WORKING AGREEMENT

BETWEEN

FIRST TRANSIT, INC.

AND

TEAMSTERS LOCAL UNION NO. 120

Affiliated with the International Brotherhood of Teamsters

EFFECTIVE JANUARY 5, 2013, THROUGH AUGUST 31, 2017

AGREEMENT

The undersigned First Transit, Inc., hereinafter referred to as the Company and General Drivers Helpers and Truck Terminal Employees, Local Union No. 120, affiliated with the International Brotherhood of Teamsters, hereinafter referred to as the Union, agree to be bound by the terms and provisions covering wages and working conditions as specified in this Agreement.

ARTICLE I RECOGNITION

Section 1.1 The Company recognizes the Union as the exclusive representative of "employees" as defined in Section 1.2 of this Article for the purpose of collective bargaining with respect to rates of pay, hours of work, and other conditions of employment for all such employees.

Section 1.2 - Definition of Employee: Whenever used in this Agreement, the term "employees: shall mean all regular full-time and regular part-time non-probationary vehicle operators (hereinafter "operators") employed by the company at the locations listed below, but excluding temporary personnel as defined in Section 1.4 of this Article, guards, office clerical, payroll clerks and dispatchers, managerial personnel, maintenance personnel, confidential personnel, professional employees, full time trainers, temporary operators, road supervisors and supervisors as defined in the National Labor Relations Act.

1717 West County Road C, Roseville 3400 Spring Street N.E., Minneapolis 14405 W. 62nd Street, Eden Prairie 2180 108th Lane, Blaine 7400 34th Ave. South, Minneapolis (Delta Airlines Employee Shuttle)

Section 1.3 - Definition of Probationary Employees: An employee who has never accrued seniority under this Agreement or predecessor agreements between the Company and the Union or an employee rehired after termination of seniority shall be in "probationary" status until he/she has completed ninety (90) days of actual work. A thirty (30) day extension may be granted upon mutual agreement between the Company and the Union. The discipline or discharge of an employee who is on probationary status shall not be a violation of this Agreement.

Section 1.4 - Job Classes: The classification of jobs as described in Section 1.2 of this Agreement is defined as follows:

- a) A Regular Full Time Operator is defined as an Operator regularly scheduled to work at least thirty-five (35) hours in a workweek.
- b) A Regular Part Time Operator is defined as an Operator regularly scheduled to work less than thirty-five (35) hours in a workweek.

From time to time part-time employees may be required to work more than thirty-five (35) hours in a work week to meet unusually high service demands or other unusual situations.

When a full-time vacancy occurs, as determined by the Company, it shall first be offered to a full-time, then a part-time Operator in seniority order before non-employee applicants are considered. Employees may elect to remain part-time if they so desire.

c) A temporary Operator is defined as an Operator assigned to work for a period of less than thirty (30) days and who has not worked at the facility at any time during the previous twelve (12) months.

ARTICLE 2 SCOPE OF AGREEMENT

Section 2.1 - Duration: This Agreement shall become effective immediately after midnight of January 5, 2013 and shall continue in full force and effect through midnight August 31, 2017. Thereafter it shall automatically renew itself and continue in full force and effect from year to year unless written notice of election to terminate or modify any provision of this Agreement is given by one party, and received by the other by registered mail, return receipt requested, not later than sixty (60) days prior to an expiration date.

<u>Section 2.2 - Separability:</u> Should any Article, Section or portion of this Agreement be determined to be in conflict with established law and unenforceable by a court of competent jurisdiction, such decision will apply only to the specific Article, Section or portion thereof directly specified in the decision. Upon issuance of the decision, the parties agree to immediately negotiate a substitute for the invalid Article, Section or portion thereof. Neither party shall be under any obligation to re-negotiate any Articles, Sections or portions of the Agreement, which are not affected by such decision.

Section 2.3 - Waiver of Bargaining Rights and Amendments to Agreement: During the negotiations resulting in this Agreement, the Company and the Union each had the unlimited right and opportunity to make demands and proposals with respect to any subject matter as to which the National Labor Relations Act imposes an obligation to bargain. Except as specifically set forth elsewhere in this Agreement, the Company expressly waives its right to require the Union to bargain collectively, over all matters as to which the National Labor Relations Act imposes an obligation to bargain, whether or not: (1) such matters are specifically referred to in this Agreement; (b) such matters were discussed between the Company and the Union during the negotiations which resulted in this Agreement; (c) such matters were within the contemplation or knowledge of the Company or the Union at the time this Agreement was negotiated and executed. As used in this Section 2.3, the waiver of the right to "bargain collectively" includes the waiver of the right to require the other party to negotiate or to provide information. This Agreement contains the entire understanding, undertaking, and agreement of the Company and the Union, after exercise of the right and opportunity referred to the first sentence of this Section 2.3, and finally determines all matters of collective bargaining of its term. Changes in this Agreement, whether by addition, waiver deletion, amendment, or modification, must be reduced to writing and executed by both the Company and the Union. The Agreement comprise the total and entire Agreement between the Union and the Company pertaining to wages, rates of pay, hours of employment and other terms and conditions of employment with respect to the employees covered by this Agreement. There are no side agreements, oral agreements, or other agreements not encompassed herein, with either the Union or any employee in the unit may hereafter raise, based on past practices or otherwise, which will entitle the Union or any employee in the unit to any right, privilege or other benefit not specifically set out herein.

ARTICLE 3 UNION SECURITY

Section 3.1 Recognition: The Employer agrees to and does hereby recognize Teamsters Local 120, the Union, as the sole and exclusive representative of all full-time, regular part-time and standby drivers employed at First Transit, Inc., excluding office clerical employees, mechanics, dispatchers, guards and supervisors as defined the Act, as amended, and all other non-driver employees.

Section 3.2 Union Security: The Employer shall have the right to choose any person as a new employee. All present employees who are members of the Union on the effective date of this Agreement or on the date of the execution of this Agreement, whichever is later, shall remain members of the Union in good standing of the Union as a condition of employment. All present employees who are not members of the Union and-all employees who are hired hereafter shall become and remain members in good standing of the Union as a condition of employment on and after the 30th working day following the beginning of their employment or on and after the 30th working day following the effective date of this Agreement or the execution date of this Agreement, whichever is later. If any provision of this Article is found to be invalid by any law or regulation, the parties agree to renegotiate such provision to comply with the requirements of law.

Section 3.3: The Union agrees that it will make membership in the Union available to all employees covered by this Agreement on the same terms and conditions as are generally applicable to other members of the Union, and further, that employment by the Company will not be denied or terminated for any reason other than failure of any employee covered by this Agreement to tender the periodic dues and uniformly required as a condition of acquiring or retaining membership in the Union.

