

**WAGES AND
WORKING CONDITION**

AGREEMENT

**BETWEEN
AMALGAMATED TRANSIT UNION
LOCAL UNION 241**



**AND
PACE WEST DIVISION**

Effective January 1, 2006 – December 31, 2010

**Headquarters of Local 241
20 South Clark Street/Suite #850
Chicago, Illinois 60603
Telephone (312) 341-1733
WWW.ATU241CHICAGO.ORG**

OFFICERS – LOCAL 241

Amalgamated Transit Union

DARRELL JEFFERSON
President-Business Agent

DARRYLE WEST
1st Vice President

LARRY MUHAMMAD
2nd Vice President

MICHAEL SIMMONS
Recording/Corresponding Secretary

DANIEL E. HRYCYK
Financial Secretary-Treasurer

CARLOS J. ACEVEDO
Maintenance Assistant Business Agent

**COLLECTIVE BARGAINING AGREEMENT
BETWEEN
PACE WEST DIVISION
AND
AMALGAMATED TRANSIT UNION, LOCAL 241
JANUARY 1, 2006 – DECEMBER 31, 2010**

TABLE OF CONTENTS

SECTION	PAGE
1. PURPOSE	2
2. RECOGNITION, MEMBERSHIP AND CHECK-OFF	3
3. GRIEVANCE PROCEDURE	5
4. WAGES	9
5. WORKING CONDITIONS	22
6. VACATIONS	41
7. FRINGE BENEFITS & INSURANCE	54
8. RETIREMENT	65
9. DRUG & ALCOHOL TESTING PROCEDURES	68
10. EMPLOYEE ASSISTANCE PROGRAM	68
11. CONTRACT TERM – SUCCESSOR & MISCELLANEOUS	71

**COLLECTIVE BARGAINING AGREEMENT
BETWEEN**

**PACE WEST
DIVISION**

**AND
LOCAL 241, AMALGAMATED TRANSIT UNION
EFFECTIVE
JANUARY 1, 2006 – DECEMBER 31, 2010**

Pace West Division ("Pace") and Local 241, Amalgamated Transit Union ("Union") agree to be bound by the following terms and conditions of this Agreement.

SECTION 1

PURPOSE

The purpose of this Agreement is to provide efficient and economical service to the public and to provide the best possible working conditions for the employees, at the same time having due regard to the economical operation of Pace.

SECTION 2

RECOGNITION, MEMBERSHIP AND CHECK-OFF

2.1 Pace recognizes and acknowledges that the Union is the exclusive representative of all employees in the classifications of work covered by this Agreement for the purposes of collective bargaining.

2.2 All employees covered by this Agreement shall, as a condition of continued employment with Pace, become members of the Union commencing thirty (30) days after the effective date of this Agreement or commencing thirty (30) days after their date of hire. Notwithstanding the foregoing, nothing in this Section shall inhibit or interfere with the fair share rights and obligations of the employees as set forth in the IPLRA and as detailed in the Fair Share Memorandum of Understanding between the parties which is incorporated by reference herein.

2.3 Pace will not discriminate against any employee because of age, handicap, race, sex or national origin in violation of State or Federal laws, or because of Union membership or activities. Pace will not enter into any agreement with the employees which in any way conflicts with the terms of this Agreement, and any such agreement shall be void.

2.4 The Union agrees that it will not in any way interfere with or attempt to limit the right of Pace to discharge or discipline its employees for any reason where sufficient cause can be shown.

No employee shall be discharged or disciplined solely on the basis of an anonymous complaint; no anonymous complaint shall be placed in the employee's record.

2.5 Pace shall be at liberty at all times during the existence of this Agreement and subject to the provisions hereof, to operate its property according to its best judgment and the order of competent authority.

2.6 Commencing within thirty (30) days of receipt of a signed authorization from an employee, the next month's regular monthly dues, administrative fees, and/or assessments shall be deducted from such employee's pay. Pace agrees to remit the deductions for monthly dues and/or assessments and deduction of administrative fees once each month promptly to the Financial Secretary of the Union, together with a list of names and amounts for whom deductions have been made. Pace will deduct voluntary contributions of the A.T.U. Committee on Political Education (C.O.P.E.) upon an employee's written authorization. Nothing in this Section shall inhibit or interfere with the rights and obligations of employees, including the employee's right of revoking authorization as prescribed by applicable law.

SECTION 3

GRIEVANCE PROCEDURE

3.1 Should a grievance arise under this Agreement between Pace and its employees or the duly constituted bargaining agent, an earnest effort will be made by the Union and Pace to adjust such matters. Grievances will be processed in the following manner:

Step 1. The grievance must be submitted in writing by the Union within twelve (12) calendar days of the occurrence or knowledge of the

occurrence by the aggrieved individual employee, unless the twelfth day is a Sunday or holiday, in which case the grievance shall be submitted by the following work day. The following individuals shall be authorized to accept grievances on behalf of Pace: Division Manager, Superintendent of Maintenance, Assistant Superintendent of Maintenance, Superintendent of Transportation and Assistant Superintendent of Transportation. Pace shall reply to the Union within twelve (12) calendar days of receipt of the grievance unless the twelve day is a Sunday or holiday, in which case Pace will reply on the following work day.

Step 2. If no satisfactory settlement is reached at Step 1, the Union shall submit the grievance to Pace or its designated representative within fifteen (15) calendar days of receipt of reply from Pace as provided in Step 1. Pace must reply to the Union's grievance within fifteen (15) calendar days of receipt of the grievance.

Step 3. If the parties hereto shall be unable to reach a settlement of a grievance, the Union or Pace may submit the grievance to arbitration by sending the other party, by registered or certified mail within twenty (20) days after the completion of Step 2, a notice in writing in which the matter to be arbitrated is clearly set forth and its arbitrator named.

(a) Selection of the Arbitrator. Either party may request a list of seven (7) arbitrators from the Federal Mediation and Conciliation Service. The arbitrators must be from Illinois, Indiana or Wisconsin, and must be members of the National Academy of Arbitrators. Within seven (7) calendar days after receipt of the list, a neutral arbitrator will be selected from the

panel by each party striking a name from the panel until only one name remains. The Order of striking shall be determined by lot.

(b) Decision. The decision of a majority of the arbitration committee shall be final, binding and conclusive upon Pace, the Union and the grievant. The authority of the arbitrators shall be limited to the construction and application of the specific terms of this Agreement and/or to the matters referred to them for arbitration. They shall have no authority or jurisdiction directly or indirectly to add to, subtract from or amend any of the specific terms of this Agreement or to impose liability not specifically expressed herein or specifically requested by the parties in the submission to arbitration.

(c) Failure to Appoint or Select the Arbitrator. Time is of the essence in resolving grievances but by mutual agreement the time limits may from time to time, be specifically extended in writing. The failure of either party or its arbitrator to meet the requirements of this Section shall be construed as an admission that the party does not have a valid and legitimate position, and the grievance shall be decided in favor of the party who has acted in a timely fashion.

3.2 The costs and expenses of the neutral arbitrator and administration costs of the arbitration shall be divided equally between Pace and the Union. Other expenses shall be borne by the party incurring them.

3.3 All employees hired on or after May 8, 2008 will be required to serve one-hundred-and-fifteen (115) working day probationary period during which they will have no recourse to the Grievance/Arbitration Procedure in

the event of termination. A part-time employee who moves to a full-time position will not be required to serve a second probationary period.

SECTION 4

WAGES

4.1 Employees shall, according to their respective classifications, be paid the following wages and salaries at their base rates and pay:

Effective on the first full pay period
on or after:

01/01/206 01/01/2007 01/01/208 01/01/09 01/01/2010

CLASSIFICATION: Transportation Section Employees

Bus Operator	\$21.83	\$22.49	\$23.27	\$24.09	\$24.93
Bus Supervisor (amounts per month)	\$4,236.26	\$4,363.35	\$4,516.07	\$4,674.13	\$4,837.73

CLASSIFICATION: Maintenance Section Employees

Master Mechanic	\$24.10	\$24.82	\$25.69	\$26.59	\$27.52
Mechanic	\$23.27	\$23.97	\$24.80	\$25.67	\$26.57
Mechanic Helper	\$21.95	\$22.60	\$23.39	\$24.21	\$25.06
Building Maintenance Personnel	\$23.27	\$23.97	\$24.80	\$25.67	\$26.57
Paratransit Mechanic	\$23.27	\$23.97	\$24.80	\$25.67	\$26.57
Bodyman	\$23.27	\$23.97	\$24.80	\$25.67	\$26.57
Bus Servicer	\$18.56	\$19.12	\$19.79	\$20.48	\$21.20
Building Custodian	\$18.56	\$19.12	\$19.79	\$20.48	\$21.20
* Vault Puller	\$21.83	\$22.49	\$23.27	\$24.09	\$24.93
** Electrical (Heating and Air Conditions)	\$24.10	\$24.82	\$25.69	\$26.59	\$27.52
** Bodyman/Painter	\$23.27	\$23.97	\$24.80	\$25.67	\$26.57

* When incumbent Vault Puller vacates the position, Classification will be eliminated and job duties shall be performed by the Servicer Classification.

** When the incumbent(s) vacate(s) the Classification, the Classification will be eliminated.

4.2 All employees hired into the Bus Operator and Bus Servicer position on or after October 1, 1998 shall be paid in accordance with the following percentage progression scale as applied to the base rate for the classification:

First Eighteen Months of Employment	70% of base rate of classification
Next Twelve Months of Employment	75% of base rate of classification
Next Twelve Months of Employment	80% of base rate of classification
Next Six Months of Employment	85% of base rate of classification
Thereafter	100% of base rate of classification

After four (4) years of employment, the employees covered by this Section shall have the base rate set forth in 4.1.

(c) The classification rate of Bus Personnel, Interior Bus Cleaner and Janitor hired after January 1, 1981, shall be 85% of the Bus Operator's base rate.

4.3 In addition to the respective base rates scheduled in 4.1 and 4.2, Pace shall pay:

(a) A night work premium of ten cents (10¢) per hour to be paid to all employees covered by this Agreement whose regular shifts finish after 8:00 p.m. and before 2:00 a.m. for work performed during such shifts.

(b) A night work premium of twenty cents (20¢) per hour to be paid to all employees covered by this Agreement whose regular shift finishes after 2:00 a.m. for work performed during such shifts.

(c) An employee who is assigned and performs the work of a higher rated classification shall receive the higher rate of pay.

4.4 (a) Bus Operators shall be paid actual time for making out accident/incident reports with a minimum of fifteen (15) minutes. Actual time spent in an interview with a Superintendent, his designee and/or Safety

Supervisor will be paid if the employee completes a pay slip at the conclusion of the interview for approval by the Superintendent or Safety Supervisor or their designee when such an interview is at the request of Pace. Maintenance employees shall be paid actual time for making out accident/incident reports and time spent in an interview with a Superintendent, his/her designee and/or Safety Supervisor when such an interview is at the request of Pace. If the accident/incident report is made outside the employee's scheduled working hours, a minimum of fifteen (15) minutes will be paid. Any monies paid pursuant to this Section will be subject to the applicable contractual overtime provisions.

(b) Instructors in each classification shall receive an additional \$1.00 per hour for instructing students. Effective January 1, 2008, the Student Rate shall be sixty percent (60%) of the Bus Operator's top hourly rate.

4.5 Pace shall pay eight (8) hours time, less make-up time, for any run less than eight (8) hours. In calculating spread premium time, make-up time shall not be considered as time worked.

4.6 Each employee shall be paid at the rate of time and one-half for all time worked over eight (8) hours on any calendar day, or calendar day and succeeding day when the work time extends from one calendar day to a second.

4.7 Each employee shall be paid at the rate of time and one-half for all time worked over forty (40) hours in any calendar week, hereinafter called "weekly overtime hours". In computing the amount of weekly overtime hours, the amount of overtime in excess of eight (8) hours in any day in such calendar week, as herein before in the last preceding paragraph

provided, shall be excluded in order to avoid duplication of overtime payments.

4.8 Overtime compensation per hour for all salaried or clerical employees who are paid on a monthly, semi-monthly or bi-weekly basis, shall be computed by multiplying the monthly rate by twelve (12) and dividing the result by fifty-two (52) times forty (40), and then multiplying the quotient by one and a half (1½).

