancy, he shall be paid at the rate of pay for the higher classification.

D.3 Lateral Transfers: When a permanent vacancy occurs within a specific classification in a section, the qualified employee will be verbally polled on seniority basis within that classification. Following verbal polling, the opening left in the classification will be posted for bid according to the provisions of permanent vacancy bidding.

D.4 A man shall not be required to exercise his seniority, but shall not sacrifice any future rights to bid on vacancies through failure to do so.

Section E - Leave of Absence:

E.1 Employees covered by this Agreement may be granted a leave of absence limited to thirty (30) days in any year without loss of seniority, when such leave can be arranged without adversely affecting the Corporation's efficiency or operating costs, and can request a longer leave of absence by submitting the request in writing to the General Manager or designated representative.

E.2 Any employee, who accepts gainful employment while on leave of absence, terminates his employment with the Corporation. All requests for leave of absence shall be made in writing. The conditions under which an employee will be restored to employment on the termination of leave of absence shall be clearly stated by the Corporation in conjunction with the granting of leave of absence. If an employee fails to return immediately upon the expiration of a leave of absence without good cause and notification to the Corporation, he will thereby forfeit the leave of absence and terminate his employment with the Corporation.

E.3 Any employees selected for office in the Local Union, which requires part or all of his time shall not lose his seniority with the Corporation. It is understood that not more than two (2) employees at any time will be granted leave of absence to accept such positions with the

Union. Such leave shall be granted for one year at a time, such limitation being dependent on technological changes affecting the employee's job.

E.4 Employees on FMLA must exhaust their accrued sick leave and then vacation before being able to take FML without pay.

Section F - Bulletin Boards:

F.1 The Corporation will maintain bulletin boards and these boards may be used by the Union for posting officially signed Union bulletins of a non-political nature. Union politics excepted, copies of such bulletins will be furnished to the Corporation at time of posting.

Section G - Relief Within a Section:

G.1 When the conditions of the work require, men or crews may be transferred to special shifts at straight time rates for eight (8) hour periods other than specified, when such shift will continue for five (5) or more consecutive workdays.

G.2 In providing for emergency relief for shift men (as, for example, in case of illness), other men from either rotating or regular shifts (and not necessarily working the same schedule of hours as the man relieved) may be transferred to the relief duty and shall receive at least twelve (12) hours' notice of the impending transfer to the relief duty, and are not required to work in excess of their normal weekly average hours. They shall receive no less than five (5) days' pay in a seven (7) day period.

G.3 On a shift scheduled change, the employee shall be given sixteen (16) hours' notice of such change. In the absence of such notice, the employee shall receive a minimum of four (4) hours' pay. If shift scheduled change is for less than five (5) days, he shall receive the overtime rate of time and one-half.

G.4 Any employee relieving in a higher classification shall receive the pay for such classification during the period of such relief.

G.5 When an employee is transferred to any position in which he has had no previous experience, he shall be given a reasonable break-in period with an experienced man in that position, without an increase in pay for such break-in period.

G.6 The overtime rates specified above in Section G shall not apply to regularly scheduled relief men.

Section H - Overtime:

H.1 All work performed outside of the regular working hours as set forth in this Agreement, and when eight (8) hours of work has been performed on a working day, shall be paid

for at the overtime rate of time and one-half, except that double time shall be paid for all work performed in excess of twelve (12) consecutive hours of work.

H.2 All employees shall be paid for all time worked on their scheduled day off at the rate of time and one-half, except as hereinafter provided.

H.3 All work performed in excess of forty (40) hours per week, exclusive of overtime, shall be paid for at the rate of time and one-half; provided, however, that such employee has worked all scheduled work in that pay period (Sunday through Saturday) excepting legitimate absences due to death in family.

H.4 In case an employee is called out after his regular quitting time, he shall be paid at the rate of time and one-half for the first four (4) hours and double time thereafter, and in no case shall he receive less than two hours and forty minutes (2:40) at the rate of time and one-half.

All Saturday work performed by an employee outside of his normal shift hours will be paid at time and one-half for the first four (4) hours and double time thereafter.

H.5 Employees called for duty four (4) hours or more before the beginning of regular working hours or regular shift hour shall be paid at the overtime rate (excepting intermission for meals).

The employee will be paid prior to his reporting time thirty (30) minutes at time and one-half, and if he does not work into a regular shift, he will receive an extra fifteen (15) minutes at time and one-half after his quitting time. If he works into his regular shift, he will only receive the thirty (30) minutes prior time at time and one-half.

H.6 Employees called for duty less than four (4) hours before the beginning of regular working hours or shift hour shall be paid one and one-half time rate (except intermission for meals) from the time they report for work until the beginning of their regular working hour or shift hours. Regular working hours or shift hours following shall be at straight time rate.

H.7 No employees covered by this Agreement shall be penalized by being required to take time off in exchange for overtime worked.

H. 8 Overtime shall be divided as equally as is practicable among those qualified and available in each classification. It shall be offered first to employees who normally work that schedule (e.g., days, swing, etc.).

H.9 The Corporation shall keep a current overtime list for all maintenance employees. This list shall be forwarded to the Union in writing at least once a month.

H.10 Employees will be paid biweekly effective January 1, 2005. Errors caused by the Company will be corrected within two working days.

Section I - Holidays:

I.1 Each employee covered by this Agreement who does not work on the following holidays shall receive eight (8) hours straight time pay:

New Year's Day
President's Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Christmas Day
Martin Luther King Birthday OR Cesar Chavez Day**
Four (4) Floating Holidays++

** Effective January 1, 2005, employees will be given the option of honoring M.L. King or C. Chavez. They must make their decision by January 7th of each year and inform their supervisor of the preferred day off.