Section 3.4 National D.R.I.V.E. Authorization and Deduction: In addition to the terms and conditions contained in the above-referenced Agreement between the Company and the Union, the Company and the Union hereby further agree that:

The Company agrees to deduct from the paycheck of all employees covered by this Agreement voluntary contributions to DRIVE. DRIVE shall notify the Company of the amounts designated by each contributing employee that are to be deducted from his/her paycheck on a weekly basis for all weeks worked. The phrase "weeks worked" excludes any week other than a week in which the employee earned a wage. The Company shall transmit to DRIVE National Headquarters on a monthly basis in one check the total amount deducted along with the name of each employee on whose behalf a deduction is made, the employee's Social Security number and the amount deducted from the employee's paycheck.

ARTICLE 4 DUES CHECKOFF

Section 4.1: It is agreed that the Company will deduct from each employee who has completed thirty (30) calendar days of employment, the amount of dues and initiation fees due to the Local Union and shall forward same to the Union office no later than the 20th day of each month. The Union, in turn, shall submit to the Company written consent from each employee for the making of such deduction.

Section 4.2: Upon receipt of written authorization signed by any employee in full compliance with all legal requirements, the Company shall deduct from each employee's pay each and every month during the effective term of this Agreement, but limited to the effective period of authorization, the amount representing dues obligations of such employee as certified in writing by the Union. The Company shall, during each month, mail to the Secretary Treasurer of the Union, all such sums withheld. In the event no wages are due to the employee, or are insufficient to cover the required deduction, the Company will so state on the Union forms provided.

<u>Section 4.3:</u> The Union agrees to hold the Company harmless and indemnify the Company against any and all claims, lawsuits, or damages concerning deductions of dues.

ARTICLE 5 SHOP STEWARDS AND UNION REPRESENTATIVES

<u>Section 5.1 - Shop Steward:</u> The Company recognizes the right of the Union to designate from among the Union employees of the Company a Shop Steward to handle such Union business as may from time to time be delegated to the Shop Steward by the Union Executive Board pertaining to employment relations. The Company will be notified in writing by an officer of the Union as to the name of the Steward (and alternates if named). The authority of Shop Steward and alternate so designated by the Union shall be limited to, and shall not exceed the following duties and activities:

- a) The Shop Steward may assist in the investigation, presentation and settling of grievances in accordance with the provision of the collective bargaining agreement.
- b) Shop Steward has no authority to take strike action or any other work stoppage interrupting the Company's business, except as authorized by official action of the Union. The Company shall have the authority to impose proper discipline, including discharge, in the event the Shop Steward has taken unauthorized strike action, slow down or work stoppage in violation of this Agreement.

- c) During classroom training, the classroom trainer shall be allowed time to present enrollment authorization cards, explain union dues, and present the Teamster orientation video. All materials presented must have prior approval by the Union Business Agent.
- Section 5.2 Union Representative: An authorized representative of the Union shall have access at reasonable times during working hours to the Company's premises for the purpose of administering the contract provided that such representative shall first notify the Terminal Manager or his/her designee. The Company will make reasonable efforts to accommodate such request. giving due regard to the nature of the matter, safety and its own service/production level needs. Representatives who are not employees shall be subject to all regulations of the Company applicable to non-employees. Such visits shall not unreasonably interfere with the work of any employee or the operation of the facility or any department thereof.
- <u>Section 5.3:</u> If a need exists for a Steward to address an immediate issue with a Manager or a Manager and an employee, time spent in such a meeting shall be paid at the Steward's normal rate of pay.
- <u>Section 5.4:</u> The Company shall not enter into any agreement or contract with its employees who are in classifications herein noted, individually or collectively, which in any way conflicts with the terms or provisions of this contract.
- Section 5.5: The job steward, or his/her designated alternate, may be permitted reasonable time off without pay to attend Union meetings called by the Local Union. The Company shall be given seventy-two (72) hours prior notice by the Local Union.

ARTICLE 6 NON-DISCRIMINATION

It is agreed by and between the parties hereto that there shall be no discrimination against any employee because of union or nonunion affiliation.

The Company shall not discriminate against any officer, representative or member of the Union because of his/her activities or carrying out his/her duties as such, but no officer, representative, or member of the Union shall be exempt from Company rules and regulations, from the authority of the supervisors, or from the provisions of this Agreement.

Neither the Company nor the Union shall discriminate against any employee in any matter because of race, color, religion, sex, sexual orientation, national origin, marital status, disability, medical condition, age, status as a disabled veteran, or service in the uniformed military services, in compliance with state, federal and local laws.

Whenever the masculine form is used herein, it shall apply to both sexes.

ARTICLE 7 SENIORITY

Section 7.1 - Seniority Defined: Seniority shall mean the length of time an employee has been employed by the Company, measured in calendar days from the first day of the employee's most recent date of hire. The date of hire shall be the first day the employee starts classroom training.

If application of the preceding paragraph results in two or more employees having the same seniority, the employee who has the earlier birthday shall be deemed the more senior. In the event birthdays are identical, employees shall have to draw determine the more senior. Seniority shall be applicable only as expressly provided in this Agreement.

A current seniority list/roster of drivers shall be posted at each location every sixty (60) days on the 15th of the month.

If there is a dispute regarding the employee's seniority date on the posted seniority list, he/she must contact the project manager to settle the dispute in writing within 10 calendar days, otherwise the list shall be accepted as correct.

Section 7.2 - Layoff:

- a. Determination of Layoffs: The Company will determine the timing of layoffs, and the number of employees to be laid off.
- b. Layoffs: When a reduction in the work force become necessary, as determined by the Company, such layoffs, shall be made in reverse order of master seniority under the following provisions:
 - 1. Part-time employees shall be laid off before full time employees.
 - 2. Driver must be qualified for the work they wish to transfer to at time of layoff.
 - 3. Open positions within the locations specified in Section 1.2 of this agreement must be filled before any bumping can occur. Open positions will be filled by a master seniority basis.
 - 4. Bumping will take place based on strict master seniority.
 - 5. Driver pay will be determined by the particular scale of the service and their length of service with the company.

Section 7.3 Recall:

- a. Order of Recall: Employees will be recalled by seniority as defined above.
- b. Notice of Recall: The Company will forward notice of recall by certified mail to the last known address of the employee as reflected on Company records. The employee must, within five (5) calendar days of delivery or attempted delivery of the notice of recall, notify the Company of his/her intent to return to work on the date specified for recall and, thereafter, return to work on such date.