4.9 (a) New Year's Day, Easter Sunday, Memorial Day, Fourth of July, Labor Day, Veteran's Day, Thanksgiving Day, Christmas Day, Martin Luther King, Jr.'s birthday (or the respective day set apart for said holidays), the employee's annual anniversary date of hire and the employee's birthday shall be "paid holidays". Veteran's Day and Martin Luther King, Jr.'s birthday shall be "floating holidays" unless and until they are declared federal holidays. If there are conflicting holiday dates, the Union and Pace will determine the date to be celebrated. Employees will have the option to work on their birthday and/or anniversary of employment only if it is a scheduled work day and at actual hours worked plus eight (8) hours holiday pay provided the employee submits notice to work birthday, and/or anniversary of employment with at least thirty (30) calendar days notice to the appropriate Superintendent or designee.

Additionally, effective December 1998 with respect to an employee's anniversary date of hire and/or birthday, in December of each year, the bus operator and/or maintenance employee will have the option to decide (1) whether he or she wants both days to be fixed, (2) whether the employee wants both days to be floaters, or (3) a combination thereof; i.e., one could

be a floater, one could be fixed. That option, once exercised, cannot be changed, or revoked. The option must be in writing. Pace will prepare the form. The form will be distributed at least two weeks prior to the date that the form is required to be turned in. The form must be signed and/or initialed by the employee and either the Dispatcher or the Foreman as the case may be. The employee will receive a stamped copy of the time and date it was received by the Dispatcher and/or Foreman.

Pace will inform the Union when the forms are made available in both the Dispatcher's office and the Maintenance Foreman's office. The forms must be in the office of the Dispatcher and the office of the Maintenance Foreman at least two weeks prior to the date that they are required to be submitted. If the employee fails to submit the form by December 19, the two days shall be fixed.

(b) Effective June 26, 2008 to be eligible for a "paid holiday" an employee must work the last scheduled workday before the holiday and the first scheduled workday and complete his assignments, on those dates unless excused by Pace, He shall not be on leave of absence, and shall have been in the employ of Pace not less than two (2) months except that, to be eligible for a Birthday Holiday, an employee must be an employed more than one (1) year from date of hire.

(c) Any eligible employee who does not work on any "paid holiday" or on his/her personal leave day, will be paid wages equal to eight (8) hours.

(d) Any eligible employee who works on any "paid holiday" shall receive premium pay at the rate of time and one-half for all time worked on said holiday, plus the eight (8) hours holiday pay. In such event, either the

eight (8) hours for which a "paid holiday" allowance is paid, or the eight (8) hours worked, but not both, shall be credited in computing weekly overtime.

(e) If an employee does not work on a scheduled work day because of a holiday such employee will be credited with eight (8) hours in calculating weekly overtime.

(f) During a holiday week, scheduled days off will not be changed.

4.10 Effective June 26, 2008 an employee who attends the funeral of his/her mother, father, spouse, child, adopted child, stepchild, brother or sister shall receive an amount equal to wages for twenty-four (24) hours, and sixteen (16) hours for the funeral of his/her mother-in-law, father-in-law, brother-in-law, sister-in-law, grandchild, grandmother or grandfather. Stepfather or stepmother shall be considered as father or mother for the purpose of compensation, provided that only one such claim shall be paid for a father, mother, stepfather or stepmother whatever the case may be. An employee who attends the funeral of a dependent relative domiciled (as defined by U.S. Internal Revenue Service) in full-time employee's home shall receive an amount equal to wages for sixteen (16) hours. The employee must submit verification of his/her attendance at the funeral. A full-time employee attending a funeral more than 200 miles from Chicago may be given additional unpaid leave to complete his/her travel.

4.11 An employee who is called for jury duty shall be paid the difference between the pay for jury duty and eight (8) hours pay for each scheduled work day. To be eligible for jury duty pay the employee shall deliver the jury service notice to Pace no later seven (7) days prior to the first day of jury service.

4.12 (a) Effective in January 1, 2008, a uniform allowance of \$275 on a voucher basis will be provided for all full-time and part-time Bus Operators with more than one (1) year's service. These vouchers shall be issued on the employee's anniversary date of employment. That allowance will become \$300.00 effective January 1, 2010.

(b) Effective January 1, 2008 full-time employees who have completed their probationary periods in the Classifications of Master Mechanic, Mechanic, Mechanic Helper, Paratransit Mechanic, Bodyman and Building Maintenance Personnel shall be eligible to receive a reimbursement up to \$295.00 during the contract year for the purpose of purchasing Pace approved tools upon submitting a paid receipt which identifies the tool(s) and amount paid and the allowance shall be increased to \$305.00 effective January 1, 2009 and \$325.00 effective January 1, 2010. These amounts will be paid within fifteen (15) working days upon presentation to Pace West of a receipt verifying said purchase. All tool purchases must be exclusively for tools used to repair Pace equipment and receipt must be from an authorized tool dealer or Department/Supply store.

* To: Include existing Red Circled Bodyman/Painter and Electrical (Heating and Air Conditioning) as noted on Section 4.1.

(c) Effective June 26 2008, all full-time maintenance employees and Vault Puller shall be paid \$125.00 per year during the month of their anniversary of employment (date of hire) toward the purchase of Pace approved steel toe work shoes or boots. Part-time maintenance employees shall be eligible to receive half of the full-time employee allowance during the month of their anniversary of employment. The said amount will be paid

within fifteen (15) working days upon presentation to Pace West of a receipt verifying said purchases.

(d) Pace will supply a badge and transfer punch to new operators. Operators will no longer be required to place a deposit for the badge or punch.

(e) Pace shall provide (i) for use of mechanics and maintenance employees a minimum of eleven (11) sets of uniforms, and shall launder five (5) sets per week; (ii) for use of non-operating employees designated by Pace, foul weather gear available in inclement weather; and (iii) for garage employees, secure lockers. No later than September 1, 1991 part-time maintenance employees shall be covered by Section 4.12(e)(i).

4.13 Employees shall receive a minimum of two (2) hours of pay for charter work, and shall be paid for all hours worked, except that time over eight (8) hours shall be deducted, to a maximum of one (1) hour. All full-time employees shall receive a minimum of one and one-half (1½) hours pay for a tripper in addition to their regular pay for a run.

4.14 When an employee reports to his/her regular station and is then required to report to a station other than the station at which he/she is regularly employed, he/she shall be paid for time going to and returning from such station, and if not receiving work at such other station, he/she shall be paid for an eight (8) hour day, which shall include the time in going to and returning from his/her regular work.

4.15 Each Bus Operator shall be paid for his/her regular scheduled runs and shall not lose any time on account of shortage of buses, breakdown, or any other like condition over which he/she has no control.

4.16 The rate for an employee who works on snow equipment shall be the same wage rate as he/she received for his/her regular work. An employee working on snow equipment, after working eight (8) hours either on snow equipment or a combination of snow equipment and regular work, shall be paid time and one-half for overtime and no employee shall lose any time from his/her regular schedule on account of snow equipment work. Any employee detailed for the above work who loses his/her regularly scheduled day's work, shall be paid not less than what his/her regular rate calls for.

4.17 Each extra board person shall be guaranteed forty (40) hours per pay week, provided, he/she shall be available for work and shall comply with all rules pertaining to showups on five (5) days of the week limited to a maximum standing call of two (2) hours per day. An extra board person assigned, in error, to a run may be treated as an extra board person without assignment but his/her standing call shall be limited to one-half hour, and the employee shall be assigned the first available piece of work after his/her assigned call time. Each extra board person shall have two (2) regularly scheduled days off per week and any work performed by an extra board person on such days off shall not be considered in computing the minimum guarantee.

4.18 Each employee shall be paid bi-weekly. All arbitration awards or grievance settlement payments will be so identified on the employee's regular paycheck.

4.19 Should any employee who has been in the regular employ of Pace for not less than twelve (12) months be absent from duty due to

sickness or accident, provided the employee is under the care of a regular licensed physician for such incapacity, Pace will pay him/her on the following basis:

(a) If the employee's absence is due to accident, Pace will pay the regular wages for the first seven (7) of the employee's working days during the incapacity. If the employee receives workers' compensation payments, Pace shall pay the difference between workers' compensation payments for the first seven (7) of the employee's working days and the employee's regular wages for the same period. If the payment from the workers' compensation insurer are denominated in any way as "per week" or "weekly", such payments shall be deemed made on a five (5) day basis.

(b) If the employee's absence is due to sickness, Pace will not pay his/her regular wages for the first two (2) working days of such incapacity, but will pay the employee's regular wages for his/her third, fourth, fifth, sixth and seventh working day of such incapacity only.

(c) As used herein, regular wages means the employee's hourly rate payable for eight (8) hours.

4.20 All employees who have completed two (2) years of continuous service with Pace shall be eligible to qualify for a personal leave day. After obtaining eligibility, the employee may select a particular date as his/her personal leave day provided that no more than three (3) employees may select the same date unless Pace agrees.

4.21 In the event a Foreman is absent, Pace will appoint an employee to be responsible for the shift of that Foreman. Such employee appointed will be designated "Shift Responsible", and shall be paid, effective first pay

period in April 2008, \$2.00 per hour, in addition to his/her regular rate of pay for all hours actually worked in this capacity. Except in cases of emergency, no employee will be appointed Shift Responsible unless that employee has been trained in the duties and responsibilities of Shift Responsible Foreman. Section 4.3 (c) of this Agreement is inapplicable in this instance.

SECTION 5

WORKING CONDITIONS

5.1 (a) The working week of all employees shall be so arranged that no employee shall be required to work any more than five (5) days in any calendar week, excepting in cases of extreme emergency, it being understood that extreme emergency does not mean shortage of running time and continuous use of relay buses, but it is understood to include breakdown, blockades, fire or other conditions over which Pace has no control.

(b) The working day of all employees shall be eight (8) hours, including those of employees engaged in work other than charters, on their regular days off.

(c) Not less than fifty-five percent (55%) of the runs shall be straight runs. The balance shall be completed within thirteen (13) consecutive hours.

(d) Any runs scheduled over a longer spread than eleven (11) hours and thirty (30) minutes excluding report time, shall pay a premium of one-half ($\frac{1}{2}$) times for all time in excess of eleven (11) hours and thirty (30)

minutes. This spread-time premium shall be paid in addition to all other straight-time and overtime payments, except make-up time, required by other provisions of this Agreement.

(e) No less than ninety-five percent (95%) of all Sunday and holiday runs shall be straight runs, and not more than five percent (5%) of all Sunday and holiday runs may be split runs with a maximum spread of eleven (11) consecutive hours. At least two-thirds of the runs on Sundays and holidays shall have a fallback or meal relief of not less than twenty-five (25) minutes with pay after not more than five and one-half (5½) hours from the beginning of such runs. All runs shall be scheduled to pull out with a bus, pull in with a bus, utilize a relief vehicle for reliefs, or make a street relief no farther from the garage than Mannheim/Lake.

(f) Pace shall not cancel combination runs during the term of this Agreement.

(g) Pace shall have the right to fix the number of buses running at all hours and the length of time they shall be on the street, endeavoring at all times to make the work as agreeable to the employee as will be consistent with the foregoing. Pace shall use its best efforts to schedule each Bus Operator's day's work on one (1) street.

5.2 (a) Pace shall be permitted to hire part-time employees as Bus Operators, Bus Servicers, Interior Bus Cleaners, and Bus Personnel/Bus Service in accordance with the provisions set forth below.

(b) A part-time employee shall be used for working trippers and/or a special event which is not a charter. A tripper is a scheduled or unscheduled piece of work which is not worked as part of a run. All

charters, vacation reliefs, standing extra and any regular runs left vacant because of the absence of regular Operators will be worked by full-time Operators except in an emergency. An emergency occurs when there are no full-time Operators available on an assigned or a volunteer basis.

(c) Effective June 26, 2008, the maximum of part-time employees shall not exceed twenty percent (20%) of the number of all full-time employees in the classifications referred to under 5.2 (a) above.

(d) Part-time employees shall be covered under the sections of the Agreement dealing with probationary period, union representation, grievance procedure and arbitration and the applicable insurance provisions.

(e) Part-time employees will not regularly be scheduled to work more than thirty (30) hours per week.

(f) Part-time employees will be paid at the same hourly wage rates as full-time employees subject to progression. Part-time Operators shall accrue credit towards completion of the progression schedule at the rate of 173.3 hours worked equaling one (1) month's credit.