++ As to day workers, the four (4) floating holidays are to be taken by not more than 75% per classification requesting (by seniority) the same day off, to be bid in December of each year. The employee will notify his immediate supervisor at least five (5) days in advance of his or her floating holidays.

++ Management has the option of allowing an employee to split floating holidays into half days based on operational needs.

Employees hired after January 1, 1990 will not be entitled to have four (4) floating holidays until completion of their probationary period. At that time, the Company will have the option of four (4) days pay or the days off. January is the benchmark for earning floaters.

As for day workers, when one of these holidays falls on Sunday, the Monday following shall be the holiday; when one of these holidays falls on Saturday, the Friday before shall be the holiday.

Shift workers will be allowed holidays by a rotating seniority process, selected five (5) days in advance of the holiday, provided it does not adversely affect the operating of the Maintenance Department.

I.2 If an employee is required to work on a holiday, he shall be paid for the first eight (8) hours at the straight time rate and double time and a half thereafter, in addition to his holiday pay.

I.3 Employees who are off on a holiday due to sickness or accident shall not be charged a day of sick leave for that day but will receive holiday pay.

I.4 When a recognized holiday falls on an employee's day off, he shall have the option of taking the holiday on the day before or the day following his day off providing that the corporation does not end up in an overtime situation.

I.5 In order to qualify for the holiday pay provided by this Section, the employee must complete his assignments on his last workday preceding, or his first scheduled workday following, a holiday as well as on the holiday itself if required to work on the holiday.

Section J - Vacations:

J.1 a. Employees hired prior to April 9, 2009 shall be entitled to annual vacations as follows:

- After 1 year's service -
One (1) week (40 hours)
- After 2 years' service -
Two (2) weeks (80 hours)
- After 5 years' service -
Three (3) weeks (120 hours)
- After 10 years' service -
Four (4) weeks (160 hours)
- After 15 years' service -
Five (5) weeks (200 hours)
- After 30 years' service -
Six (6) weeks (240 hours)

b. Employees hired on or after April 9, 2009 shall be entitled to annual vacations as follows:

- After 1 year's service -
One (1) week (40 hours)
- After 2 years' service -
Two (2) weeks (80 hours)
- After 5 years' service -
Three (3) weeks (120 hours)
- After 10 years' service -
Four (4) weeks (160 hours)

J.2 All vacation pay will be at the employee's straight time rate, computed on the basis of forty (40) hours per week.

J.3 Annual vacation periods shall commence the first week in each May, with the final vacation period ending on the last week in each April.

J.4 An employee who, by reason of illness, injury, leave of absence, suspension and other unexcused absence, is absent from his/her duties for sixty (60) days or less during the year's service will be entitled to a full vacation. Any employee absent from 61 to 120 days will receive one half of their regular vacation. Any employee absent over 120 days will not receive any vacation. Employees absent because of injury sustained while on duty will not be subject to this provision.

J.5 The annual bidding of vacations for the year shall be posted between February 1st and the first Monday in March and shall be bid by groups of cost centers in the section listed in the Maintenance Department and according to the Company Maintenance seniority. Bid boards will be provided per shift by department in each section and will be posted in the employees' respective work areas.

The Company agrees to a 10% increase in full vacation boards above the minimum requirement. Plus, review by Union for errors.

Bidding will begin the first Monday in March, and the number of employees will be divided by the number of working days ending April 15th, and bidding dates will be posted February 1st. Senior men will bid in the a.m. Employees failing to bid on the assigned day will be passed over. They will bid the next day, with the exception of unscheduled absence.

Vacation periods that are canceled after the original bid for any reason shall be posted for one (1) week and bid by seniority or until filled by senior men.

Employees in their milestone year will be credited with their extra week of vacation, which may be taken any time during their milestone year following normal vacation bidding. However, should the employee terminate for any reason prior to reaching the milestone, the Corporation has the right to recoup from his final pay check money paid for any milestone time taken prior to a milestone anniversary date.

J.6 The Corporation reserves the right to determine the number of vacation assignments available for each weekly period and will provide as many vacation periods as possible during non-school weeks. Employees will bid vacations by groups of Cost Center within the Maintenance department and according to Company Maintenance seniority.

Apprentices will have a separate vacation board.

Journeymen will be on the same vacation board as Mechanic A's.

Bid boards will be posted in the employees' respective work areas.

Mechanical - Days

Mechanical - Nights
Air Conditioning Electrical, Electronic
Paint and Body
Stores
Service and Cleaning - Days
Service and Cleaning - Nights
Building Maintenance
Revenue
Training

J.7 Employees may receive their vacation pay prior to commencing their vacation, provided their request for such pay is made no later than 8:00 a.m. Monday, one week preceding the start of their vacation.

J.8 If a recognized holiday falls during an employee's vacation, he shall have the option of taking the holiday on the day before or the day after his vacation or the option of receiving pay in lieu of the day off. The option must be made five (5) days prior to vacation time.

J.9 If an employee, while on vacation, becomes ill or injured and such illness or injury lasts for a period of five (5) days or more, said employee shall upon request be transferred from vacation to sick leave for the period of disability up to the amount of sick leave he has available.

J.10 Employees reaching their retirement date shall receive prorated vacation pay.

J.11 In all prorated cases, the vacation pay shall be one-twelfth (1/12) of normal vacation pay for each month or major fraction thereof worked during the vacation year.