<u>Section 7.4 - Termination of Seniority:</u> An employee's seniority shall be terminated and his/her rights under this Agreement forfeited for the following reasons:

- a) Resignation by the employee or termination by the Company, unless reinstated pursuant to the grievance procedure;
- b) Failure to give notice of intent to return to work after recall within the time period specified in Section 7.3 (b) of this Agreement, or failure to return to work on the date specified for recall, as set forth in the written notice of recall;
- c) Except for layoff, time lapse of eighteen (18) months since the last day of actual work for the Company, regardless of reason;
- d) Failures to return to work upon expiration of an approved leave of absence;
- e) Layoff for a period of five (5) years or for a period equal to the employee's length of service, whichever is less and provided that all qualifications are in good standing at the time of recall;
- f) Absence for three (3) consecutive days without notifying the Company. The Company may consider unusual or extraordinary circumstances and waive this rule;

g) Working for another Company while on a leave of absence.

Section 7.5 - Return of Personnel to the Bargaining Unit: A person who, after transfer or promotion out of the bargaining unit, for a period of thirty (30) days, remains in the continuous employ of the Company, may be transferred, at the sole option of the Company and notwithstanding any other provision of this Agreement, to any designated job classification in the bargaining unit previously held by the person with loss of previous earned seniority. If the transfer of such a person to the bargaining unit requires the layoff of an employee, the employee with the least Seniority as defined above will be laid off.

Section 7.6 - System Seniority Transferring:

a) Employees with one (1) or more years of seniority shall be eligible to sign the system seniority transfer sheet. This transfer sheet will be posted four (4) times a year. Drivers wishing to transfer must sign up and note the system(s) to which they wish to transfer. Drivers are allowed one (1) refusal per transfer period. The Driver must accept the second assignment or have his/her name removed from the list. The failure of the Driver to respond to the Company regarding a transfer or the Company's inability to reach the employee shall constitute a refusal. Drivers shall be qualified for the systems they sign up for. Management has the right to determine driver qualifications. Management will not exercise this right in an arbitrary or capricious manner. Drivers expressing desire to transfer to specific systems will be assigned by master seniority when openings occur due to drivers leaving the company or newly created routes. The transfer sheet will be posted for seven (7) calendar days prior to the next eligibility period. During these seven (7) days eligible interested employees must sign and date the transfer sheet for the system(s) they wish to be considered. If an employee wishes to withdraw their request from any system, the request must be in writing and given to the Division Manager. This request must be made prior to the vacancy on the given system. At the sole discretion of the Company, the Company may choose to bid systems by system seniority.

When a route becomes vacant due to a driver leaving the Company or a route is newly created, the Company will transfer employees in seniority order to a system that they have indicated by signing the transfer sheet. Extra non-driving and charter, incremental type work shall be assigned at the sole discretion of the Company.

The Company may fill an opening in this process by new hires after three refusals or transfers. The Company may assign other available drivers to the route(s) during this process.

- b) No driver may transfer off his/her system more than one (1) time during, the year.
- c) No driver may transfer off his/her route more than two (2) times a year.

Section 7.7: As long as the employee is fully qualified and maintains all of his/her required licensees the following, will prevail. The company at its sole discretion will determine the employee's qualifications.

- a) Master seniority shall apply for layoff purposes;
- b) Standby drivers will work as directed. Standby drivers shall be paid a minimum of two (2) hours for reporting to work. For the purposes of bidding, master seniority shall apply to standby drivers.

Section 7.8: When a route or routes become available, as determined by the Company, those routes shall be posted no later than 48 hours after they become available. Positions shall remain posted for seven (7) calendar days during which time qualified drivers can sign up for the open route. The open route will be awarded by master seniority. Qualifications shall be included for consideration of the position being posted. Open routes shall be posted in a designated area in the location. The Company will offer shift bids at a minimum of one time per year, no later than November 1, 2007 and by November 1 for each year thereafter.

ARTICLE 8 CUSTOMER RIGHTS AND CONTINGENCIES

Section 8.1 - Termination of Transportation Services Contractor: If the transportation services contract between the Company and its service customers terminate for any reason, the rights and obligations of this Agreement shall also terminate at that time; provided that the parties to this Agreement may continue to resolve disputes pending at the time of termination, up to and including arbitration. If the service customer awards the service now provided by the Company to another transportation provider, the Company will notify the Union of the name, address, and representation of such other transportation provider.

Section 8.2 - Rights of Customer: Nothing, in this Agreement shall be construed to prohibit the Company from fulfilling its contractual obligation to its customers which include but is not limited to the assignment, dispatching, and management of the service.

Section 8.3 - Removal: If a customer requests that the Company remove an employee from a system, the Company agrees to discuss the matter with the customer. If the Company determines termination is not appropriate, the employee may be transferred to an available opening. The Union will be given a copy of the directive requiring the removal of the driver where appropriate. If the customer does not provide a directive requiring removal of an employee in writing, the Company will, in writing, provide the Union and the employee with a description of the directive. This section does not restrict the Company's right to follow normal disciplinary procedures in these areas.

<u>Section 8.4 - Successor:</u> This Agreement shall be binding upon the parties hereto, their successors, administrators, executors and assigns. The Company shall give notice of the existence of this Agreement to any purchaser, transferee, lessee, assignee, etc., of the operation covered by the Agreement or any part thereof. Such notice shall be in writing with a copy to the Union not later than the effective day of sale.

ARTICLE 9 MANAGEMENT RIGHTS

Section 9.1: In consideration of the recognition herein granted, the Union agrees for itself and its members not to hinder or interfere with the Company in the management of the business. It is agreed that except as expressly provided by this Agreement, all of the rights, powers, and authority the Company had prior to the signing of this Agreement are retained by the Company and remain the exclusive right of management without limitation. Management of the business, operation of the terminal, direction of the work force and the authority to execute all the various duties, functions and responsibilities in connection therewith are vested in the Company.

Without limiting the generality of the above statements, these rights include, but are not limited to, the right to hire, suspend, discharge for just cause, the right to request physical examinations as a condition of employment, to implement all drug and alcohol testing requirements, to promote, to layoff, to determine hours of work as well as the hourly and daily schedule of employment. The Company shall be the judge of all matters pertaining to the conduct of its business including, but not limited to, quality and quantity of service and schedules of service. The Company shall have the absolute right, as to all or any part of the work performed by the bargaining unit, to discontinue operations subject to applicable laws, and the right to utilize supervisors to perform driver duties as needed. It is further agreed that the above detailed enumeration of management's rights shall in no way be deemed to exclude any other management prerogatives that may not have been specifically enumerated.

ARTICLE 10 NO STRIKES OR LOCKOUT

Section 10. 1 - No Strikes or Lockouts: The company agrees that there shall be no lockout of employees during the term of this agreement. The Union agrees that there shall be no strike, walkouts, sympathy strikes, work stoppages or slow downs during the term of this agreement.