(g) Part-time employees shall be paid for all time during which they are required by Pace to perform any duties, including scheduled travel time. Part-time employees shall not be eligible for time or pay guarantees or pay penalty provisions.

(h) Effective June 26, 2008, part-time employees shall not be eligible for paid leave or other fringe benefits applicable to full-time employees except as specifically provided herein.

1. Part-time employees, after one calendar year of service, shall have the option to request non-paid leave of up to 1 week. This non-paid leave is optional and does not have to be taken. If elected, it will be picked in the month of November based upon employee date of hire.

2. Part-time employees who have completed twelve (12) months of continuous service and have worked in each month will be eligible to receive HMO (Health Maintenance Organization) single coverage but only for the employee. Dependent HMO only coverage shall be made available to part-time employees but at a cost to them at 50% of the premium amount.

3. A part-time employee who may be assigned a full-time position will retain any existing hospitalization insurance until the time he/she becomes eligible for hospitalization benefits provided full-time employees.

4. Part-time employees shall be eligible for the uniform allowance provided full-time drivers.

5. Part-time employees shall be eligible for life insurance as provide in Section in 7.8.

(i) Part-time employees will be provided free transportation on lines of Pace in the same manner as it is provided to full-time employees.

(j) Effective June 26, 2008, part-time employees will not accrue seniority while so employed. Immediately upon conclusion of the pick for full-time employees, part-time operators shall be allowed to pick work in accordance with date-of-hire, however, said part-time operators may be reassigned subject to Pace's operational needs for emergency reasons. A part-time employee who applies and is accepted for full-time employment shall only accrue seniority from the date of hire as a full-time employee and

will receive progression credit for hours worked as a part-time employee at the rate of 173.3 hours worked equaling one (1) months credit.

(k) No full-time employee shall be laid off while part-time employees are still on the payroll in the same job classification. Full-time employees on layoff shall be recalled before part-time employees in the same classification are recalled or hired.

(l) Part-time employees shall be subject to the same rules and regulations of Pace applicable to full-time employees and specific regulations that may be applicable to part-time employees.

(m) Pace may assign trippers to be worked by part-time employees. Pace may at the time of the periodic bid of runs post a list of trippers for voluntary selection by regular employees who can work such trippers without conflicting with their picked runs and without violating rest provisions. A regular employee who bids a tripper will be required to operate such tripper on each of the days in the employee's workweek on which the tripper is operating for the duration of the pick. No other penalties, guarantees or allowances will apply. Trippers will be subject to change or cancellation. Trippers which are not assigned to part-time employees or are not worked as biddable trippers under the above provision may be worked from the extra list.

(n) In filling full-time vacancies, part-time employees who have completed their probationary period shall, upon written request, be assigned full-time positions with Pace based upon Pace selection standards.

5.3 (a) Each Bus Operator shall be allowed fifteen (15) minutes for any pullout. All runs shall start and finish at the garage. Operators will be

paid for all scheduled travel time to and from the garage and from one relief point to another.

(b) Pace shall continue to provide locked fareboxes.

(c) Each employee working in each classification in and around the shop and garage shall receive two (2) paid ten (10) minute breaks on each shift plus ten (10) paid minutes at the close of each shift to clean up and prepare reports.

(d) For runs other than those described in 5.1(e), Bus Operators shall be allowed a fallback or meal relief of not less than twenty-five (25) minutes nor more than sixty-five (65) minutes on at least two-thirds (2/3) of the runs, it being understood that these runs shall not be for more than five and one-half (5½) consecutive hours without a fallback or relief for meals.

5.4 Pace shall endeavor at all times to maintain an adequate and proper extra list, and shall place in the office of the depot an open book in which the Operator can register the particular day or days on which they want to get off, it being understood that this does not interfere with or affect the days off under the five (5) day week herein provided for. The Operator so registered first for any particular day or days shall have the preference. Operators who are officers of, or members of a committee of the Union when engaged in business for the Union, shall be entitled to get-off in preference to others. Said book shall be dated five (5) days ahead.

5.5 (a) 1 Effective June 26, 2008, Bus Operators shall be allowed to pick their runs and their days off (except as outlined in Section 5.19) a minimum of four (4) times a year to be effective in the months of March, June, September and December. All runs shall be posted not less

than five (5) days before the beginning of the pick, except in an emergency picking, in which case the schedules shall be posted so as to give the employee as much time as possible before picking runs. Pace agrees to supply the Union with a master list of runs seven (7) days prior to posting, whenever this is possible but in no event later than the posting date.

2 On or about September 1, 2008, Pace West shall hold a pick to allow Supervisors to pick their shifts. Subsequently, commencing in 2009, Supervisors may pick their shifts in January of each year. The January pick shall be the only pick each calendar year for Supervisors. At any time during the term of this Agreement, Supervisors may be reassigned subject to Pace West operational needs for emergency reasons.

(b) The number of tripper blocks set aside for part-time Operators shall not exceed the number of contractually allowable part-time Operators.

Part-time Operators' tripper blocks shall consist of thirty (30) hours or less work.

Should a situation arise where there are unassigned tripper block(s) due to part-time Operator vacancy(ies), full-time Operators may be allowed to pick, by seniority, the trippers that are unassigned. Pace shall identify those trippers which will be assigned first, second, etc. to part-time Operator(s) hired to fill part-time vacancy(ies). Full-time Operators who pick such trippers shall retain those trippers until the next run pick or until Pace assigns part-time Operator(s) to those block(s). At the time of the full-time Operators' pick, a full-time Operator shall not be allowed to pick more than one (1) tripper per day. In the event there are trippers not picked, full-time Operators shall be entitled to pick, by seniority, one (1) additional tripper per

day. Trippers not picked by full-time Operators shall be filled by Pace in the same manner as other open work.

5.6 Bus Operators shall be given sufficient time to pick runs, and Pace shall notify the Bus Operators on the sick list of the time they are scheduled to pick.

5.7 All night runs shall be straight, as nearly eight (8) hours as possible and not more than sixty percent (60%) of such runs shall be permitted to operate through the morning rush hours.

5.8 A Union-Management Committee shall be established for the purpose of meeting and conferring on matters of common interest. Meetings shall be convened at least once every three (3) months with other meetings called as necessary. The Union shall designate three (3) members and Pace shall designate three (3) members.

5.9 Upon notification to the employee that an accident has been graded Preventable, the employee may appeal to the National Safety Council. To appeal the employee must:

- 1.** Notify the Division Safety Office of his/her intent, in writing, no later than ten (10) calendar days after receipt of the written notification of the decision rendered by the Safety Office.
- 2.** The employee shall then prepare a detailed account of his/her accident including sketches of all vehicles, objects, persons, etc., relative to the accident, a detailed explanation of why the employee feels the accident should be non-preventable and shall submit this to the Division Safety Office within fourteen

(14) calendar days after notifying the Division Safety Office of his/her intent to appeal to the National Safety Council.

Upon receipt of No. 2 above, the Division Safety Office shall prepare a letter to the National Safety Council requesting them to issue an opinion of this accident and shall attach the employee's detailed account of the accident, a copy of all materials and documents relating to said accident and the reasons the accident was graded preventable. The employee shall receive a copy of all materials forwarded to the National Safety Council by the Division Safety Office.

The Opinion issued by the National Safety Council shall be considered final. The Division Safety Office will notify the employee immediately of the opinion. Should that opinion state the employee could not have prevented this accident, Pace will change the grade to non-preventable and meet with the Union in an attempt to resolve the matter. In the event the parties cannot resolve the matter, the appropriateness of the remedy only shall be subject to the grievance procedure.

5.10 Job vacancies shall be posted for bid by the employees within the department. The position shall be awarded to the employee with the most departmental seniority who is best qualified to perform the work. If the position is not filled by an employee within the department, the position will be open for bid to the entire bargaining unit, and will be awarded to the employee with the most company seniority who is best qualified to perform the work. Should the position remain unfilled after the foregoing bidding procedure, Pace may hire a new employee to fill the position.

Pace shall allow a full-time employee who has bid on another bargaining unit position, or is promoted within the bargaining unit, to disqualify himself/herself from the position. The request for disqualification must be made within thirty (30) calendar days of placement into the position. An employee allowed to disqualify himself/herself shall return to his/her previous classification without loss of seniority or benefits.

(a) Seniority shall be defined as an employee's last date of hire into Pace West Division.

(b) No employee may transfer from one department to another more than once within any twelve (12) month period, except by mutual agreement between Pace and the Union. An employee who returns to a department from which he/she has previously transferred shall be restored to the departmental seniority that he/she had accrued at the time of his/her initial transfer.

(c) In cases of layoff and recall from layoff, the employee with the most departmental seniority shall be the last to be laid off and the first to be recalled from layoff.

(d) "Job vacancy" shall mean openings due to promotion, separation or a newly created job. All present positions shall be considered as having been established and selected by their present occupants.

(e) When job training and education seminars become available, Pace shall give first consideration to the most senior employee in the classification on each shift who has not attended such job training or education seminar.

5.11 All employees working in the Maintenance Section shall be allowed, in accordance with their seniority in the class of work they are doing, to pick every six (6) months their working shifts at such work for which they may be able to qualify.

5.12 Effective June 26, 2008, in the event overtime shall become available for the employees covered by this Agreement, such overtime, wherever possible, shall be made available first to full-time employees in seniority order through a rotating overtime board established for each Pick and then to part-time employees. When overtime becomes available in the Supervisor Classifications, Supervisors on days off shall be given first opportunity to work such overtime on a rotating basis in accordance with their classification seniority.

5.13 Any employee who, upon investigation, is found to have been discharged or suspended unjustly shall be reinstated and reimbursed for all time lost because of such discharge or suspension.

5.14 Anonymous complaints shall not be included in an employee's personnel file.

5.15 The officers of the Union shall be granted leaves of absence on organization business, when so requested. Any member of the Union who now holds office, or shall be elected to any office in said Union which requires his/her absence from Pace's employ, shall, upon his/her retirement from said office be restored to his/her former position with all accrued seniority.

5.16 At an employee's request, Pace may permit such employee to change his/her day off within a given week or to change his/her hours of

work on a given day. In either event, the employee may perform compensatory service on the same day or another day within that calendar week. In both events, the provisions of Sections 4.6 and 4.7 shall be applicable.

5.17 Employees with two (2) or more years of service may be granted a leave of absence for good cause.

5.18 Pace will be allowed, as a unit of government, to use community service workers to perform cleaning work in and around their facility on Saturdays or Sundays for no more than four weekends per year so long as such work does not result in the layoff of any bargaining unit employees.

5.19 Notwithstanding any other section of this article, or any other section or article to the contrary, Pace West will operate 20 block choices as follows:

1. Block Choices shall be picked at the time of the run pick.
2. Block choices shall pay only for hours worked.
3. Block choices will be paid 40 hours over four days with three scheduled days off.
4. In order to receive the 40 hours pay, the operator must perform and complete all of his/her assignments. Operators must not break assignments. A block choice is unbroken if the operator works all assignments except for a paid holiday or VRD, if applicable, as provided by the CBA.
5. Block choices have no daily guarantee of pay (or hours), pay no spread premium, pay overtime only on a weekly basis after 40 hours worked (hours worked as defined by FLSA).

6. No past practice or rules apply to block choices.
7. Block choice groups daily work assignments into weekly work assignments over 4 days. Weekly block assignments could include the following:
 - weekday assignments only;
 - weekday assignment and a Saturday assignment;
 - weekday assignment and a Sunday assignment; or
 - weekday assignment and a Saturday and Sunday assignment.
8. When an extra board operator is assigned a block choice or work that is part of a block choice, said operator is paid as outlined above. When an operator works on his/her RDO or partial list and is assigned a block choice or work that is part of a block choice, said operator is paid as outlined above.

Open work assignments can be blocked into weekly assignments.

5.20 Effective June 26, 2008, if an employee should receive Notice from a competent authority that he/she shall lose driving privileges through suspension / revocation / cancellation, that employee must immediately report such information to his/her supervisor. The employee will be taken out of service and allowed up to 60 days consecutive calendar days from receipt of the notice to submit written evidence that the license has been reinstated or that he/she has otherwise obtained authorization from the Illinois Secretary of State to drive a Pace vehicle. Failure to obtain such authorization or reinstatement within that period shall be cause for termination.