J.12 An employee laid off due to reduction of force shall receive prorated vacation pay.

J.13 An employee given military leave shall receive prorated vacation pay.

J.14 Upon the death of an employee, the designated beneficiary and/or estate of said employee shall receive said employee's total earned vacation pay due.

J.15 Any employee after one (1) year of service, will be entitled to one-twelfth (1/12) of his normal vacation for each month (or major fraction thereof) of service between the date of his employment and the beginning of the fiscal vacation year. Any employee who has less than a normal week's vacation earned as of the starting date of the vacation year will be paid in cash for his prorated adjustment after the completion of one (1) year of service.

J.16 If an employee requests time off, in addition to his or her vacation, such request shall be granted at the employee's expense, provided that in the sole discretion of the Corporation it does not inconvenience the operation or increases the operating expense of the Corporation. Such extended vacation shall not exceed the employee's current vacation allowance.

J. 17 In case of emergency and/or for good and sufficient reason an employee in good standing with five (5) or more years service can request time off up to one (1) week per year to be charged to vacation time.

Section K - Sick Leave:

K.1 a. Employees hired prior to April 9, 2009 shall be entitled to the following sick leave with pay:

- After 1 year's service -
Five (5) days per year
- After 2 years' service -
Six (6) days per year
- After 3 years' service -
Seven (7) days per year
- After 4 years' service -
Eight (8) days per year
- After 5 years' service
Nine (9) days per year
- After 6 years' service -
Ten (10) days per year
- After 7 years' service -
Twelve (12) days per year
- And each year thereafter, until after 20 years' service
Fifteen (15) days per year.

b. Employees hired on or after April 9, 2009 shall be entitled to the following sick leave with pay:

- After 1 year's service -
Four (4) days per year
- After 2 years' service -
Five (5) days per year
- After 3 years' service -
Six (6) days per year
- After 4 years' service -
Seven (7) days per year

K.2 Employees may accumulate up to a maximum of one hundred fifty (150) sick leave days. Any days accumulated in excess of 150, employee may redeem any hours not used at 50%, paid on a yearly basis, within three weeks of the accrual.

Used days of sick leave will be deducted from the total accumulation when transferred on the anniversary date. The Corporation shall keep accurate sick leave records, and at the request of the employee, he shall have the right to inspect his sick leave record.

K.3 Eight (8) hours at the straight time rate shall be considered a day in figuring sick benefits.

K.4 Years of service shall be calculated from and after an employee's date of employment in consecutive periods thereafter of twelve (12) consecutive months. If within any of said consecutive twelve (12) month periods said employee fails to work in the aggregate of two hundred and ten (210) days within said twelve months period, it shall not be deemed a year of service for the purpose of this section. For the purpose of computing service under this clause, working time lost not in excess of sixty (60) days due to sickness, injury, military leave or official Union business shall be considered days of work.

K.5 Sick benefits shall only be paid for those scheduled days which an employee would have worked had the disability or illness not occurred, provided notification of such absence has been reported to the foreman before the time he should have reported to work, except for bona fide emergency. In addition, up to one-half of the amount of sick time an employee earns in a year may be used by the employee when he or she needs to care for an ill family member or accompany the family member to a doctor's appointment. For this purpose, "family member" means the employee's spouse, parent, child, domestic partner, as defined by law, or child of a domestic partner ("Child" means a biological, foster, or adopted child, a stepchild, a legal ward, a child of a domestic partner, or a child of a person standing in loco parentis. "Parent" means a biological, foster, or adoptive parent, a stepparent, or legal guardian.). Use of sick leave for family care is subject to the same terms and conditions as are applicable to use of this benefit for the employee's own illness.

K.6 Employee shall not be entitled to sick benefit allowance when sickness or injury is due to the employee's willful intention to injure himself or another, intoxication or the use of non-prescribed drugs.

K.7 The Corporation has reserved the right at all times to determine whether or not the time lost by an employee is the result of a bona fide sickness or injury.

K.8 The Corporation may require proof of illness in the form of a note from the attending physician, providing the employee has been absent for a period of five (5) working days.

K.9 Sick benefits will be paid for a fraction of a day. Employees returning from sick, accident, or other unscheduled absence must give at least sixteen (16) hours' notice. This is to eliminate the possibility of two men reporting for work on the same job.

K.10 If an employee is injured while on duty, resulting in loss of time, he shall suffer no loss of pay on the day the injury occurs.

Nothing in this section shall prohibit an employee, if eligible, from using his/her accrued sick leave to make up the difference between Worker's Compensation temporary disability benefits and eight (8) hours of pay for each scheduled workday lost.

K.11 Sick leave may be drawn for the purpose of doctor appointments when appointments must be made during the employee's normal working hours.

Corporation sick benefits may be integrated with State disability payments, to bring the employee's weekly benefits up to eight (8) hours' daily pay.

K.12 Upon proof of death, a regular employee may, with the approval of his department head, be granted up to four days paid bereavement leave, when such absence is occasioned by the death of a member of the employee's immediate family. Immediate family means: (1) Spouse, (2) Son or daughter, (3) parent, (4) Brother or sister, or (5) Mother-in-law or father-in-law. Bereavement pay must be requested within one week following the date of the funeral.

While the death of a grandparent does not qualify for bereavement leave, employees may use up to four days of sick leave or vacation to attend the funeral.

K.13 Retiring employees shall be paid in cash for unused sick leave at the time of retirement. The maximum number of days shall not exceed a total of one hundred and thirty-five (135).