In the event of activity prohibited by this Article, the Union shall notify its members involved that such activity is not authorized or condoned by the Union and such activity shall cease and desist.

Employees who engage in any unauthorized strike, concerted work stoppages, slowdowns or other such activity, in violation of this provision, shall be subject to immediate dismissal.

ARTICLE 11 DRUG AND ALCOHOL

In acknowledgment of the nature of the Company's operations and the very special and overriding safety considerations, the parties have adopted formal provisions for fitness for duty-Drug and Alcohol screening.

ARTICLE 12 GRIEVANCE PROCEDURE

<u>Section 12.1 - Definition of Grievance</u>: A grievance is a claim that the Company has violated an express, specific provision of this Agreement. The following procedure for the settlement of grievances must be followed:

Section 12.2 - Procedural:

Step 1. The Union may present in writing to the Division Manager a grievance setting forth the nature, details, date of the alleged violation, Article and Section of the Agreement claimed to be violated. The written grievance must be dated and signed by the employee. The written grievance must be presented to the Division Manager within seven (7) calendar days of when the employee or Union knew or had reasonable knowledge of the event giving rise to the grievance. After the filing of a grievance with the Manager or Company designee, the Manager or Designee shall contact the Union Business Agent or designee to arrange a time and place to attempt to resolve the grievance within five (5) days unless mutually agreed to an extension.

Step 2. If the grievance is not resolved in Step I with in five (5) calendar days of when it was submitted to the Manager, the Union, if it wishes to proceed further with the grievance, may request, in writing, via fax within five (5) calendar days notice to the Company, a meeting or conference call between the Company Area Manager, or his/her designated representative, and the Union president, or his/her designated representative. Within ten (10) days of the request, the parties shall schedule a meeting or conference call.

Step 3. If the grievance is not resolved in Step 2, the Union, if it wishes to proceed further with the grievance, may request, in writing, via fax within five (5) calendar days of notice to the Company, a meeting or conference call between the Company Human Resources Director or his/her designated representative. Within ten (10) days of the request, the parties shall schedule a meeting or conference call.

Section 12.3 - Time Limitations: The time limitations set forth in this Article 12 are of the essence of this Agreement. No grievance shall be accepted or considered by the Company unless it is submitted or appealed within the time limits set forth in Section 12.2 of this Article. If the grievance is not timely submitted at Step 1 or Step 2, it shall be deemed waived. If the grievance is not timely appealed to Arbitration, it shall be deemed to have been settled in accordance with the Company's Step 2 answer. If the Company fails to answer within the time limits set forth in Section 12.2 of this Article,

the grievance shall automatically proceed to the next step. The time limitations may be waived upon mutual written agreement of the parties.

<u>Section 12.4 - Precedent:</u> A decision made with respect to any grievance during Step 1 or Step 2 of the grievance procedure set forth in Section 12.2 of this Article shall apply only to that grievance and shall not become binding precedent with respect to any other grievance or to the interpretation or application of this Agreement.

ARTICLE 13 ARBITRATION

Section 13.1 - Appeal Procedure: If a grievance has not been settled in Steps outlined in Article 12 herein, the Union may request that the matter be submitted to a mediation panel. Such requests shall occur within five (5) calendar days following the decision of the Company at Step 2 of the grievance procedure.

<u>Section 13.2 - Selection of Mediation Panel:</u> The Mediation panel shall be comprised of four (4) members. Two (2) members shall be selected by the Company; two (2) members shall be selected by the Union.

Section 13.3 - Mediation Panel's Jurisdiction: The jurisdiction and authority of the mediation panel and their opinion and award shall be confined exclusively to the interpretation and/or application of the express provision(s) of this Agreement at issue between the Union and the Company. They shall have no authority to add, detract from, alter, amend, or modify any provision of this Agreement; to impose on either party a limitation or obligation not explicitly provided for in this Agreement. The mediation panel shall not hear or decide more than one (1) grievance without mutual consent of the Company and the Union. A decision shall be made by a majority vote of the panel, which shall issue a bench decision within twenty-four (24) hours after hearing, the testimony and the evidence. The written award of the mediation panel on the merits of any grievance adjudicated within their jurisdiction and authority shall be final and binding on the aggrieved employee, the Union and the Company.

Section 13.4: In the event the Mediation Panel is deadlocked and/or unable to reach a decision, the Union may request the Federal Mediation and Conciliation Service (FMCS) to submit a list of at least five (5) Arbitrators approved by the FMCS. A Company representative and a Union representative shall each have the right to strike names from such list. The representatives shall alternate in the striking of names, and it shall be determined by lot who shall strike first. The person whose name remains on the list will be the arbitrator to hear the grievance.

The Company and the Union shall bear one-half of the expenses of providing, the Arbitrator not related to the individual costs of each party. The decision of the FMCS Arbitrator shall be final and binding on the parties.

The Arbitrator shall render bench decisions unless either party requests full consideration of the case by the Arbitrator including review of briefs and a written decision. This request may only be made in cases involving discharge.

<u>Section 13.5 - Burden of Persuasion in Discharge or Discipline Matters:</u> In all cases involving discharge or discipline, the burden of persuasion on the issue of whether or not the grievant engaged in misconduct or wrongdoing shall rest on the Company. The burden of persuasion on the issue whether the discipline imposed was excessive, unreasonable or an abuse of management shall rest on the Union.

ARTICLE 14 HOURS OF WORK

<u>Section 14.1 - Purpose of Article</u>: The sole purpose of this Article is to provide a basis for the computation of straight-time, overtime, and other premium wages and nothing contained in this Agreement shall be construed as a guarantee or commitment by the Company to an employee of a minimum number of hours work per day, per week, or per year. The Company's pay records, practices, and procedures shall govern the payment of all wages.

Section 14.2 - Workweek: The workweek shall consist of seven (7) days beginning at 12:01 a.m. Sunday and ending at 11:59 p.m. the following Saturday.

<u>Section 14.3 - Overtime Work:</u> In the event there is an immediate work assignment for overtime work and a bus needs to be dispatched from the yard and there is more than one qualified employee on the property who has signed the daily Immediate Work Roster in dispatch, then the most senior driver will be dispatched. The Company will assign immediate overtime by asking the most senior qualified employee available, and if the assignment is not filled, the least senior qualified employee will be assigned. Otherwise, the Company shall solely determine the assignment of all overtime.

Section 14.4: Employees shall be paid for all time actually worked at the rates set forth in this Agreement. All time worked in excess of forty (40) hours per week in accordance with The Fair Labor Standards Act, shall be paid at time and one half of the employee's regular rate of pay.