5.21 Effective June 26, 2008, past records of employees shall not be considered disciplinary purposes if predated more than one (1) year from the date of the disciplinary incident, except that past records with regard to safety matters shall be limited to a review period of two (2) years and past records regarding drug and alcohol violations shall be limited to a review period of five (5) years.

SECTION 6

VACATIONS

6.1 Vacation Allowance. Vacation is earned in each year (for vacation year purposes, herein defined as the period of January 1st of one year to December 31st of the same year – i.e. January 1, 2004 to December 31, 2004) to be taken in the next vacation year (herein defined as the period of January 1st of next year to December 31st of the same year – i.e. January 1, 2005 to December 31, 2005). Vacation time must be used within the calendar year following the calendar year in which it is earned (or as provided in the applicable vacation pick). Vacations shall be pro-rated on the basis of the following schedules, and length of service shall be computed as of January 1st of the vacation year in which it is earned. Vacation picks for vacation years shall be conducted during the month of November.

6.2 Pro-Rated Schedules for Vacations (a) Effective June 26, 2008 employees in the continuous service of Pace who have not worked at least two hundred (200) days during the particular year shall receive a paid

vacation during the vacation year pro-rated on the number of days actually worked in accordance with the schedules set forth hereafter. Those days an employee is off work because of an "Injury of Duty" shall be considered as a day worked for both the aforementioned eligibility standards as well as determined the number of days of vacation entitlement.

For employees hired as full time employees on or before or before December 5, 2003, vacation eligibility shall be based upon the following schedule:

Schedule A - Employees Having Less Than One (1) Year of Service

<u>Calendar Days of Service</u>	<u>Days Worked</u>	<u>Days of Vacation</u>
36 to 72	20	1
73 to 108	40	2
109 to 145	60	3
146 to 181	80	4
182 to 218	100	5
219 to 254	120	6
255 to 291	140	7
292 to 327	160	8
328 to 364	180	9
365	200 or more	10

Schedule B - Pro-rated Schedule for Employees Having One (1) Year of Service, But Less Than Five (5) Years of Continuous Service

<u>Days Worked</u>	<u>Vacation Allowance in Working Days With Eight (8) Hours Pay Per Day</u>
0 to 19	0
20 to 39	1
40 to 59	2
60 to 79	3
80 to 99	4
100 to 119	5
120 to 139	6
140 to 159	7
160 to 179	8
180 to 200	9
200 plus	10

Schedule C - Pro-rated Schedule for Employees Having Five (5) Years or More, But Less Than Twelve (12) Years of Continuous Service

<u>Days Worked</u>	<u>Vacation Allowance in Working Days With Eight (8) Hours Pay Per Day</u>
0 to 13	0
14 to 27	1
28 to 40	2
41 to 53	3
54 to 67	4
68 to 80	5
81 to 93	6
94 to 107	7
108 to 120	8
121 to 134	9
135 to 147	10
148 to 161	11
162 to 174	12
175 to 187	13
188 to 200	14
200 plus	15

Schedule D - Pro-rated Schedule for Employees hired as full time employees on or before December 5, 2003 and having Twelve (12) Years or More, But Less Than Nineteen (19) Years of Continuous Service

<u>Days Worked</u>	<u>Vacation Allowance in Working Days With Eight (8) Hours Pay Per Day</u>
0 to 9	0
10 to 19	1
20 to 29	2
30 to 39	3
40 to 49	4
50 to 59	5
60 to 69	6
70 to 79	7
80 to 89	8
90 to 99	9
100 to 109	10
110 to 119	11
120 to 129	12
130 to 139	13
140 to 149	14
150 to 159	15
160 to 169	16
170 to 179	17
180 to 189	18
190 to 199	19
200 plus	20

Schedule E - Pro-rated Schedule for Employees hired as full time employees on or before December 5, 2003, having Nineteen (19) Years or More, But Less Than Twenty-Five (25) Years of Continuous Service

<u>Days Worked</u>	<u>Vacation Allowance in Working Days With Eight (8) Hours Pay Per Day</u>
0 to 7	0
8 to 15	1
16 to 23	2
24 to 31	3
32 to 39	4
40 to 47	5
48 to 55	6
56 to 63	7
64 to 71	8
72 to 79	9
80 to 87	10
88 to 95	11
96 to 103	12
104 to 111	13
112 to 119	14
120 to 127	15
128 to 135	16
136 to 143	17
144 to 151	18
152 to 159	19
160 to 167	20
168 to 175	21
176 to 183	22
184 to 191	23
192 to 199	24
200 plus	25

Schedule F - Pro-rated Schedule for Employees hired as full time employees on or before the December 5, 2003, having Twenty-Five (25) Years or More of Continuous Service

<u>Days Worked</u>	<u>Vacation Allowance in Working Days With Eight (8) Hours Pay Per Day</u>
0 to 6	0
7 to 12	1
13 to 19	2
20 to 26	3
27 to 33	4
34 to 39	5
40 to 46	6
47 to 53	7
54 to 60	8
61 to 66	9
67 to 73	10
74 to 80	11
81 to 86	12
87 to 93	13
94 to 100	14
101 to 107	15
108 to 113	16
114 to 120	17
121 to 127	18
128 to 133	19
134 to 140	20
141 to 147	21
148 to 153	22
154 to 160	23
161 to 166	24
167 to 173	25
174 to 179	26
180 to 186	27
187 to 193	28
194 to 199	29
200 plus	30

For employees hired as full time employees after December 5, 2003, vacation eligibility shall be based upon the following schedule:

Schedule A - Employees Having Less Than One (1) Year of Service

Calendar Days of Service	Days Worked	Days of Vacation
36 to 72	20	1
73 to 108	40	2
109 to 145	60	3
146 to 181	80	4
182 to 218	100	5
219 to 254	120	6
255 to 291	140	7
292 to 327	160	8
328 to 364	180	9
365	200 or more	10

Schedule B - Pro-rated Schedule for Employees Having One (1) Year of Service, But Less Than Five (5) Years of Continuous Service

Vacation Allowance in Working
Days
With Eight (8) Hours Pay Per

<u>Days Worked</u>	<u>Day</u>
0 to 19	0
20 to 39	1
40 to 59	2
60 to 79	3
80 to 99	4
100 to 119	5
120 to 139	6
140 to 159	7
160 to 179	8
180 to 200	9
200 plus	10

Schedule C - Pro-rated Schedule for Employees Having Five (5) Years or More, But Less Than Twelve (12) Years of Continuous Service

**Vacation Allowance in
Working Days
With Eight (8) Hours Pay Per**

Days Worked	Day
0 to 13	0
14 to 27	1
28 to 40	2
41 to 53	3
54 to 67	4
68 to 80	5
81 to 93	6
94 to 107	7
108 to 120	8
121 to 134	9
135 to 147	10
148 to 161	11
162 to 174	12
175 to 187	13
188 to 200	14
200 plus	15

Schedule D - Pro-rated Schedule for Employees Having Twelve (12) Years or More of Continuous Service

Days Worked	Vacation Allowance in Working Days <u>With Eight (8) Hours Pay Per</u> <u>Day</u>
	0 to 9
10 to 19	1
20 to 29	2
30 to 39	3
40 to 49	4
50 to 59	5
60 to 69	6
70 to 79	7
80 to 89	8
90 to 99	9
100 to 109	10
110 to 119	11
120 to 129	12
130 to 139	13
140 to 149	14
150 to 159	15
160 to 169	16
170 to 179	17
180 to 189	18
190 to 199	19
200 plus	20

(b) Each vacation shall commence on Sunday.

6.3 In computing vacation periods, the length of service must be continuous. Paid vacations may neither be waived, nor made cumulative, in whole or in part.

6.4 Wages covering the paid vacation will be paid to the employee at the next regular pay day after his/her return to work. Upon thirty (30) days' written notice to Pace, an employee who is entitled to, and selects, one (1) week of vacation shall receive the vacation pay for the week selected immediately prior to the start of the vacation.

6.5 In the case of bus operators, vacation periods will extend over the entire calendar year with such seasonable variations as in the judgment of Pace are deemed prudent for the best interests of the service. In the case of all other employees, arrangements for vacations must be made with regard to necessity of continuous working conditions in order that, in the judgment of Pace, enough employees will be available at all times to perform the various classes of work.

6.6 In the case of any employee otherwise eligible for paid vacation who cannot take same because prior to the date such paid vacation is to commence, such employee shall have (a) entered the United States Military Service, or (b) become so seriously ill that he/she is confined to his/her home or hospital, or (c) shall have died, the allowance for said paid vacation shall be paid to said employee or, as to cases under (c) hereof, to his/her heirs, executors or administrators, as Pace shall determine.

6.7 Any employee who becomes eligible for a paid vacation, but whose employment is terminated after June 1st (January 1st for beginning in 2005 and thereafter), shall be paid his/her vacation allowance. If, however, the employee is terminated for cause, he/she shall not be paid for any vacation accrued after June 1st (January 1st for beginning in 2005 and thereafter) in the year he/she is terminated. Employees with ten (10) or

more years of service who are eligible for a pension shall be paid a pro-rated vacation to time of separation.

SECTION 7

FRINGE BENEFITS AND INSURANCE

7.1 (a) All full-time permanent active employees and their “eligible dependents” covered by this Agreement and all part-time active employees employed by Pace for twelve (12) consecutive months shall be provided a Summary Plan Description for the following benefits. All newly eligible employees and employees currently enrolled in the HMO (Health Maintenance Organization) will only be eligible for HMO Health Insurance coverage. Pace will only continue to offer the PPO option for those currently enrolled in the PPO. The PPO provisions effective September 1, 2008 are attached in the attached schedule of benefits (Schedule A). Pace reserves the right to change insurance carriers, self-insure, or implement cost containment features so long as the overall coverage and benefits available to employees on the effective date of this agreement is the same during the term of this Agreement. In addition to the above, nothing restricts Pace from making changes to medical service providers.

(b) DENTAL PLAN - SCHEDULE OF BENEFITS

Effective September 1, 2008, Pace will provide a dental plan for all eligible employees. The schedule of benefits is attached as Schedule B.

(c) VISION PLAN - SCHEDULE OF BENEFITS

Effective September 1, 2008, Pace will offer a vision plan for all eligible employees. The schedule of benefits is attached as Schedule C.

(d) PRESCRIPTION DRUGS-PPO

(i) Maintenance

Effective September 1, 2008, the PPO prescription drug program for mail-order drugs shall be a ten (\$10.00) co-pay for generic prescription drugs, fifteen dollar (\$15.00) co-pay for formulary prescription drugs, and thirty dollar (\$30.00) co-pay for brand name prescription drugs. Employees shall be allowed to pick up their mail order prescription at Walgreens, provided that the prescription is for ninety (90) day supply of the prescription drug.

(ii) Retail

Employees shall pay fifteen dollar (\$15.00) co-pay for generic prescription drugs for up to a thirty (30) day supply. If no generic is available or when generic is available but cannot be taken for medical reasons, then brand name drug at fifteen (\$15.00) co-pay applies. If a generic is available but a brand name is chosen, the employee will have to pay the difference between the retail cost of the brand name drug and the retail cost of the generic drug. Effective January 1, 2009, the employee shall pay twenty percent (20%) of the cost of the prescription drug, with a minimum of five (\$5.00) and maximum of fifty dollars (\$50.00).

(e) Pace will provide a group hospitalization, surgical benefit, medical and dental expense insurance plan program or a group hospitalization, surgical benefit, medical expense insurance program established with a

Health maintenance organization. However, the cost of the premium of the Health Maintenance Organization shall not exceed the cost of the Pace group hospitalization surgical benefit, medical and dental expense plan program. In the event that the cost of the premium of the Health Maintenance Organization exceeds the cost of the Pace group hospitalization surgical benefit, medical and dental expense plan program, the employee shall be responsible for the excess cost. Said plans shall be for each employee actively employed and who been in the regular employ of Pace for not less than sixty (60) days unless otherwise noted. Said schedule of benefits are featured in the employee benefit plan booklet.

(f) The Medical Plan, Dental Plan and Vision Plan shall be available to full-time employees beginning on the first day following fifty-nine (59) calendar days of continuous full-time employment and to part-time employees beginning on the first day following (12) months of continuous part-time employment.