K.14 Employees who are required by law to serve on a jury, will suffer no loss in regular pay because of absence from work, provided they remit to the Corporation the compensation received for such jury duty. Corporation pay is at the rate received on the workday immediately prior to such jury duty. It is further provided that the employee must inform the Corporation immediately of the date he has been ordered to report for the eligibility interview and/or jury duty.

Section L - Lunch Periods:

L.1 Eight (8) hours shall constitute the regular work day for men working night shifts, within which time a meal period not exceeding thirty (30) minutes shall be allowed, provided that employees may be called, if necessary, so that there shall be no interruption of work. If an employee's lunch is interrupted by an emergency call, he shall be allowed to complete his lunch when the emergency is over.

L.2 Shift men working on Saturday and Sunday day shift shall also receive the lunch period conditions of Paragraph L.1.

L.3 The regular lunch period of any man or crew may be either advanced or delayed one (1) hour where required by necessity, under which circumstances no extra pay will be given. Should the lunch period be advanced or delayed more than one (1) hour, an extra half-hour's pay shall be allowed at the regular rate.

Section M - Shop Stewards:

M.1 The Union shall be represented by one shop steward for each department and one steward on each shift for the departments that work shifts. Stewards shall be selected in such manner as the Union may determine. The Union shall notify the Corporation of the names of stewards thus selected who are authorized to represent the employees and shall notify the employer of any changes in the personnel of the stewards. The employer shall notify the Union of its representatives authorized to handle and settle adjustments for it. All notification shall be in writing.

M.2 Stewards shall be entitled to enter into or remain on the premises after or before their regular shifts with the permission of the supervisors or such other person as the employer may designate. Such permission shall be granted when necessary to perform their duties as defined herein.

M.3 A steward may, upon application to his supervisor or foreman, be permitted to leave his work during working hours for reasonable periods, to perform the following duties:

- a. To present to a supervisor or foreman a request for adjustment or dispute which he has been requested by an employee or group of employees to present to such supervisor or foreman for adjustment.
- b. To investigate any such request for adjustment or dispute so that such adjustment or dispute can be properly presented to the supervisor or foreman.
- c. To attend any meetings with representatives of Management when such meetings are necessary to present any such adjustment or dispute.

M.4 When the presence of a steward is desired by an employee for the presentation of an adjustment, the employee may request his supervisor or foreman to send for his steward and the supervisor or foreman shall send for the steward as soon as possible.

M.5 When a steward, in the fulfillment of his duties set forth herein, enters an area supervised by a supervisor other than his own, the steward shall notify the supervisor or foreman of that department of his presence and the nature of his business therein.

M.6 Each steward shall report to his supervisor or foreman the time of leaving his work to perform the duties set forth herein, and the time of his return to work upon completion of those duties.

M.7 The employer agrees that stewards shall not be hindered, coerced, restrained or interfered with in the performance of their duties or in investigating and presenting adjustments or disputes as provided in this article. The Union understands and agrees that each steward is employed to perform full-time work for the employer and that he will not leave his work during hours except to perform his duties under the Agreement. It is further understood and agreed by the parties hereto that each will cooperate with the other in reducing to a minimum the actual time spent by the stewards in the performance of their duties.

M.8 The Union's Business Agent or other Union representative shall be permitted by the Corporation to transact any Union business on the premises of the Corporation, but at no time or in any way to interrupt or delay the employees at work.

M.9 It is the purpose of the Grievance committee to discuss matters pertaining to the administration of our labor contract, and any other matters in the interests of the Corporation and the Union.

Section N - Health and Welfare:

N.1 Employer contribution to the Health and Welfare Funds shall be based on 2080 hours per year for active employees, including those on Worker's Compensation or other job-protected leaves.

<u>3/1/08</u>	<u>4/9/09</u>	<u>3/1/10</u>
\$4.69	\$4.74	\$4.91

N.2 Employees' insurance shall become effective on the first of the month following completion of ninety (90) days of employment.

N.3 When an employee retires, he shall have the option of converting his insurance to personal coverage at his own expense with the insurance carrier.

N.4 Management will support changing the renewal date for health insurance to April 1.

Section O - Death Benefits:

O.1 The Corporation will pay death benefits to the beneficiaries of employees who have been continuously in its employ for one (1) year or more, and are so employed at the time of death.

O.2 Death benefits will also be paid to the beneficiaries of former employees who are receiving retirement pensions at the time of death.

O.3 Beneficiary for benefits under this section shall be as follows:

- A. Employee's spouse
- B. Employee's dependent children

If there are no spouse or dependent children, the death benefit shall be paid to the designated beneficiary of said employee. If the employee has no spouse, dependent children or designated beneficiary, no payment shall be made unless provided for by state or federal law. In the event there are no beneficiaries, the Corporation will expend an amount not to exceed \$500.00 on account of funeral expenses for the deceased. In case of an employee's death before retirement, his/her spouse or dependent children will receive payment for all unused sick leave as allotted in Article II, Section K.1.

O.4 In the case of employees, the death benefit shall be according to the schedule of continuous service:

One year but less than two years	\$2,800.00
Two years but less than three years	\$3,200.00
Three years but less than four years	\$3,600.00
Four years but less than five years	\$4,000.00
Five years but less than six years	\$4,400.00
Six years but less than seven years	\$4,800.00
Seven years but less than eight years	\$5,200.00
Eight years but less than nine years	\$5,600.00
Nine years and over	\$6,000.00

O.5 In the case of pensioners, the death benefit shall be \$1,000.00, except that in cases where there are no dependents it shall be \$500.00 for funeral expenses.