Section 14.5: The hours of the business will be determined by the Company. Because of the nature of the business, the Company is allowed flexibility in scheduling in order to meet business needs. Every effort will be made to allow employees to operate their bid and assigned routes and hours, however, employees may be assigned on a limited basis to work other than their normally scheduled hours or route.

Section 14.6: No more than two (2) weeks pay shall be held on any employee and employees will be paid on the Friday following the end of the pay period.

Section 14.7: In the event an employee is absent from or late for work for any reason, the employee must notify his/her supervisor at least one (1) hour before the scheduled start of his/her shift or he/she will be subject to discipline.

<u>Section 14.8:</u> An employee laid off due to a reduction in size of the work force shall be paid only for actual hours worked during, the week of the layoff. Likewise, employees hired or recalled from layoff will be paid only for time actually worked. In the event of a reduction in size of the work force, affected employees and the Union will be advised of the layoff prior to the layoff.

Section 14.9: All and any mandated meetings shall be posted seventy-two (72) hours before, but if posted on a Friday, Saturday, or Sunday such posting shall be ninety-six (96) hours before. If unable to attend, employees shall notify the Company of any conflict and request to be excused. Unless excused at the sole discretion of the Company, failure to attend a mandatory meeting will subject the employee to disciplinary action. If the Company requires the employee to attend a mandatory meeting on their scheduled day off, the employee will receive a minimum of two (2) hours reporting pay.

Section 14.10: If an employee reports to work for his/her regular assigned route (excluding meetings, safety meetings, training or other special events) and no work is available, the employee shall receive a minimum two (2) hours reporting pay.

This minimum reporting pay shall not apply if the employee is tardy, suspended from work for disciplinary reasons, or requests to not work for all or a portion of his/her shift. The employee must accept any alternative work provided by the Company to be eligible for minimum reporting pay.

Section 14.11: The Company agrees to provide employees with a copy of their hours along with their paychecks effective the first pay period in January 2001, if requested.

<u>Section 14.12:</u> At least monthly, the employer shall supply statements breaking down hours worked and all overtime hours. At least quarterly, the employer shall supply statements breaking down all vacation available.

ARTICLE 15 LEAVE OF ABSENCE

Section 15.1 - Family Leave: The parties agree to abide by the Family Medical Leave Act.

<u>Section 15.2 - Other Leave:</u> To the extent that any additional leave is necessary, it shall not be determined in accordance with this policy or have the same benefits. The granting of any such additional leave will be discretionary by the Company and shall be on a case-by-case basis.

ARTICLE 16 DISCIPLINE

Section 16.1 - Company Rights. The Company shall have the right to change any policies, rules and regulations governing employees without re-negotiation of this Agreement should such changes in policies, rules and regulations be required in order to comply with any governmental law or regulation or to comply with any provision of the Agreement between the Company and its Customers. The Company shall further have the absolute right to carry out all directions of its Customers notwithstanding any provision of this Agreement to the contrary. Customer is defined as an agency to which the Company has signed a transportation contract with.

The Company shall have sole exclusive right to adopt reasonable rules, regulations and policies to govern its operations and employees and, from time to time, change or amend such rules, regulations and policies, to the extent they do not conflict with any provisions of this agreement. The Company will notify the Union of any work rules, regulations, and policies prior to their implementation.

<u>Section 16.2:</u> The Company shall not discharge, suspend, or discipline any non-probationary employee without just cause. Employees shall not be disciplined until he/she has been afforded union representation. Furthermore, at least one written warning notice must be given to the employee as progressive discipline, except that the following shall be just cause for immediate discharge:

- a) Dishonesty, including falsifying company or customer records or making false statements on application for employment or other company forms.
- b) Violation of Company Drug and Alcohol program.
- c) Theft or any unauthorized removal of company or customer property or property of another employee.
- d) Physical violence, or fighting or creating disruption on Company premises or vehicles, which affects proper business operations or conduct.
- e) Possession of firearms, weapons, or explosives, and similar devices on Company premises or vehicles or any time on duty.
- f) Immoral or indecent conduct on company premises or vehicles or any time on duty.
- g) Insubordination, or intentional failure or refusal to perform assigned work.
- h) Threatening, intimidating or coercing fellow employees, passengers, customers, or members of the public.
- i) Recording false time on time records, completing the time record of another employee, or alteration of a time record.

- j) Failure at any time for any reason to maintain a valid drivers license and all certificates required by Federal, State or Local governmental entities and laws to operate company and customer vehicles.
- k) Deliberate misuse, or destruction, defacing, damaging, or loss of company or customer property or property of another employee or passenger.
- Commission of a misdemeanor or felony law while on duty, or failure to use safety equipment devices as required.
- m) Use of language or any other activity designed to offend or harass any other employee, customer or passenger based on that employee's, customer's or passenger's race, color, religion, sex, national origin, age, disability or sexual orientation.
- n) Operating a company or customer vehicle that rear-ends another motor vehicle, whether moving or not. The immediate discharge shall not apply if such rear-end accident was caused by another party striking the employee's vehicle from behind causing in turn, employee to rear-end another vehicle, provided the employee did not violate any traffic law as documented by the police or other accident report taken at the scene of the accident, or if the accident was non-preventable. Discipline under this provision should be applied based on the specific circumstances surrounding each accident.
- o) Failure to perform proper pre-trip and post-trip inspections.
- p) Unauthorized use of company accounts.
- q) Failure to properly secure any mobility assistance devise or wheelchair or failure to properly secure any passenger or properly load, transport or unload mobility impaired passenger(s) on a company or customer vehicle.
- r) Unauthorized touching or contact with a passenger.
- s) Commitment of a serious unsafe act.
- t) Failure to immediately report incidents and/or accidents.

Section 16.3 - Notices: The Company shall determine its discipline within ten (10) calendar days from management knowledge of an infraction. Copies of all warning notices and other notices of disciplinary action given employees shall be mailed to the Union within ten (10) days of the determination of the infraction by certified mail. Stewards shall be given copies of employee discipline within 24 hours of receipt by the employee by either certified mail, in person, or in the steward's mail slot. Excluding all other safety related disciplinary actions, on property accidents that total less than \$1,000 and result in no injuries, warning notices and all other notices of disciplinary action shall be removed from the employee's personnel file after 12 months. No disciplinary or discharge document shall be placed in an employee's personnel file without his/her being given written notice.

<u>Section 16.4 – Investigation and Disciplinary Periods:</u> All employees shall receive their normal pay and benefits during the course of any investigation by the Company which does not result in the imposition of discipline. Non-discharged, disciplined employees may choose to use available/earned vacation and PTO days during disciplinary periods.