7.2 Employee Contribution for Medical Plans:

(a) PPO

Effective September 1, 2008, each eligible employee with PPO single coverage shall have deducted in each payroll period \$39.53 from his/her payroll check; for an eligible employee with PPO dependent coverage, the amount shall be \$49.53.

Effective the first full pay period on or after January 1, 2009, each eligible employee with PPO coverage shall have deducted in each payroll period \$41.61 from his/her payroll check; for an eligible employee with PPO dependent coverage, the amount shall be \$52.62.

Effective the first full pay period on or after January 1, 2010, each eligible employee with PPO single coverage shall have deducted in each payroll period \$44.16 from his/her payroll check; for an eligible employee with PPO dependent coverage, the amount shall be \$55.85.

(b) HMO

Effective September 1, 2008, each eligible employee with HMO single coverage shall have deducted in each payroll period \$15.00 from his/her payroll check; for an eligible employee with HMO dependent coverage, the amount shall be \$30.00.

Effective the first full pay period on or after January 1, 2009, each eligible employee with HMO single coverage shall have deducted in each payroll period \$18.69 from his/her payroll check; for an eligible with HMO dependent coverage, the amount shall be \$37.15.

Effective the first full pay period on or after January 1, 2010, each eligible employee with HMO single coverage shall have deducted in each payroll period \$22.15 from his/her payroll check; for an eligible employee with HMO dependent coverage, the amount shall be \$44.31.

HMO benefits for all covered services rendered by a physician on an out-patient basis except for surgery, maternity services, out-patient psychiatric care, and substance abuse treatment are subject to a co-payment of \$10 per visit and then will be paid in full.

7.3 Each employee eligible for coverage will elect annually to have his or her contributions paid on a pre-tax basis, thereby reducing his or her federal, state and local income taxes to the extent provided by the Internal Revenue Code section 125.

7.4 Effective April 1, 2008, Pace will provide, at the expense of Pace, a Short-Term Disability Plan for all full-time permanent employees who have completed twelve (12) months of continuous employment. The Plan does not provide any indemnity for the first seven (7) days of incapacity, but provides \$35.00 per day thereafter for a period(s) not to exceed one hundred eighty-two (182) days for each employee who has been in the regular employ of Pace for not less than twelve (12) months. Effective January 1, 2009, the benefit shall become \$40.00 per day and January 1, 2010, the benefit shall become \$45.00 per day. Said Plan shall not cover any period of incapacity for which the employee is entitled to indemnity or compensation under any Worker's Compensation Act, provided however that Pace shall be liable to the extent of the difference between such compensation allowance and the \$35.00/\$40.00/\$45.00 per day as the case may be.

7.5 The Life Insurance, Hospitalization, Surgical Benefit, Medical and Dental Expense Plans, on any employee covered hereby shall cease automatically, thirty-one (31) days after the termination of employment of such employee (except as noted in Section 7.1 (a)) and said Accident and Sickness and Hospitalization and Surgical Benefits, Medical Expense and Consultation Fees Insurance and Dental Plans shall continue only while the employee remains in the employ of Pace.

7.6 Effective August 1, 1991 Section 6.9 of Pace's Amendment and Restatement of the Pension Plan and Pension Trust as amended shall cease to exist and Pace shall establish an interest bearing escrow account

("Account") for the sole purpose of covering all the costs of retirees' health coverage as (provided under section 7.6 (c) below).

(a) Effective the first payroll paid after March 31, 2000 (April 7, 2000 paycheck) Pace will contribute to the Account one and one-half percent (1.5%) of compensation to cover the costs of retirees' health coverage. Effective the first payroll paid after January 1, 2004, Pace will contribute to the Account two and one-half percent (2.5%) of compensation to cover the costs of retirees' health coverage. In addition, effective after ratification of this Agreement by both parties, Pace shall contribute an additional \$90,000 in 2004 for 2004 and \$90,000 in 2005 for 2005. The timing of such payments each year shall be made at the discretion of Pace.

(b) In the event the contributions set forth above are insufficient to pay the cost of the retirees' health coverage, Pace shall advance any additional sums needed to cover such costs. The parties further agree that if the insufficiency is less than or equal to the sum of \$10,000, Pace shall pay any additional sums. In the event the insufficiency exceeds \$10,000, the parties agree to meet and attempt to resolve any differences they may have as to the funding of the insufficiency.

In the event the parties do not resolve any differences they may have as to the funding of the insufficiency, the parties shall proceed to Interest Arbitration in accordance with the applicable provision of the Illinois Public Labor Relations Act over the issue of the funding mechanism for any insufficiency in the Account.

(c) Any employee hired after December 5, 2003, will not be eligible for retiree health coverage. Any former employee who is a deferred vested

pensioner under Section 6.5 of the Retirement Plan for Pace West Division Employees who has not attained age 57 on or before the ratification date of this Agreement by both parties will not be eligible for retiree health coverage.

Present employees hired on or before December 5, 2003, will be entitled to retiree only health coverage as outlined below only if they remain an employee of Pace until their retirement at age 55 with 25 or more years of service with Pace or retirement at age 62 with 20 or more years of service with Pace. Family coverage, as outlined below, shall be available only to those present employees who remain an employee of Pace until their retirement at age 55 with 25 or more years of service with Pace or retirement at age 62 with 20 or more years of service with Pace provided the retiree pays fifty percent (50%) of the difference in the HMO monthly premium amount between single and family coverage. Said family coverage shall terminate when the retiree attains the age of 65. Present retirees as of the ratification date of this Agreement by both parties of the Retirement Plan of Pace West Division will continue with their retiree health coverage but as defined below.

Retiree health coverage shall consist solely of enrollment in Pace's Health Maintenance Organization (HMO) or if the eligible retiree elects, payment to the retiree of the single coverage cash equivalent. The single coverage cash equivalent will be the single coverage HMO monthly premium for the Base Year 2003 for eligible retirees under the age of 65. For those eligible retirees age 65 or older, the single coverage cash equivalent shall be the HMO monthly Medicare supplement premium for

Base Year 2003. If a retiree's family is covered, said family coverage shall terminate upon an election of the single coverage cash equivalent or the retiree's attainment of age 65. In the event of an increase in the HMO monthly premium cost, for 2004, an increase in HMO monthly premium cost from the 2003 Base Year HMO monthly premium cost of retiree health coverage of ten dollars (\$10) or less shall be absorbed by the escrow account. For 2005, and later years, an increase in the HMO monthly premium cost of ten dollars (\$10) or less (from the 2003 Base Year HMO monthly premium cost plus any prior absorbed contribution increases) shall be absorbed by the escrow account. The retiree must pay any additional increases or the retiree may elect the single coverage cash equivalent, which shall be the 2003 single coverage cash equivalent adjusted by the absorbed contribution increases as described above. Any election by the retiree of the single coverage cash equivalent in lieu of the HMO, at the outset, or on account of an annual increase shall be irrevocable, and the retiree and family of the retiree, if applicable, shall be permanently precluded from membership in the HMO.

7.7 Pace shall maintain Felonious Assault Insurance which covers occupational life only in the amount of \$200,000.00, for all full-time and part-time employees.

7.8 Effective June 1, 2008, Pace West shall maintain Group Life Insurance coverage for all employees, full-time and part-time, after six (6) months of employment, at one times each employee's annual wage rounded up to the next highest thousand. To determine annual wage, the top hourly rate of the employee's classification shall be multiplied by 2,080

hours at the rate in effect on January 1, of that year. Employees who retired before January 1, 1978 and receive pension benefits shall receive life insurance in the amount of \$1,000.00. Employees who retired or retire after January 1, 1978 and who receive pension benefits shall receive life insurance in the amount of \$2,000.00. Employees may purchase at their own expense group life, in additional equal amounts of insurance per past practice.

7.9 Reasonable rules and regulations shall be promulgated by Pace to make effective the intent and purpose of the insurance provisions of this Agreement.

7.10 The provisions set forth in Section 7.1 of this Agreement are outlines of the General Plan Provisions. The complete provisions of the Plans are contained in the Plan Document.

SECTION 8

RETIREMENT

8.1 Except as specifically amended by the provisions of this Agreement, all terms and conditions of Pace's Amendment and Restatement of the Pension Plan and Pension Trust, as amended, shall remain in effect. The terms of such Plan are incorporated by reference into the Agreement.

8.2 Effective the first payroll paid after March 31, 2000 (April 7, 2000 paycheck), Pace contributions to the Fund will be two and one-half percent (2.5%) of compensation, and employee contributions to the Fund will be two percent (2%) of compensation. Effective the first full payroll paid on or after

January 1, 2004, Pace contributions to the Fund will be two and one-half percent (2.5%) of compensation, and employee contributions to the Fund will be three percent (3%) of compensation. Effective the first full pay period on or after July 1, 2004, Pace contributions to the Fund will be two and one-half percent (2.5%) of compensation, and employee contributions to the Fund will be four and two tenths percent (4.2%) of compensation. Effective the first payroll paid after January 1, 2005, Pace contributions to the Fund will be three and one-half percent (3.5%) of compensation and employee contributions to the Fund will be five and four tenths percent (5.4%) of compensation.

8.3 The investment yield assumption for the Plan shall be 8%, using adjusted market value, and the salary assumption shall be 5%.

8.4 The parties recognize the desirability of pursuing a full-funding policy by setting aside annually adequate funds to meet the costs attributable to that year plus an actuarially-determined sum for past service liabilities to insure full funding of all obligations at the end of a thirty (30) year amortization period.

The parties recognize that over a period of time changes in experience with respect to actuarial assumptions may occur or the benefit levels and components may be altered by negotiations. Periodic review of the contribution rate after 1991, relying on the actuarial valuations made by the Plan actuary, will be made to determine the appropriate contribution rate in light of changes in experience which may have occurred.

8.5 The Retirement Plan for Pace employees shall provide service credits to those employees who were laid off in 1981 and 1982 as the result

of the loss of funding for those months in which the lay-offs occurred and the parties further authorize the Retirement Allowance Committee to take all action necessary to carry out the purposes of such amendment.

8.6 Pace's Amendment and Restatement of the Pension Plan and Pension Trust shall provide for a twenty-five (25) year un-reduced early retirement benefit after (25) years of consecutive service with Pace and/or its predecessors and a multiplier effective January 1, 1995 to 1.75 for all years of services. Effective January 1, 2000, the multiplier shall be changed from 1.75 to 1.825 for all years of service. Effective January 1, 2005, the multiplier shall be changed from 1.825 to 1.85 for all years of service.

8.7 Eligibility to retire shall continue to be at age 57 but an employee shall have a minimum of ten (10) years of service to retire before normal retirement age, except as provided in the disability provisions of the Plan. The parties are directed to prepare appropriate language with the assistance of the Pension Plan Counsel.

SECTION 9

DRUG AND ALCOHOL TESTING PROCEDURES

The Pace West Division Drug and Alcohol Policy and Testing Program Effective January 1, 1995 and revised October, 2003 is attached as Exhibit A and incorporated herein.

SECTION 10

EMPLOYEE ASSISTANCE PROGRAM

10.1 The purpose of this Employee Assistance Program is to protect the public, Pace and its employees from accidents, injuries and the consequences of misconduct caused by substance and alcohol abuse. Pace will establish an Employee Assistance Program so that employees who recognize that they have a substance abuse or alcohol problem may have an opportunity to receive treatment and rehabilitation. Pace will consider all requests for admission into its Program, which shall be administered by Pace.

10.2 Employees who make a written request and who are subsequently approved for voluntary admission into the Program by Pace, after evaluation by a Pace-appointed EAP professional, shall be permitted a leave of absence for a maximum of sixty (60) days, which may be renewed upon written application and agreement by Pace. Upon completion of the initial rehabilitation under the Program, the employee will be granted reinstatement on a once in a life time basis. During the first thirty (30) calendar days following voluntary admission into the Program, the employee shall suffer no loss of pay for any lost time, and shall remain covered under the Pace insurance program throughout the period of the leave of absence that he/she continues his/her participation in the Program. After the initial thirty (30) calendar days, the employee will also be eligible to receive the

benefits set forth in Section 7.2 of this Agreement as long as he/she remains drug free.