O.6 Death benefits may be paid in a lump sum or in installments over such period of time as in the judgment of the Board of Directors or committee will provide the greatest help to the beneficiary.

O.7 If the Corporation shall be required, under the provision of the California Worker's Compensation Insurance and Safety Act, or under any similar act or statute, to pay any death benefit on account of the death of any employee, then no death benefit shall be payable hereunder unless the amount provided hereunder shall exceed the amount determined to be payable under such act or statute, in which event the Corporation will pay the difference as soon as the amount payable under such act or statute has been fixed by the proper authority.

Section P - Bus Passes:

P.1 The Corporation shall provide employees, their spouses and legally dependent children under nineteen (19) years of age who are living with the employee annual system passes. The Corporation shall also provide retired employees and their spouses with annual system passes for the remainder of their lives. Dependents' lost passes will be replaced within thirty (30) days after reported lost. A replacement pass will cost \$10.00.

Abuse of Corporation pass policy will result in loss of the privilege, discipline or discharge.

Section Q - Uniforms:

Q.1 Corporation to pay entire cost for uniforms and their laundering. Employees are responsible for uniforms issued to them. A receipt will be issued to employees for all uniforms checked out, and the employee will be responsible for returning the amount listed on the receipt.

Uniforms will be given to Servicers after they pass probation. They may wear "loaner" uniforms during this period. Loaner uniforms will come in the full range of sizes.

Q.2 The Corporation will provide latex powdered and latex free gloves to employees.

Section R - Coffee Breaks:

R.1 The Corporation shall provide two (2) ten (10) minute coffee breaks on each shift.

Section S - DMV Certification:

S.1 If an employee chooses to obtain his/her biannual DMV re-certification physical examination from a physician who is not a Corporation-specified physician, and the cost of that examination exceeds the highest cost charged by the Corporation-specified physicians for such examination, the employee shall be responsible for the additional cost.

S.2 Servicers will receive training for a commercial driver's license after they complete probation, but before the conclusion of their second year of employment. If they cannot

pass the test after two attempts, they will be terminated. If a Servicer has not been offered training for a CDL, they will not be precluded from promotion opportunities.

ARTICLE III

WORKDAY FOR DAY WORKERS

Section A:

A.1 The workday for these men shall be eight (8) consecutive hours per day, exclusive of meal period, between the hours of 6:00 a.m. and 5:00 p.m. Day workers receive a 1/2 hour unpaid lunch.

Section B:

B.1 The workweek for these men shall be five (5) consecutive days, Monday through Friday.

ARTICLE IV

WORKDAY FOR SHIFT WORKERS

Section A:

A.1 The workday for these men shall be eight (8) consecutive hours per day, including meal period. Shift workers receive a 1/2-hour paid lunch.

Section B:

B.1 The workweek for these men shall be five (5) consecutive days, Sunday through Saturday.

ARTICLE V

GRIEVANCE AND ARBITRATION PROCEDURE

Section A - General:

A.1 The parties hereto agree that all matters relating to hours, wages, seniority, promotions, discriminations, layoffs not in accordance with seniority, and compulsory transfer from one department to another will be administered through Article V. All disputes and grievances of any kind between the parties shall only be settled through the following methods:

a. The Union and an employee shall have the right to present complaints or grievances to the Corporation regarding the alleged violation or interpretation of any of the written terms or provisions of this Agreement.

b. To facilitate the prompt handling of complaints or grievances, each party hereto agrees to furnish the other party with all written information in its possession regarding any such dispute which is material to a full understanding of the subject matter. All disputes shall be settled in accordance with the following grievance and arbitration process.

c. No employee shall be discharged or disciplined without just cause. Any employee who has been discharged, if he so requests, shall be granted an interview with his steward, a member of the Executive Board Committee or other Union representative before he is required to leave. If a written grievance concerning discharge has not been filed with the Corporation within ten (10) working days, not including the day of discharge, it shall be forever barred from this Article or any part of this Agreement.

d. All grievances will be filed on a form supplied by the Union.

e. The Corporation will pay one aggrieved employee for time spent during the regular working hours when presenting a grievance.

Section B - Grievance Procedure:

A grievance or dispute shall be adjusted according to the following procedure.

B. 1 An employee may not file a grievance without Union approval.

B. 2 Any grievance or dispute shall be presented to the department head or their representative in writing, for adjustment not more than fifteen (15) days from the date that any affected employee represented by the Union either knew or reasonably should have known, of the conduct, event or action which is alleged to have violated this Agreement. In the case of discipline, the fifteen (15) day period runs from the date the Union receives final notice of management's decision to issue discipline. The written grievance shall contain a statement of all facts relevant to the grievance, an identification of the contract section(s) allegedly violated, and the remedy sought. The department head shall render a decision in the matter within ten (10) days from the date the grievance or dispute was presented to the employer.

B. 3 If the decision of the department head or the employer's representative is not satisfactory, it may be appealed to the Director of Human Resources and Labor Relations or the employer's representative within seventy-two (72) hours. The Director of Human Resources and Labor Relations or his representative will render a decision within seven (7) days.

B. 4 A grievance or dispute pertaining only to the interpretation or application of the terms of this Agreement that is not satisfactorily settled shall be submitted to arbitration upon the Union's written request. This request shall be served upon the Corporation within fifteen (15) days from the date of the delivery of the decision on the grievance by the Director of Human Resources and Labor Relations or his representative.

B. 5 Prior to arbitration, upon the mutual agreement of both parties, the disputed grievance may proceed to mediation in an effort to resolve the grievance.