<u>Section 16.5 – Technology:</u> The Company may employ new technology, including video systems, GPS, mobile data terminals/computers and other present or future technologies for the transit industry, in order to help ensure the safety of the driver and passengers, and compliance with all federal state and local driving rules and regulations by both the driver

and the motoring or pedestrian public. The Company shall meet with the Union before implementation of new technology on an advise and confer basis, in order to explain and clarify the use and effects of said technology.

No discipline using such technology shall be made without just cause.

ARTICLE 17 BULLETIN BOARD

The Company will furnish an adequate Union Bulletin Board. The bulletin board shall be hung in a convenient locaton that can be seen by all members, preferrably in the break room or common area in each location. The Union shall have the right to post official Union notices on the bulletin board. The Company shall not add or remove anything from the Union Bulletin Board without prior Union approval.

The Bulletin Board is to be used only for official Union notices and the results thereof, and other official Union functions. The Bulletin Board will be used only by Union Officials.

It is agreed that the Union shall not use the Union Bulletin Board for the posting of any notices or materials, which are offensive, or derogatory to the Company.

ARTICLE 18 GENERAL CONDITIONS

Section 18.1 - Citations: No operator shall be required to violate traffic laws. Employees are required to pay for the cost of citations received.

<u>Section 18.2 - Physicals and Drug Screens:</u> In the event the Company requires an employee to take a physical examination or drug screen, the Company will pay the cost of the procedure. No employee shall suffer a loss of earnings from the Company as a result of time spent in such physical examinations or drug screen, but otherwise time spent in physical examinations shall not be paid time for any violation that the operator has committed.

Section 18.3 - Employee's Personnel Records/Files: If an employee request information regarding their personnel records, the employee shall have the right to review in the presence of a supervisor and steward all records on the requesting person, including the employee's file, employment file, medical file, disciplinary or any other records on that person, such a request shall be made in writing at least three (3) days in advance.

The right to review shall not entitle the employee to have any record changed, modified or removed form the file unless such action is otherwise specifically granted elsewhere in this Agreement. Copies of records that had previously been signed by an employee may be copied at the written request of the employee at a rate of \$.25 per copy. Copies of records not previously signed by the employee may not be copied by the employee.

ARTICLE 19 CLOSING, PARTIAL CLOSING OF CONTRACTS-TRANSFER OF WORK

Section 19.1 - Loss of Contract(s): When a contract from the facility is closed, the active employees (excluding those employees on letter of layoff) at the closed or partially closed contract shall have the right to bid into a master seniority roster comprised of bidder from the active seniority roster of the closed or partially closed contract(s) from this facility in the order of their continuous seniority. Continuous seniority shall be defined that seniority which the employee is currently exercising and has not been broken. Employees shall bid from the combined master seniority roster into openings at other contracts for which they are qualified. Employees so transferring shall be "dovetailed" into the appropriate active seniority roster at the new contract in the order of their continuous seniority. Such transfers shall be permitted prior to the recall of laid off employees at such other contract(s) at the facility. If and when additional

employees are required in excess of those who formed the combined active roster at the point of re-domicile; employees on the letter of layoff at that location shall be recalled. If recalled, such employees shall be "dovetailed" with their continuous seniority.

In addition, the inactive seniority rosters (employees who are on letter of layoff) at the contract from which employees are being re-domiciled shall be "dovetailed" into a master "laid off seniority roster and such employees shall have the same opportunities to transfer to contracts.

ARTICLE 20 BEREAVEMENT LEAVE

Section 20.1: An employee shall be granted a maximum of three (3) paid days upon the death of said employee's Mother, Father, domestic partner, Stepparents, Mother-in-law, Father-in-law, Spouse, Brother, Sister, Children, Grandchildren, Stepbrother, Step-sister, Step-children, Grandparents, Grandparents of spouse, or Great Grandparents of the employee. The compensated days must fall within the regularly scheduled work week and shall be paid at the employee's regularly scheduled shift, not to exceed eight (8) hours at straight time rate of pay.

A domestic partner includes an individual in a same-sex relationship who satisfied one of the following requirements:

- 1) Individual has registered domestic partnership with a governmental body per state or local law.
- 2) Individual is in a committed long-term relationship meeting the following requirements:
 - Each partner is at least age 18
 - Cohabitated for at least 6 months in a monogamous relationship
 - Not married to or legally separated from anyone else
 - Not related by blood
 - Jointly responsible for financial obligations.

Proof of partnership will include: joint lease, mortgage, bank account or credit card or registration certificate from the applicable governmental body (if applicable).

ARTICLE 21 VACATIONS

Section 21.1: An employee who has been on the seniority list of the Employer for one year shall be entitled to five (5) days vacation with pay. Vacation pay is calculated in total hours per year including overtime and divided by 52 weeks and the maximum shall be 40 hours of pay at the employee's regular rate of pay.

Section 21.2: An employee who has been on the seniority list of the Employer for three (3) years shall be entitled to ten (10) days vacation with pay. Vacation pay is calculated in total hours per year including overtime and divided by 52 weeks and the maximum shall be 80 hours of pay at the employee's regular rate of pay. Vacation entitlement under this provision shall be calculated and accrued on a pro-rata basis.

Section 21.3: An employee who has been on the seniority list of the Employer for eight (8) years shall be entitled to fifteen (15) days vacation with pay. Vacation pay is calculated in total hours per year including overtime and divided by 52 weeks and the maximum shall be 120 hours of pay at the employee's regular rate of pay. Effective in the fourth year of the Labor Agreement (9/1/10), fifteen (15) days will be provided to eligible employees who have completed seven (7) years of service.

Section 21.4: An employee who has been on the seniority list of the Employer for twenty (20) years shall be entitled to twenty (20) days vacation with pay. Vacation pay is calculated in total hours per year including overtime and divided by 52 weeks and the maximum shall be 160 hours of pay at the employee's regular rate of pay

Section 21.5: Vacation pay must be taken in full day increments. The vacation may not be taken prior to the anniversary date on which it is earned. Vacation pay shall not accumulate from year to year, therefore, if an employee does not use his/her vacation time within one year of the date earned, it shall be lost excepting that the vacation was scheduled by the employee and subsequently canceled or rescheduled by the Company, in which case the vacation may be carried over until the date it is mutually rescheduled by the Company and the employee.

Section 21.6: An employee eligible for paid vacation time shall select vacation periods based on seniority via a bid process to be conducted for and at each location. The selection period shall be initiated between September 1 and December 31 of each year. The selection of the vacation period shall be for the following calendar year. Employees must choose at least a one week increment of vacation during the initial selection period. Vacation time chosen in full week increments shall be granted first (prior to increments of less than one week).