10.3 The establishment and availability of the Program shall not restrict Pace's right to terminate or otherwise discipline an employee. However, in the event an employee requests admission into the Program after the commission of an act which subjects him/her to disciplinary action, Pace may convert the discharge into a suspension and permit the employee to enter the Program. Such an admission shall, for purposes of the Program, not be considered a voluntary admission. The criteria for permitting an employee to enter the Program under these circumstances will include (1) the type of rule violation, (2) the length of the employee's service, and (3) the employee's work record. In this type of admission, while medical/hospital and life insurance benefits will be continued, the employee will not be entitled to any other compensation or benefit.

10.4 Upon successful completion of the Program, each participant-employee will be reinstated to his/her former position or to a position he/she is otherwise qualified to work, if it is available. An employee returned to work following the recommendation of EAP personnel will be subjected to random testing without notice at any time during the two year period commencing with the date he/she returns to work. If the employee tests positive for either drugs or alcohol, he/she shall be terminated.

10.5 An independent laboratory certified by the Department of Health & Human Services (DHHS) designated as part of Pace's Drug and Alcohol Testing Program will be used to test employees in the Program. Pace will provide an EAP professional for initial evaluation and referral of employees.

Both in-hospital and outpatient treatment programs approved by the EAP professional will be utilized for rehabilitation purposes.

SECTION 11

CONTRACT TERM – SUCCESSOR AND MISCELLANEOUS

11.1 The Agreement shall be in full force and effect from January 1, 2006, to and including December 31, 2010, and shall continue from year to year thereafter unless written notice of a desire to cancel or terminate the Agreement is served by either party upon the other at least sixty (60) days prior to the date of expiration.

11.2 Where no such cancellation or termination notice is served and the parties desire to continue this Agreement but also desire to negotiate changes or revisions of this Agreement, either party may serve the other a notice at least sixty (60) days prior to December 31, 2010, or December 31st of any subsequent contract year, advising that such party desires to revise or change terms or conditions of such Agreement.

11.3 The respective parties shall be permitted all legal or economic recourses to support their requests for revisions if the parties fail to agree thereon.

11.4 This Agreement shall be binding upon the parties hereto, their successors, administrators, executors, and assigns. In the event Pace's business or operation or any part of either, or state or Interstate Commerce Commission rights only, are sold, leased, transferred or taken over by sale,

transfer, lease, assignment, receivership or bankruptcy proceeding, such operation or use of such state or Interstate Commerce Commission rights shall continue to be subject to the terms and conditions of this Agreement for the life hereof. On the sale, transfer or lease of an individual run or runs, or state or Interstate Commerce Commission rights only, the specific provisions of this Agreement shall prevail. It is understood by this Section that the parties hereto shall not use any leasing device to a third party to evade this Agreement. Pace shall give notice of the existence of this Agreement to any purchaser, transferee, lessee, assignee, etc., of the operation covered by this Agreement or any part thereof. Such notice shall be in writing with a copy to the Union, at the time the seller, transferee, or lessor executes a contract or transaction as herein described.

11.5 If any Section of this Agreement or of any Riders thereto should be held invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any Section should be restrained by such tribunal pending a final determination as to its validity, the remainder of this Agreement and of any Rider thereto, or the application of such Section to persons or circumstances other than those as to which it has been held invalid or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.

11.6 In accordance with Section 2.18a. of the Regional Transportation Authority Act, this Agreement may be reopened if the amended budget submitted pursuant to Section 2.18a. of said Act is not approved by the Board of the Regional Transportation Authority.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized officers and representatives, this 11th of September, 2008.

PACE WEST DIVISION

AMALGAMATED TRANSIT UNION
LOCAL UNION NUMBER 241

Signature on file

Executive Director

Signature on file

President

Signature on file

Financial Secretary - Treasurer

ATTESTED BY:

Signature on file

Deputy Executive Director- Revenue Services

Regional Division Manager – South Division

FAIR SHARE

MEMORANDUM OF UNDERSTANDING

(a) All employees covered by this Agreement who are not members of the Union, shall, commencing 30 days after the effective date of this Agreement, or 30 days after the date of their initial employment, and continuing during the term of this Agreement, and so long as they remain nonmembers of the Union, pay to the Union each month their Proportionate Share of the cost of the collective bargaining process, contract administration, and pursuing matters affecting employee wages, hours and conditions of employment as defined in Section 3 (g) of IPLRA.

(b) Such Proportionate Share payment by nonmembers shall be deducted by Pace from the earnings of the nonmembers employees and Pace shall remit said Proportionate Share once each month promptly to the respective financial secretary of Local 241, provided, however that the Union shall submit to Pace an affidavit which certifies the amount constituting said Proportionate Share not to exceed the dues uniformly required of members of the Union, and which describes the rationale and method by which the Proportionate Share was determined, including a designation of the expenditure categories which were included in determining the Proportionate Share.

(c) Upon receipt of said affidavit Pace shall provide to the Union a list of the names of all employee nonmembers of the Union from whose earnings the Proportionate Share payments shall be deducted and their work locations.

(d) Upon the Union's receipt of an objection to the Proportionate Share amount the Union shall deposit in an escrow account, separate from all other Union funds, the amount of fee payments received on behalf of an objector or objectors that is fairly placed at issue by the objection(s). The Union shall furnish objectors and Pace with verification of the terms of the escrow arrangement and, upon request, the status of the fund as reported by the bank.

The escrow fund will be established and maintained by a reputable independent bank or trust company and the agreement therefore shall provide that the escrow accounts be interest bearing at the highest possible rate; that the escrowed funds be outside of the Union's control until the final disposition as provided for herein; and that the escrow fund will terminate and the fund therein be distributed only by the terms of an ultimate award, determination or judgment including any appeals or by the terms of a mutually agreeable settlement between the Union and an objector or group of objectors.

(e) In any proceeding involving the determination of the Proportionate Share hereunder, the Union shall participate and provide all financial and other records deemed relevant by the adjudicating body.

(f) If an ultimate decision in any proceeding hereunder directs that the amount of the Proportionate Share should be lower than the amount fixed by the Union, the Union shall promptly adopt said determination and notify Pace to reduce deductions from the earnings of nonmembers' to said prescribed amount.

(g) The Union shall indemnify and hold harmless Pace, its members, officers, agents and employees from and against any and all claims, demands, actions, complaints or suits that shall arise out of or by reason of action taken by Pace for the purposes of complying with the above provisions of this Section, or in reliance on any list, notice, certification, affidavit, or assignment furnished under any of such provisions.

(h) Any employee of Pace who is in a bargaining unit represented by Local 241 who is not a member of the Local representing his/her bargaining unit, and who claims that the calculation of his/her Proportionate Share fee is inaccurate has the right to invoke the procedures that are available to objecting nonmembers under IPLRA.

(i) Nothing in this Memorandum shall inhibit or interfere with the right of non-association of employees based upon bona fide religious tenets or teachings of a church or religious body of which such employees are

members. Such employee shall pay an amount equal to their fair share of determined under this fair share agreement to a non-religious charitable organization mutually agreed upon by the employees affected and the Union. If the affected employees and the Union are unable to reach an agreement on the matter, an organization shall be chosen from an approved list of charitable organizations established by the Illinois Local Labor Relations Board.

SCHEDULE A

Schedule of Benefits for PPO – Effective September 1, 2008

PPO Benefits	In Network	Out of Network
Lifetime Comprehensive Major Medical Coverage Maximum:	\$2,000,000	\$2,000,000
Deductible: Per Individual	\$200	\$250
Family Deductible: 2X	\$400	\$500
Out of Pocket (includes deductible)	\$1,200 (Individual) \$2,400 (Family)	\$2,200 (Individual) \$4,400 (Family)
Inpatient Hospital Services:	90%	70%
Inpatient Per Admission Deductible:	\$100	\$300
Outpatient Surgery & Diagnostic Tests:	90%	70%
Outpatient Emergency Medical & Accident: The first \$300 of each accident paid at 100%+, than plan applies	90%+ \$50	90%+ \$50
Inpatient Psychiatric & Substance Abuse Treatment: (30 days max) (\$25,000.00 max)	90%	70%
Outpatient Psychiatric & Substance Abuse Treatment: (30 visits max per year) (\$5,000.00 max / year)	90%	70%
Medical/Surgical Care: Payments are based on Scheduled Maximum Allowance	90%	70%
Physician Office Visit Charge:	\$10	70%
Well Child Care: (to age 16) Per Calendar Year	\$500	70%
Well Adult Care: Per Calendar Year	\$500	70%
Second Surgical Opinion	100%	70%
Chiropractic Services: Care limited to \$1,000 per Calendar Year	100%	70%
Prescription Drug Card: Must use generic drug when available or brand name if no generic exists or when generic is available but cannot be taken for medical reasons. If a generic is available and brand name drug is chosen, employee will have to pay the difference between retail brand and generic plus generic co-pay.	Mail Order: \$10 generic/\$15 formulary/\$30 brand. Participants are allowed to pick up their mail order prescriptions at Walgreens – provided the prescription is for a 90 day supply. Retail: Effective Jan 1, 2009: Member pays 20% - \$5 minimum/ \$50 maximum	Mail Order: \$10 generic/\$15 formulary/\$30 brand. Participants are allowed to pick up their mail order prescriptions at Walgreens – provided the prescription is for a 90 day supply. Retail: Effective Jan 1, 2009: Member pays 20% - \$5 minimum/ \$50 maximum
T.M.J. Dysfunction & Related Disorders: Lifetime Maximum	\$2,500	\$2,500

Other Covered Services: Blood and blood components; private duty nurse (\$5,000 per month maximum); ambulance services; oxygen and its administration; surgical dressings; casts and splints; durable medical equipment; prosthetic devices; and leg, arm and neck braces.	80%	80%
--	-----	-----

BASIC PROVISIONS

Medical Service Advisory:

- Notification required prior to all elective admissions. Emergency and Obstetric Admission Notification required within two (2) working days of admittance. If employee elects not to notify MSA Advisory or follow advice given, benefits reduce by \$500.

Pre-Existing Conditions Wait Period:

- Standard HIPAA applies.

Dependent Eligibility:

- To age 19
- Full time student to age 23

Coordination of Benefits:

- This program coordinates with other insurance plans.

SCHEDULE B

EFFECTIVE: SEPTEMBER 1, 2008

Benefits	Dental Plan
Deductible per Person	\$50
Deductible per Family	\$150
Preventative Care (no deductible)	100%
Restorative Services (after deductible)	80%
Major Services (after deductible)	50%
Calendar Year Maximum (per individual)	\$1,500
Orthodontia (effective Jan. 1, 2006) (Orthodontia is available to eligible dependents to age 19)	\$100 deductible
Co-Insurance	80%
Lifetime Maximum	\$1,000

SCHEDULE C
EFFECTIVE: SEPTEMBER 1, 2008

Member pays:

Exam (once per year)	\$10 copay
Frames	55% of first \$130 plus 80% over \$130
Lenses (pair)	\$35 - Single \$55 - Bifocal \$90 - Trifocal \$90 - Lenticular
Lens Options	\$35 - Standard Polycarbonate \$15 - Scratch Resistant Coating \$12 - Tint \$12 - Ultraviolet Coating \$45 - Standard Anti-Reflective Coating \$45 - Standard Progressive (add to bifocal)
Contacts	85% - Permanent 90% - Disposable
Frequency	
Exams	Once per calendar year
Frames, Lenses, Contacts	Unlimited: As often as you want and as many pairs of glasses that you want for you and each of your dependents. Includes prescription sun glasses
Network	Eyemed Participating Providers: includes Lens Crafters. Refer to "Intranet" Handout to find providers or call Eyemed Vision Customer Service at: (866) 273-0817
Eligibility	Participants enrolled in BC/BS HMOI or PPO receives vision benefit. Present BC/BS HMOI or PPO ID card and receive benefits.
How to receive benefits	Present HMOI or PPO ID card. Only pay amount above. No claim to file.

**Pace West Division and Amalgamated Transit Union, Local 241 Side Letter
Regarding Vacation Random Days (VRD's)**

Effective with the first vacation pick after May 8, 2008, employees who are eligible to pick four (4) or more complete weeks of vacation (prorated vacations will not count towards the threshold as above) will be allowed to select one (1) week (five (5) days) of non-consecutive vacation random days (VRD(s)). Any employee who is eligible for such days shall notify his/her Superintendent or his/her designee, in writing, by November 1, of each year, of their desire to participate in the vacation random days (VRD(s)) program. If an employee desires to participate in the program but fails to notify his/her designee by November 1, the employee will not be eligible to participate for that respective Vacation Plan Year. Such days will not accumulate from year to year, nor can they be carried over.