B. 6 The issues to be submitted to arbitration shall be limited to those set forth and defined in the original grievance, and the arbitrator's authority shall be limited to the determination of the issue or issues thus set forth.

B. 7 If the party with the dispute fails to file a grievance or fails to move a grievance to the next step within the timelines outlined in this section, it shall be considered closed. In computing the time as fixed in this section, Saturdays, Sundays and holidays shall be excluded.

B. 8 For all purposes under this section, grievances and/or responses may be faxed between the Union and the Corporation.

B. 9 Any grievance settlements must be signed by either the Director of Maintenance or the Director of Human Resources and Labor Relations to be effective.

Section C - Arbitration:

C. 1. Counsel and/or a representative for the Union and Counsel for the Corporation shall select the arbitrator. In the event respective parties cannot agree within five (5) days upon an arbitrator, they shall jointly request the State Mediation and Conciliation Service (SMCS) to submit to them the names of seven (7) qualified and available arbitrators. The parties shall alternatively strike arbitrators until a single arbitrator is selected to hear the grievance. No person submitted on the list by the SMCS shall have any official, financial or other connection with or interest in the Corporation or the Union.

C. 2. The parties further agree: (1) that each party shall be responsible for any expense in connection with the presentation of its case; (2) that all other expenses of arbitration shall be borne equally by the parties, and said expenses may include the making of a verbatim record of the proceedings and a transcript of that record; and (3) that the decision of arbitrator shall be final and binding on the parties.

C. 3. Either party may call any employee as a witness in any arbitration proceeding, and if the employee is on duty the Corporation agrees to release the employee from duty so the employee may appear as a witness. However, if called by the Union, it will be at no cost to the Corporation.

C. 4. In computing the time as fixed in this section, Saturdays, Sundays and holidays shall be excluded.

C. 5. Within thirty (30) calendar days after selection of the arbitrators, the parties shall meet and consider the dispute in arbitration. Within thirty (30) calendar days after the final arbitration hearing, the impartial arbitrator shall issue an award in writing and only on the issues submitted. The award of the impartial arbitrator shall be final and binding on all parties.

C.6. Time limitations specified herein shall be applicable unless extended by mutual agreement between the parties.

ARTICLE VI

SALARIES

Section A:

The straight-time hourly wage shall be increased as follows:

Effective April 9, 2009, 2.50%

Effective 1/1/10, 2.50%

A.1 The basic straight-time hourly wage changes within the time frame of this Agreement, commencing April 9, 2009 through December 31, 2010 shall be as follows:

Description	2007	4/9/2009	1/1/2010
Mechanic A Leadman	\$24.950	\$25.57	\$26.21
Mechanic A or Journeyman	\$24.700	\$25.32	\$25.95
Communications Technician 1-3 Months	\$23.479	\$24.07	\$24.67
Communications Technician 4-6 Months	\$23.896	\$24.49	\$25.11
Communications Technician 7-9 Months	\$24.299	\$24.91	\$25.53
Communications Technician - Top Rate Thereafter	\$24.700	\$25.32	\$25.95
Mechanic B Leadman	\$23.328	\$23.91	\$24.51
Mechanic B	\$23.078	\$23.65	\$24.25
Mechanic C Leadman	\$22.342	\$22.90	\$23.47
Mechanic C - 1-12 Months	\$16.569	\$16.98	\$17.41
Mechanic C - Top Rate	\$22.092	\$22.64	\$23.21
Storeroom Clerk 1-3 Months	Former Position's Pay		
Storeroom Clerk 4-12 Months	\$12.461	\$12.77	\$13.09
Storeroom Clerk 25-36 Months	\$13.846	\$14.19	\$14.55
Storeroom Clerk 36-48 Months	\$15.257	\$15.64	\$16.03
Storeroom Clerk - Top Rate	\$16.616	\$17.03	\$17.46
Servicer A - 1-6 Months	\$11.259	\$11.54	\$11.83
Servicer A - 7-12 Months	\$11.363	\$11.65	\$11.94
Servicer A - 13-18 Months	\$11.535	\$11.82	\$12.12
Servicer A - Top Rate	\$11.571	\$11.86	\$12.16
Servicer A - Assigned Sign Truck	\$16.036	\$16.44	\$16.85
Servicer B	\$11.023	\$11.30	\$11.58
Revenue Technician	\$24.700	\$25.32	\$25.95
Assistant Revenue Technician 1-12 Months	\$16.569	\$16.98	\$17.41
Assistant Revenue Technician Top Rate	\$22.092	\$22.64	\$23.21
Revenue Processor Hired Before 3/22/04	\$14.141	\$14.49	\$14.86
Revenue Processor On/After 3/22/04 1-6 Months	\$11.259	\$11.54	\$11.83
Revenue Processor On/After 3/22/04 7-12 Months	\$11.363	\$11.65	\$11.94
Revenue Processor On/After 3/22/04 13-18 Months	\$11.535	\$11.82	\$12.12
Revenue Processor On/After 3/22/04 Top Rate	\$11.571	\$11.86	\$12.16
Apprentice I - Step 1 (Former Servicer)		\$16.96	\$17.39
Apprentice I - Step 2		\$18.23	\$18.68
Apprentice I - Step 3		\$20.25	\$20.76
Apprentice I - Step 4		\$24.05	\$24.65

Apprentice II - Step 1 (Former Mechanic C)		\$23.14	\$23.71
Apprentice II - Step 2		\$23.65	\$24.25
Apprentice II - Step 3		\$23.65	\$24.25
Apprentice II - Step 4		\$24.05	\$24.65
Apprentice IIA - Step 1 (Former Mechanic C @ 75%)		\$17.48	\$17.91
Apprentice IIA - Step 2	Apprentice II Rates		

A.2 All leadmen will receive twenty-five cents (\$.25) an hour above the highest classification that he supervises.