At the completion of a vacation bid period, all weeks not selected will become available to eligible employees on a first come basis. Should any employee leave the employment of the Company with vacation time scheduled, such time periods will be re-posted for a one-week period and filled on the basis of seniority. If no employee bids for such time, these open periods will be available on a first come basis. At no time will more than 4% of the workforce be on vacation, except for the months of June thru August in which no more than 5% of the workforce shall be allowed to be on vacation, unless the Company may determine otherwise based on business necessity and ensuring the continuity of service to the Company's clients and passengers.

Section 21.7: Employees shall be paid all unused vacation and personal holidays upon separation of employment with the Company.

Section 21.8: Vacation will be approved within 7 calendar days of written request presented to the project manager.

ARTICLE 22 OVERTIME AND HOLIDAYS

Section 22.1: All time worked on holidays (Christmas, Thanksgiving, New Years Day, Memorial Day, July 4th, and Labor Day) shall be paid at the rate of one and one-half (1 1/2) times the regular hourly rate as specified in this Agreement in addition to the regular holiday pay to which the employee affected may be entitled as set forth in Section 22.2 of this Article.

Section 22.2: Employees (full-time) covered by this Agreement shall be entitled to six (6) holidays (New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day) after one (1) year of service paid at eight (8) hours per day, at the regular rate of pay, subject to the following: Employees who as of August 31, 2000 were entitled to less than six holidays, will have their holiday benefits increased to six by adding Memorial Day effective September 1, 2000, and New Years Day and Independence Day effective September 1, 2001. Part time employees, after one (1) year of service shall be paid four (4) hours per day at the regular rate of pay. Effective September 1, 2001, regular full-time employees will be eligible for holidays after ninety (90) days of continuous employment.

Section 22.3: Overtime compensation shall not be pyramided and overtime compensation shall not be paid twice for the same hours worked.

<u>Section 22.4:</u> An employee must work his/her scheduled shifts before and after the Holiday to be eligible for payment of this benefit, unless legitimately sick or absent for another legitimate reason.

Section 22.5: In addition to the above holidays, five (5) Personal Holidays shall be observed each contract year by regular full-time and part-time eligible drivers who have completed one (1) or more years of continuous employment. Effective September 1, 2014 one (1) additional Personal Holiday shall be observed each contract year by regular full-time and part-time eligible drivers who have completed one (1) or more years of continuous employment. Personal holidays must be scheduled by mutual agreement between the Company and the employee. The employee must give at least one (1) week

notice to the Company of the day the employee intends to request time off. The granting of these Personal Holidays shall be dependent upon the Company's scheduling requirements. If the Company is unable to grant time off carry over to the next year may be granted by mutual agreement of the Company and the employee. If more than one employee requests to take the same day off, seniority shall prevail. In addition, should an employee be ill and not able to report to work, a personal holiday if available must be used, provided the employee gives one (1) hour advance notice to his/her supervisor.

ARTICLE 23 SAFETY

Section 23.1: No employee shall be required to operate equipment that is not mechanically sound or is properly equipped to conform with all applicable city, state, and federal regulations. (Proper equipment from November 1st to April 1st shall include an operating heater.)

It shall not be a violation of this Agreement or a cause for discharge if a driver refuses to operate a vehicle which that driver knows violates state, federal, or municipal load regulations or which he knows is in defective condition which would make the driver liable to policing authorities for a violation of applicable statues or ordinances governing the operation of vehicles. The driver must immediately report as a condition of his refusal, the nature of any defect in equipment to the Company on check sheets provided by the Company. Refusal to drive a vehicle for reasons other than those which will make the driver liable to policing authorities for a violation of applicable statutes or ordinance governing the operation of vehicles will result in discipline action up to and including discharge.

ARTICLE 24 HEALTH INSURANCE

Section 24.1 Health Insurance: The Company shall offer health insurance to all full-time employees upon completion of their probationary period. However, any employee (full or part time) who had health insurance as of September 1, 2003 shall continue to be eligible for health insurance throughout the life of the Agreement. Furthermore, all full-time employees who are forced to lose their full-time status due to loss of available work, shall continue to be eligible for insurance coverage until the end of the plan year. The Company shall have sole discretion as to the health plan offered, but will agree to maintain the level of benefits, except that the Company will offer seed and incentive money in the first plan year and may choose to offer the seed and incentive money in other plan years.

During the term of the Agreement, the Employee will pay the following amounts per month towards health coverage:

Employee Monthly Contributions:

| Employee Only | \$164.34 |
|---------------|----------|
| 2 party | \$533.69 |
| Family | \$740.96 |

At health insurance renewal time (currently October 1), if the total premium cost increases 10% (ten percent) or less, the Company agrees to pay for increase without changing the plan design in effect as of ratification (MAP 1). However, if the increase is more than 10%, the Company and the union shall negotiate changes to the design plan and contribution rates.

<u>Section 24.2 Dental Insurance:</u> The Company shall provide Dental Insurance to all full and part-time employees. The Company shall have sole discretion as to the plan offered. The cost of the dental insurance shall be paid by the employee.

Section 24.3 Life Insurance and Short Term Disability: The Company will provide \$10,000 Life Insurance and \$10,000 Accidental Death and Dismemberment as provided by the National Employee Handbook at no cost to the employee. The Company will provide a short term disability plan at no cost to the employee.

ARTICLE 25 UNIFORMS

Section 25.1: The Employer agrees to provide five (5) shirts to employees as a uniform. Employees must follow specific contract system requirements regarding, uniform maintenance and appearance. Part-time employees will receive three (3) shirts. In addition to uniforms, three (3) pair of pants for full time employees and two (2) pair of pants for part time employees will be provided if required. Delta Drivers will be provided with uniforms in accordance with current Delta practices.

ARTICLE 26 VETERANS

The Company will comply with the requirements of law in the treatment of returning, veterans of the Armed Services.

ARTICLE 27 JURY DUTY

Section 27.1: Employees will be reimbursed for the difference in the amount they receive for Jury Duty and what they would have received if they continued to work. This amount shall not exceed two weeks jury duty in any one year. Whenever possible and feasible during jury duty, the employee shall report to work during such time they are not actually sitting as jurors or on call to do so as to minimize this expense; further, if the needs of the job requires the attendance of the employee at the time of their call for jury duty, said employee will cooperate with the Company in requesting a postponement to a later date. Should the employee refuse to work as scheduled by the company when not actually sitting on or on call for jury duty, he shall not be eligible for any jury pay. Employees all not be required to work on a day after serving, at least seven hours on jury duty.

ARTICLE 28 401(k) PLAN

Section 28.1: The Company shall offer the employees the opportunity to participate in the First Transit Driver's 401k Plan.

ARTICLE 29 WAGES

All increases shall take effect September 1 of each year.

5th Year Jump gets paid on Personal Hire Anniversary Date. All other increases will continue on the Contract Anniversary Date as is current practice.