(a) Pace will allow one (1) employee from the transportation section and one (1) employee from the maintenance section off on any given day for a VRD.

(b) At the time of the vacation pick each year, an employee participating in the VRD program, may select by seniority up to a total of five (5) VRD(s) by signing his/her name on the date reflected on the Pace calendar. Any remaining VRD(s) not selected will be available on a first come, first serve basis. An employee may select up to three (3) consecutive VRD(s) and any two (2) VRD(s) shall not be considered consecutive if separated by a non-work day, e.g. a Friday VRD will not be considered consecutive to be a Monday VRD.

(c) Permission for employees to be off on a VRD, in addition to those off in accordance with (a) above, may be granted by a Superintendent or his/her designee, within the employee's specific work section, dependent on manpower constraints and controls.

(d) A VRD not selected in the vacation pick must be requested no less three (3) calendar days prior to the day requested. The three (3) day notice may be waived in the discretion of Pace and in the event of a documented emergency or funeral leave.

(e) When an employee opts to participate in the VRD program, the employee is not allowed to withdraw from the program for that Vacation Plan Year.

(f) Under no circumstances will the employee have a right to demand a VRD.

(g) Employees with remaining VRD(s) as of November 30th, must request, in accordance with (a) through (f) above, by December 15th, unless otherwise excused by Pace, a day or days to take said VRD(s) prior to the end of the vacation plan year. Any unused VRD's may be selected on a RDO in December in order to receive pay if requested. An employee who fails to select said VRD(s) shall forfeit pay for any remaining VRD(s) in accord with this side letter. Notwithstanding the above, any unused VRD(s) may be selected on an RDO.

(h) At no time shall VRD(s) result in overtime. In such case of overtime, Part-Time employees will be used to cover assignments.

(i) No VRD(s) will be lost due to discipline. Any employee who is disciplined on a scheduled VRD may, by mutual agreement with Pace, reschedule the VRD day or be paid for the VRD day.

(j) Pace and the Union understand that this program will be for the term of the Collective Bargaining Agreement between Pace West Division and A.T.U. Local 241: January 1, 2006 – December 31, 2010.

Signature on file

Executive Director

Signature on file

President

DATED: September 11, 2008

**Pace West Division and Amalgamated Transit Union, Local 241 Side
Letter Regarding Union Insignia**

An employee may wear a union insignia on his/her uniform or work clothes so long as such insignia is professional and appropriate in appearance.

Signature on file

Executive Director

Signature on file

President

DATED: September 11, 2008

**Pace West Division and Amalgamated Transit Union, Local 241
Side Letter Regarding Premium for Relief Dispatcher**

Effective June 26, 2008, Bus Operators may be assigned as Relief Dispatchers. Pace West Division shall have the sole right of selection and assignment of a Bus Operator for Relief Dispatcher duties. Whenever a Bus Operator performs Relief Dispatcher duties, he/she will be paid \$1.50 per hour in addition to their regular Bus Operator wages.

In the event two (2) or more Bus Operators are serving as Relief Dispatchers and overtime becomes available, opportunity to work overtime shall be offered on a rotating basis in accordance with those Bus Operators' classification seniority. Once this Award has been approved, Pace will send a letter to the Union to this effect. This Agreement will remain in effect until December 31, 2010.

Signature on file

Signature on file

Executive Director

President

DATED: September 11, 2008

**Pace West Division and
Amalgamated Transit Union Local 241
Side Letter Regarding Ronald Ventura**

Effective June 26, 2008, Ronald Ventura is classified as a Bus Servicer.

Signature on file

Executive Director

Signature on file

President

DATED: September 11, 2008

**PACE WEST DIVISION
DRUG AND ALCOHOL POLICY
AND DRUG TESTING PROGRAM**

Effective January 1, 1995

Revised October 1, 2003

Pursuant to Resolution of the
Pace Suburban Bus Division Board of Directors

Table of Contents

I. Overview

II. Introduction

- A. Policy and Program Purposes
- B. Employee and Management Responsibilities
- C. Confidentiality
- D. Applicability of Policy to Pace Contractors

III. Implementation Guidelines for Promoting a Drug and Alcohol Free Workplace

- A. Deterrence
 - 1. Fitness for Duty
 - 2. Reporting the Use of Prescription Medication
 - 3. Education and Training
- B. Treatment and Rehabilitation
 - 1. Employee Assistance Program (EAP) Responsibilities
 - 2. EAP Referral
- C. Effects of Alcohol

IV. Provisions for Drug and Alcohol Testing

- A. General Conditions
 - 1. Persons Subject to Testing
 - 2. Drug Rule
 - 3. Alcohol Rule – Required Hours of Compliance
- B. Detection
 - 1. Circumstances for Testing
 - A. Pre Employment
 - B. Reasonable Suspicion
 - C. Post Accident
 - D. Random
 - E. Return to Duty
 - F. Follow Up
 - G. Non FTA Testing

2. Conduct that Constitutes a Refusal to Submit to a Test

V. Methodology

A. Drug Testing

1. Collection Procedures
2. Laboratory Testing
3. Review by Medical Review Officer (MRO)
4. Notification and Split Sampling
5. Blind Sample Testing

B. Alcohol Testing

1. Breath Testing Procedures
2. Notification
3. Positive Test Results at Designated Threshold Levels

C. Substance Abuse Professional (SAP) Evaluation

D. Union Involvement

VI. Enforcement of Policy Through Discipline

A. Pre Employment

B. Reasonable Suspicion

C. Post Accident

D. Random

E. Return to Duty

F. Follow Up

G. Refusal to Take Test and/or Non Compliance with Testing Procedures

H. Inability to Provide Adequate Amount of Urine Specimen or Breath

I. Urine Specimen Alteration

J. Unsatisfactory Employee Assistance Program Participation

K. Conviction for a Violation of a Criminal Drug Statute

L. Grievance Arbitration Procedure

VII. Appendices

A. Terms and Definitions

B. List of Safety Sensitive Positions

C. Condition of Employee Report

D. Overview

Under the Drug-Free Workplace Act of 1988, the U.S. Congress required recipients of federal funds to take certain steps to provide for drug-free workplaces for their employees. Additionally, under the Omnibus Transportation Employee Testing Act of 1991, the U.S. Congress directed the Federal Transit Administration (“FTA”) to issue regulations on drug and alcohol testing for mass transit workers in safety-sensitive positions. In response, the FTA has published regulations prohibiting drug use and alcohol misuse by transit employees and requiring transit agencies to test for prohibited drug use and alcohol misuse. These regulations are 49 CFR part 655, “Prevention of Prohibited Drug Use and Alcohol Misuse in Transit Operations”. In addition, the Department of Transportation (“DOT”) has issued 49 CFR part 40, “Procedures for Transportation Workplace Drug and Alcohol Testing Programs” and amendments, which prescribes the testing methods to be followed.

This document sets forth the drug and alcohol policy and testing program of Pace West Division (“Pace”) and has been adopted by the Pace Board of Directors pursuant to resolution. It was developed to comply with the requirements identified in the foregoing laws and FTA and DOT regulations and to identify all of those instances when a Pace employee will be subject to drug and/or alcohol testing. Where applicable, the document will identify those policies and procedures that are Pace-mandated and not required by the FTA.

In adopting this policy and program, Pace does not otherwise waive its right to enforce already established rules, policies, or programs, or the terms and provisions of any applicable collective bargaining agreement entered into with Local 241 of the Amalgamated Transit Union (“the Union”) governing drug and alcohol use of possession. Moreover, this document is intended to be read consistent with and subject to any otherwise applicable law or regulation presently in effect or which in the future may take effect. If any section or provision of this document should be held invalid by operation of law, none of the remainder shall be affected.

II. Introduction

A. Policy and Program Purposes

Pace performs a vital service for the public. To ensure that this service is delivered safely, efficiently, and effectively, each Pace employee has the responsibility to perform his/her duties in a safe, conscientious, and courteous manner.

The purpose of this policy is to establish guidelines to maintain a drug and alcohol-free workplace and to reduce the probability of accidents or incidents related to the use and/or misuse of alcohol and other drugs by employees so that transit services are delivered safely, efficiently, and effectively.

This policy outlines four principles as a means to achieve Pace's goal of providing a workplace free from the effects of drug and alcohol use and/or misuse for its employees. The first principle emphasizes deterrence from the use of drugs and alcohol in or affecting the workplace. Pace will make education and training available for all employees regarding the effects of substance abuse on individuals and on the workplace. Supervisors and managers will receive specialized training in detection, early intervention, and enforcement.

The second principle is treatment and rehabilitation. Pace maintains an Employee Assistance Program ("EAP") to assist employees with personal problems, including those surrounding the misuse of drugs and alcohol. Pace supports rehabilitation before an employee's job is in jeopardy. Although employees are encouraged to receive help for drug and alcohol problems, participation in Pace's EAP will not excuse an employee's failure to comply with Pace rules and regulations. Nor will it preclude discipline for rule or policy violations.

The third principle is detection. Toward this end, Pace employs six (6) FTA-mandated drug and/or alcohol tests in the following circumstances: pre-employment, reasonable suspicion, post-accident, random, return to duty, and follow-up. The foregoing drug and/or alcohol tests will apply to all full-time, part-time, seasonal, and temporary employees of Pace

engaged in the performance of safety-sensitive functions. It also applied to: applicants for positions of employment involving the performance of safety-sensitive functions; employees of contractors engaged in the performance of safety-sensitive functions for Pace; and employees of operators who are third party contractors engaged in the performance of safety-sensitive functions.

The fourth principle is enforcement, which is essential if deterrence, rehabilitation, and detection are to be successful. All employees must be fit for duty as defined within this policy. Accordingly, the failure to properly report the use of medically authorized drugs, the use of illegal drugs, the manufacture, distribution, dispensing, possession, or use of a controlled substance contrary to the terms of this policy, and the use or possession of intoxicants contrary to the terms of this policy is prohibited and will result in disciplinary action up to and including discharge.

B. Employee and Management Responsibilities

All Pace employees covered by this policy are required to refrain from using drugs and alcohol contrary to the specific prohibitions identified herein. Ms. Melinda J. Metzger, the Deputy Executive Director, Revenue Services (or a designated representative) will monitor Pace Division and Department practices to ensure compliance and answer all questions of any employee about this policy.

Employees are responsible for ensuring adherence to this policy. Managers and supervisors will be held accountable for both the application of the policy and the consistency of its enforcement. To that end, Pace prohibits the discriminatory application, implementation, or enforcement of any provision of this policy on the basis of race, color, age, sex, religion, national origin and ancestry, sexual orientation, veteran status, or disability.

C. Confidentiality

Confidentiality will be maintained throughout the drug and alcohol screening process. Pace will maintain records in a manner so that disclosure of information to unauthorized persons does not occur.

Additionally, the specimen collection site, testing laboratory, medical review officer (“MRO”), breath alcohol technician (“BAT”), and substance abuse professional (“SAP”) will be held to strict confidentiality requirements consistent with the FTA regulations and specifically the following.

- The testing laboratory: shall maintain test records in confidence as provided by DOT requirements; shall ensure the security of data transmission and limit access to any data transmission, storage, and retrieval system; will report individual drug test results to the designated MRO; and shall retain all records pertaining to a given urine specimen for a minimum of two (2) years.
- The MRO, BAT, and SAP will report individual test results only to: the employee tested; Pace’s EAP, if applicable; and the Pace management official empowered to recommend or take administrative action (or the official’s designated agent)

Pace will release individual test results to the employee tested upon written request and, where applicable, to the employee’s Union representative upon written direction by the employee. Pace will not release individual test results to any other party absent a specific written consent of the employee tested authorizing such release to a specifically identified person(s) except as follows:

- To the decision maker in a lawsuit, grievance, or other proceeding initiated by or on behalf of the employee tested and arising from a test administered under this policy.
- To the National Transportation Safety Board (“NTSB”) about any post-accident test performed for an accident under NTSB investigation.
- When requested by the DOT or any DOT agency with regulatory authority over Pace or any of its employees.