All leadmen vacancies shall be bid in the prescribed manner as outlined in Article II, Section C.

A.3 All employees shall receive the first year rate (75% of the Mechanic C rate) immediately upon entering the training program for Mechanic C (the STEP program). The Company shall be responsible for providing tools while employees are in the Mechanic C training program only. The progression shall not apply to those employees who are currently Mechanic C's or in training to be Mechanic C's (the STEP program) on the date of ratification (12/15/00).

APPRENTICESHIP PROGRAM

IBEW agrees to the Apprenticeship Program Draft dated December 16, 2003. Current Mechanic A's and Mechanic C's shall not be required to enter the Apprenticeship Program. The Company will still bid Mechanic C positions to employees who took and passed the Basic Skills Test before March 22, 2004. Eligible employees accepting such positions will be required to enter the Apprenticeship Program, but they will be able to return to Mechanic C if they do not pass any part of the Apprenticeship Program.

On the job mentors under Apprenticeship program will receive an additional 10% mentor pay for all time spent mentoring an apprentice.

ARTICLE VII

ATTENDANCE PROGRAM

I. Purpose

- a. The purpose of this policy is to encourage San Diego Transit Corporation ("SDTC") employees to attend work on a regular basis. Regular attendance of every employee is of extreme importance to the corporation. Each employee has the responsibility to report to work every scheduled workday, if possible.

II. Scope of Policy

- a. This policy applies to all members of IBEW, Local 465.

III. Attendance Review Period

- a. Employees' attendance will be monitored on a revolving 365-day basis. Employees will be subject to discipline based on the number of days of work missed during the 365-day review period. The levels of discipline are set forth in Section IV of this policy below.
- b. For the purpose of determining the review period under the policy, absences due to an accepted workers' compensation claim or an absence that is protected by federal or state law (e.g. Family and Medical Leave Act, California Family Rights Act, California Pregnancy Disability Leave) of 3 consecutive days or more will extend the 365-day review period by an amount of days equal to the absence. For example, if an employee's review period is from January 1, 2008 to December 31, 2008, and during that period the employee was off work due to an approved workers' compensation injury for 10 consecutive days, the new review period would be January 1, 2008 to January 10, 2009.
- c. All absences count toward the discipline thresholds in the policy. The only exceptions are those outlined in Section VI of this policy.

IV. Attendance Requirements and Levels of Discipline

- a. Five Days of Absence —Reminder of Amount of Days

Any employee missing five (5) days of work during the 365-day review period described above shall receive a written reminder of the amount of days that he or she has utilized which count towards eventual disciplinary action. This level is not disciplinary.

- b. Ten Days of Absence — Written Warning

Any employee missing ten (10) days of work during the 365-day review period described above shall receive a Written Warning.

- c. Fourteen Days of Absence — Formal Reprimand and Suspension of Up to Five Days

Any employee missing fourteen (14) days of work during the 365-day review period described above shall receive a formal reprimand and an unpaid suspension between 1 and 5 days.

- d. Eighteen Days of Absence — Termination of Employment

Any employee missing eighteen (18) days of work or more during the 365-day review period described above shall be subject to discipline up to and including termination of employment.

V. SDTC's Discretion Regarding the Amount of Discipline

In evaluating discipline to be issued at each level of the disciplinary progression, the corporation shall treat the employee fairly and may consider relevant factors and circumstances to reduce the discipline outlined in Section IV. Those factors include, but are not limited to, the following:

- length of employment;
- job performance;
- explanation provided for absences;
- previous absence record;
- previous reprimands and commendations issued during the 365- day review period above.

VI. Absences Excluded From Disciplinary Consideration

SDTC will not treat as absences or assess discipline for work missed due to:

- i. Any period of absence for which the employee is granted an FMLA leave or CFRA leave, or pregnancy disability leave;
- ii. Any period of absence attributable to a work-related injury or accident;
- iii. Any period of absence for which the employee is using sick leave to attend to the illness of his or her child, parent, spouse or domestic partner.
 - a. The sick leave used for this purpose is limited to one-half of the amount of sick leave the employee accrues in a year. In order to excuse a period of absence for this purpose, the employee must, within two days of returning to work, provide a note signed by a doctor specifying that the family member was seen by the doctor, the reason the employee needed to be present to attend to the family member, and the period of time that this was necessary.
- iv. Surgery
- v. Hospitalization for 24 hours or more and any additional absence arising out of such illness or injury required by a doctor.
- vi. Broken bones
- vii. Leave of absence approved by the Company
- viii. Bereavement

VII. No Doctor's Notes Required For Every Absence

When an employee is absent from work, he or she is not required to provide a doctor's note concerning their absence from work, unless otherwise required by law or by agreement between IBEW and SDTC. For example, certification of a serious health

condition is required by a doctor for FMLA leave (or other State or Federal mandated job protected leave), doctor's reports are required in the workers' compensation process, and doctor's notes are required for employees to receive sick leave pay to care for a family member. Maintenance employees must call the Foremen or another phone number provided by management if they will be absent.

VIII. Partial Day Absences

Partial day absences will be tracked in one-half day increments. If an employee is absent from work for less than four hours in a workday, this will be treated as a half day absence. If an employee is absent from work for four hours or more in a workday, this will be treated as a full day absence. Employees will not be charged for half day absences if the reason for the absence was to attend a medical appointment and the employee shows proof that he went to the doctor.