Employees employed as of ratification are eligible for retroactive wages to September 1, 2012.

The minimum wage rates for the term of the labor contract will be as follows:

University of Minnesota and Eden Prairie (Southwest)

| Present employees hired from: | Current | 9/1/2012 | 9/1/2013 | 9/1/2014 | 9/1/2015 | 9/1/2016 |
|-------------------------------|---------|----------|-----------------|-----------------|-----------------|----------|
| 9/02/11 thru 9/01/12 | \$13.00 | \$13.38 | \$13.71 | \$14.06 | \$14.41 | \$15.41 |
| 9/02/10 thru 9/01/11 | \$13.13 | \$13.51 | \$13.85 | \$14.19 | \$14.55 | \$16.55 |
| 9/02/09 thru 9/01/10 | \$13.26 | \$13.64 | \$13.98 | \$14.33 | \$16.33 | \$16.74 |
| 9/02/08 thru 9/01/09 | \$13.39 | \$13.77 | \$14.11 | \$16.11 | \$16.52 | \$16.93 |
| 9/02/07 thru 9/01/08 | \$13.51 | \$13.90 | \$16.10 | \$16.50 | \$16.92 | \$17.34 |
| 9/02/6 thru 9/01/07 | \$14.10 | \$17.00 | \$17.17 | \$17.60 | \$18.04 | \$18.49 |
| 9/01/06 and back | \$19.25 | \$19.64 | \$20.03 | \$20.43 | \$20.84 | \$21.25 |
| | | 9/1/2012 | <u>9/1/2013</u> | <u>9/1/2014</u> | <u>9/1/2015</u> | 9/1/2016 |
| New Employees: | | \$13.25 | \$13.50 | \$13.75 | \$14.00 | \$14.25 |

New Employees shall receive a \$0.35 increase on each subsequent September 1 following their initial hire date.

Spring Street/Blaine/Roseville

| Present employees hired from: | Current | 9/1/2012 | 9/1/2013 | 9/1/2014 | 9/1/2015 | <u>9/1/2016</u> |
|-------------------------------|---------|----------|----------|----------|----------|-----------------|
| 9/02/11 thru 9/01/12 | \$12.00 | \$12.35 | \$12.66 | \$12.98 | \$13.30 | \$14.30 |
| 9/02/10 thru 9/01/11 | \$12.10 | \$12.45 | \$12.76 | \$13.08 | \$13.41 | \$15.41 |
| 9/02/09 thru 9/01/10 | \$12.20 | \$12.56 | \$12.87 | \$13.20 | \$15.20 | \$15.58 |
| 9/02/08 thru 9/01/09 | \$12.29 | \$12.65 | \$12.97 | \$15.00 | \$15.38 | \$15.76 |
| 9/02/07 thru 9/01/08 | \$12.38 | \$12,74 | \$15.00 | \$15.38 | \$15.76 | \$16.15 |
| 9/02/6 thru 9/01/07 | \$13.10 | \$16.00 | \$16.14 | \$16.55 | \$16.96 | \$17.39 |
| 9/01/06 and back | \$18.25 | \$18.62 | \$18.99 | \$19.37 | \$19.75 | \$20.15 |
| | | 9/1/2012 | 9/1/2013 | 9/1/2014 | 9/1/2015 | 9/1/2016 |
| New Employees: | | \$12.25 | \$12.50 | \$12.75 | \$13.00 | \$13.25 |

New Employees shall receive a \$0.35 increase on each subsequent September 1 following their initial hire date.

ARTICLE 30 TEAMSTERS CREDIT UNION

Section 29.1: Employees will be eligible to join the Teamsters Credit Union. Employee participation is voluntary.

ARTICLE 31 DELTA AIRLINES

Section 31.1: Article 24 and Article 29 will not apply to the Delta Drivers.

Section 31.2: Section 7.6 is amended to recognize "location seniority" as being that which is used for bidding purposes, thereby recognizing that current "Delta Drivers" cannot be bumped by other employees transferring into that organization. Employees choosing to move from an existing First Transit location in the Delta operation will move to the bottom of the seniority list for bid purposes.

Delta employees who chose to move to another First Transit location will move to the bottom of the seniority list for bid purposes. Such employees will keep their Company seniority, but will forfeit their wage and benefit package from their current operation and replace it with the provisions herein.

The Delta service will not have an annual bid.

Section 31.3 Delta Wages: Delta Drivers covered by this Agreement as of ratification will receive the wage rates set forth below.

Ratification through 8/31/2015

Employees currently in "After 10 Years" category: \$18.85*
Employees currently in "After 5 Years" category: \$17.77*
Employees currently in "After 6 Months" category: \$16.69*

On 9/1/2015 Step and Seniority unlock with the following scale:

| | <u>9/1/2015</u> | <u>9/1/2016</u> |
|-----------------|-----------------|-----------------|
| After 10 Years: | \$19.23 | \$19.61 |
| After 5 Years: | \$18.13 | \$18.49 |
| After 6 Months: | \$17.02 | \$17.36 |

Employees regularly scheduled to work between 4 p.m. Friday until the following Monday morning punch out will receive their regular hourly rate plus \$0.50 for hours actually worked.

The employees working the one overnight shift for flight crew/grounds crew transportation is eligible to receive their regular hourly rate plus \$0.50 for hours actually worked, it being understood that this premium is not in addition to the above weekend premium.

Section 31.4 Delta Benefits: The Company will recognize all contractual benefits except Health Insurance for existing Delta employees.

Section 31.5 New Delta Employees: All new Delta employees hired after ratification or transferred employees after ratification will work under the U of M/Eden Prairie contract wages and benefits.

^{*} Employees are frozen in step and seniority until 9/1/2015.

ARTICLE 32 TERMINATION

This Agreement shall take effect as of January 5, 2013, and shall continue in effect through August 31, 2017 inclusive. This Agreement shall automatically be renewed on the same terms and conditions existing at expiration for consecutive one (1) year periods thereafter unless, at least sixty (60) days' prior to the expiration of this Agreement or any extension thereof, either party gives written notice to the other of the desire to terminate or modify the Agreement. If neither party reopens this contract as herein provided, it shall automatically be extended from year to year thereafter with like provisions for reopening of the annual date of August 31.

| witness whereof, the parties hereto have cause these present to be duly executed this | | |
|---|-------------------------------|--|
| FIRST TRANSIT, INC. | TEAMSTERS LOCAL UNION NO. 120 | |
| By: | By: | |
| Dated: | Dated: | |
| Ву: | By: | |
| Dated: | Dated: | |
| | | |
| | Ву: | |
| | Ву: | |
| | By: | |
| | Ву: | |
| | Ву: | |
| | Ву: | |
| | By: | |