IX. Sick Leave Sell Back/ Bonus

If employee is absent two (2) days or less (not including vacation, jury duty or bereavement) during the year (anniversary date to anniversary date), the employee will receive 50% of their unused annual sick leave accrual in cash on a dollar for dollar basis, upon their request. Employee must have 350 hours in their account to be eligible to receive cash out. Payment will be made within two pay periods of the employee's anniversary date.

X. Term/Pilot Program

The application of this policy shall commence with the ratification of the Collective Bargaining Agreement (April 9, 2009) between the parties and shall continue in full force and effect for one (1) year from the ratification date. All points accrued by employees prior to the date of ratification shall be eliminated and all employees shall start with zero absences under this new policy. Thirty (30) calendar days prior to one-year expiration, either party may serve written notice to open negotiations for a possible new attendance policy. This policy will remain in effect during any subsequent negotiation of a new policy.

ARTICLE VIII

PENSION PLAN

Effective January 1, 2007, the following table will take effect, with 70% cap:

2.000% @ 55	2.262% @ 60
2.052% @ 56	2.314% @ 61
2.104% @ 57	2.366% @ 62
2.156% @ 58	2.418% @ 63
2.210% @ 59	

Employees who are at least 60 years of age and who have at least 30 years of service, who service retires before December 31, 2004 may select one of the following two options:

1. Employees who retire between July 1, 2004 and August 31, 2004 will receive a \$5,000 bonus on their final day of employment. The bonus will not count toward their average earnings when calculating their pension.

2. Employees who retire between September 1, 2004 and December 31, 2004 will have \$6,000 added to their 36-month gross earnings for pension calculation purposes.

A. The Corporation agrees to establish a pension plan for hourly employees in accordance with the provisions of, and subject to, the conditions of the plan set forth in the supplemental agreement. The new pension plan shall be effective April 1, 1968, contingent upon approval of the Commissioner of Internal Revenue.

B. The Corporation agrees it shall maintain negotiated benefits under this Article for the duration of this Agreement.

C. The pension plan shall appear in a separate printed booklet.

D. The Corporation agrees to assist and put in place a 457 deferred compensation program for all maintenance employees.

E. The Company will grant the following Pension benefits:

- Discontinue the cost of spouse's survivor rate
- Discontinue the 133.33 offset on pension calculations
- Revise Neyhardt's corner
- Pop-up provision + 36 month averaging
- July 1, 2001 – tables move down two years or ages 55 – 63

F. Deferred Retirement Option Plan (DROP)

Management has the discretion to create and implement a Deferred Retirement Option Plan (DROP) during the term of the agreement. If management approves a DROP program, employee participation would be voluntary and will be for a maximum of 4 years. Employees must enter DROP before expiration of the current Collective Bargaining Agreement.

ARTICLE IX

DURATION, TERMINATION AND RENEWAL

A. The term of the new Agreement shall be from January 1, 2008 to and including December 31, 2010. Unless otherwise specifically provided in other Exhibits comprising this Memorandum of Understanding, the effective date of each change in the Agreement will be the date of ratification of this Agreement or as soon thereafter as practicable.

B. If notice is given by either party of its desire to negotiate or amend any of the terms or provisions of this Agreement, the negotiations shall begin not later than thirty (30) days prior to the expiration date of this Agreement, and shall continue until agreement is reached. During said negotiations, this Agreement shall remain in full force and effect.

LETTERS OF UNDERSTANDING

MEMORANDUM AGREEMENTS, ETC.

Following are certain Letters of Understanding, which the Union considers to be of sufficient importance to be published. It should be understood that others exist, but are of such limited scope that their publication serves no useful purpose. Among these are grievance settlements and arbitration awards.

RE: UTILITYMAN CLASSIFICATION

In the settlement of the 1973 Negotiations between the San Diego Transit Corporation and Local 465 of the International Brotherhood of Electrical Workers, the following understanding has been agreed upon:

The following limitation regarding the duties of Utilityman is hereby agreed to:

1. The primary duties will consist of building Janitorial type work, and,
2. The Utilityman will be allowed to clean windows on coaches and the work on coaches will be limited to that stated.
3. Utilityman cannot hostile, dispatch, drive or move a coach in any way.
4. It is further agreed that when a vacancy exists for Servicer B, this vacancy shall be bid in the prescribed manner in accordance with the agreement, and if a Utilityman - currently employed by the Corporation - bids this vacancy, upon qualifying, he shall be awarded the job.
5. In the event there are no qualified bidders from the Utilityman classification, the Corporation shall then hire, in accordance with the Corporation's hiring policy, a person at the Servicer B rate of pay.

SAN DIEGO TRANSIT JOINT APPRENTICESHIP TRAINING COMMITTEE

SDTC and the IBEW agree to the JAC program (version dated December 16, 2003) and it shall be effective upon ratification of CBA.

I.B.E.W. LOCAL 465

SAN DIEGO TRANSIT CORPORATION

Chris Simmons, President

Jeffrey Stumbo/Director of Human Resources &
Labor Relations

John C. Hunter, Business Manager/
Financial Secretary

Claire E. Spielberg, Chief Operating Officer (Bus)

Marty Hunter, Assistant Business Manager

Cliff Telfer/V.P Finance

Raul Diaz, Unit Chair

Tom DeLuca, Director of Maintenance

Shawn Kiley, Committee Member

Brendan Shannon, Manager of Human Resources

John Gilmore, Committee Member