EAP personnel will be expected to carry out all actions relative to this policy in a manner which respects the dignity and confidentiality of those involved. EAP records are regarded as confidential medical records and are

not available for inspection by anyone except EAP staff absent a written release of information by the employee. EAP personnel will release information to Pace personnel only on a need-to-know basis subject to advance notice to the employee. In any case where the employee raises a claim against Pace involving the quality of care or services rendered by the EAP, the employee shall be deemed to have waived his/her right to confidentiality and Pace shall have the right to explore thoroughly and evaluate the employee's participation in the EAP.

Any employee covered by this policy is entitled upon written request, to obtain copies of any records pertaining to the employee's use of prohibited drugs or alcohol, including any records pertaining to his or her drug or alcohol tests. Pace shall provide promptly the records requested by the employee. Access by the employee to his or her records shall not be contingent upon payment for records other than those specifically requested.

D. Applicability of Policy to Pace Contractors

All Pace contractor employees who are engaged in the performance of safety-sensitive functions for Pace are subject to the provisions of this policy pertaining to *Deterrence (Section III A)*, *Provisions for Drug and Alcohol Testing (Section IV)*, and *Methodology (Section V)*. Employees of third party contractors which operate transportation service for Pace contractors who are engaged in the performance of safety-sensitive functions also are subject to these provisions. In applying the policy to contractors, the term "contractor" may be substituted for the term "Pace", where appropriate.

Pace does not mandate the application of other provisions of this policy relating to *Treatment and Rehabilitation (the Employee Assistance Program, Section III A)* and *Enforcement of Policy through Discipline (Section VI)* to contractor employees. These areas are left to the contractor's discretion. However, any contractor employee who violated Pace's policies on *Deterrence, Provisions for Drug and Alcohol Testing, and Methodology* will not be allowed to perform safety-sensitive functions in Pace-funded service.

Contractors are required to insure compliance with the applicable provisions of Pace's policy and must provide timely data to Pace, as requested by Pace, in order that Pace may include such information in its mandated reports to DOT. Pace will make every reasonable effort to assist contractors in compliance, which may include offering Pace-obtained services for testing, MRO and SAP reviews, and education and training, for the fee(s) charged to Pace.

III. **Implementation Guidelines for Promoting a Drug and Alcohol Free Workplace**

A. **Deterrence**

1. **Fitness for Duty**

Pace has determined that an employee is fit for duty when he/she is able to perform his/her duties, including when he/she is ready for work or working without the presence of any alcohol or the presence of any specified drugs or their metabolites as prescribed by this policy. Employees must understand that they are responsible for assuring that their job conduct is safe and appropriate.

2. **Reporting the Use of Prescription Medication**

Separate from any FTA requirements, safety-sensitive employees are required to report their use of prescription medication to Pace. Safety-sensitive employees who fail to report their use of prescription drugs medication in accordance with this section, and subsequently have a positive drug or alcohol screen, are subject to progressive discipline up to and including discharge

3. **Education and Training**

Pace recognized that education and training of its work force and supervisors are major components of a successful drug and alcohol program. To that extent:

- All employees subject to testing under this policy will be provided a copy.
- Pace will display and distribute informational material about the effect of drugs along with a community service hotline telephone number to assist employees who may be experiencing problems with prohibited drugs.
- Pace will provided educational materials that explain the requirements of the FTA's alcohol rule and the policies and procedures identified in this document.
- Pace will distribute informational material about the signs and symptoms of an alcohol problem and the effects of alcohol misuse on an individual's health, work, and personal life.
- A minimum of sixty minutes of training will be provided to all employees subject to testing under this policy on the manifestations and behavioral cues indicating drug use and the effects of drug use on personal health, safety, and the work environment.
- A minimum of an additional sixty minutes of training for the alcohol program and sixty minutes of training for the drug program will be provided to supervisors who will be determining when it is appropriate to administer "reasonable suspicion" drug or alcohol tests under this policy.

In addition to the foregoing, Pace will consider and implement such other education and training programs as will help promote safety goals, maintain the integrity of Pace's drug and alcohol testing program, and enhance the benefits of that program.

B. Treatment and Rehabilitation

1. Employees Assistance Program (EAP) Responsibilities

In order to promote a drug and alcohol-free environment, Pace will work to assist eligible employees with problems due to the use of drugs or misuse of alcohol. Accordingly, separate from any programs regarding drug and alcohol testing mandated by the FTA and DOT, Pace has established and encourages the use of its Employee Assistance Program (“the EAP”). The EAP was established in part so that an employee who recognizes that he/she has a drug use or alcohol misuse problem may have the opportunity to receive treatment and rehabilitation.

Pace’s EAP will assist eligible employees with drug use and alcohol misuse problems, and related concerns, through one or more of the following depending upon the circumstances of each particular case:

- Consultation with supervisors and/or other Pace officials.
- Evaluation and referral.
- Individual and group counseling.
- Individual case management.
- Crisis intervention.
- Specialized education and training programs.

2. EAP Referral

There are two ways to begin rehabilitation through Pace’s EAP – voluntary self- referral and managerial referral.

Voluntary self-referral is preferred by Pace as a means to resolve drug and/or alcohol problems. Such an option is not available to an employee after he/she has been notified to submit to a drug or alcohol test under this policy. Nor can an employee become a volunteer when she/she has been notified to submit to a drug or alcohol test under this policy. Nor can an employee become a volunteer when subjective to disciplinary action in order to avoid imminent discipline.

Voluntary participation in the EAP will not adversely impact an employee's employment or promotional opportunities at Pace. However, employees who do not make a commitment to overcome their drug and/or alcohol problems may experience work performance problems as a result. Accordingly, an employee who exhibits poor or improper job performance as a result or tests positive for drugs and/or alcohol pursuant to a test administered under this policy will be subject to disciplinary action.

In the event an employee requests admission into the EAP after commission of an act (including a violation of this policy) which subjects him/her to discharge, Pace may in its discretion, subject to pertinent provisions of any applicable collective bargaining agreement entered into with the Union, convert the discharge to a suspension and allow the employee admission to the EAP. Such a determination will be based upon the following criteria: the type of rule violation and all circumstances attendant to the incident in question; the employee's length of service; and the employee's overall work record.

Bargained-for employees are directed to the collective bargaining agreement presently in effect between Pace and the Union for the terms and provisions of, and restrictions and benefits attendant to, EAP participation. Any questions regarding Pace's EAP should be referred to the Regional Manager (or a designated representative).

C. Effects of Alcohol

Alcohol is the most commonly abused chemical substance in this country and in the workplace. Out of the two-thirds of all Americans who drink, there are an estimated thirteen million people with serious drinking problems. A problem drinker is anyone who frequently drinks to the state of intoxication. While intoxicated, he/she may exhibit behavior that would never occur while being sober. Alcohol problems have a devastating impact on family life, health, and the workplace. The family may be subjected to frequent episodes of violence, physical and emotional neglect, and financial problems. Alcohol abuse may cause or exacerbate problems such as

diabetes, ulcers, hypertension, and kidney problems. Emotional health is affected as well due to alcohol misuse, presenting symptoms such as depression, anxiety, hallucinations, and insomnia. Alcohol abuse in the workplace costs corporate America millions of dollars each year through excessive absenteeism, lack of motivation, and a rise in the use of medical benefits associated with illness caused by alcoholism.

The most effective way to combat alcohol misuse is treatment. Alcohol detoxification rehabilitation is the only method of intervention used to interrupt alcoholism.

IV. Provisions for Drug and Alcohol Testing

A. General Conditions

1. Persons Subject to Testing

The following persons will be subject to drug and/or alcohol testing pursuant to the terms of this policy:

- All full-time, part-time, seasonal, and temporary employees of Pace engaged in the performance of safety-sensitive functions;
- Applicants for positions of employment with Pace involving the performance of safety-sensitive functions;
- Employees of contractors engaged in the performance of safety-sensitive functions for Pace ; and
- Employees of operators who are third party contractors engaged in the performance of safety-sensitive functions.

“Safety-sensitive functions” are performed by those persons who:

- Operate revenue service vehicles (including when not in revenue service).

- Operate non-revenue service vehicles required to be operated by a holder of a commercial driver's license.
- Dispatch or control revenue service vehicles.
- Maintain a revenue service vehicle or equipment used in revenue service.
- Carry a firearm for security purposes.

Included in the foregoing are supervisors who in fact perform safety-sensitive functions. Supervisors of covered employees who themselves do not perform safety-sensitive functions are excluded.

Attached to this policy as Appendix B is a list of the position titles identifying the persons subject to drug and alcohol testing.

2. Drug Rule

All persons covered by this policy are prohibited from using any of the following substances: marijuana; cocaine; opiates; amphetamines; and phencyclidine. Pursuant to FTA requirements, each employee covered by this policy will be required to submit to drug testing administered in accordance with any of the following circumstances as described in detail in each case in Section IV. B. 1. a through f of this policy: pre-employment; post-accident; reasonable suspicion; random; and return to duty/follow up. The unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance on Pace property by any person at any time is also prohibited.

Additionally, separate from any DOT or FTA requirements:

- The use of a controlled substance by a Pace employee at any time is prohibited.
- The use or possession of a controlled substance from the time an employee reports for work until the conclusion of the employee's

workday or reporting for work in an impaired condition due to the use of the same is prohibited.

- An employee may not have a controlled substance in his/her system from the time of reporting for work until the conclusion of the workday.
- An employee shall not knowingly accept relief from or permit an employee to work who is under the influence of a controlled substance.

3. Alcohol rule – Required Hours of Compliance

All persons covered by this policy are prohibited from consuming alcohol: while performing a safety-sensitive function; within four hours prior to performing a safety-sensitive function; and up to eight hours following an accident or until the employee undergoes a post-accident test. Under FTA requirements, each person covered by this policy is subject to alcohol testing: while performing any safety-sensitive function; immediately before performing any safety-sensitive function; and immediately after performing any safety-sensitive function.

Additionally, separate from any DOT or FTA requirements:

- Pace prohibits the use or possession of intoxicants on its property at any time
- Employee's while in a Pace uniform, shall not either enter an establishment of which the main business is the selling of intoxicants or partake of an intoxicant in a public place.
- An employee shall not knowingly accept relief from or permit an employee to work who is under the influence of an intoxicant.

B. Detection

1. Circumstances for Testing

a. Pre-Employment

No applicant for employment in a safety-sensitive position will be hire by Pace unless the applicant submits to a pre-employment drug test and a verified negative drug test is received. The test will be administered as part of the pre- placement physical examination. Additionally, no Pace employee will be transferred from a non-safety-sensitive position into a safety-sensitive position unless the employee submits a drug test and a verified negative drug test is received. The test will be administered as part of the qualifying physical examination. If an applicant or employee drug test is canceled, the applicant or employee must submit to another drug test.

In addition, when a covered employee or applicant has not performed a safety-sensitive function for 90 consecutive calendar days regardless of the reason, and the employee has not been in the Pace random selection pool during that time, Pace will ensure that the employee takes a pre-employment drug test with a verified negative result.

b. Reasonable Suspicion

All employees covered by this policy will be required to submit to a drug and alcohol test when Pace, through observations made by a supervisory person, has reasonable suspicion that the employee has used a prohibited drug or misused alcohol contrary to the terms of this policy. The request to undergo a reasonable suspicion test will be based on specific contemporaneous, articulable observations concerning the appearance, behavior, speech, or body odor of the person to whom the request is directed. Supervisory persons who will be expected to make such a determination will be trained in the facts, circumstances, physical evidence, physical signs and symptoms, and patterns of performance and/or behavior associated with drug use and alcohol misuse.

Any supervisory person who orders an employee to undergo a reasonable suspicion test will complete a “Condition of Safety Sensitive Employee Report for Reasonable Suspicion Testing for Drug and/or Alcohol”, a sample of which is attached as Appendix C. A Union representative on request, and with the concurrence of the employee involved, will be provided a copy of that Report.

c. Post-Accident

All employees covered by this policy who are involved in an accident will be required to submit to a drug and alcohol test. An “accident” is defined as an occurrence associated with the operation of a Pace vehicle in which:

- An individual dies;
- An individual suffers a bodily injury and immediately receives medical treatment away from the scene of the accident; or
- Any vehicle involved incurs disabling damage and is transported away from the scene by a tow truck or other vehicle.

In the case of any accident involving a fatality, each surviving safety-sensitive employee operating the Pace vehicle at the time of the accident will be tested. Additionally, any other safety-sensitive employees whose performance could have contributed to the accident, as determined by Pace using the best information available at the time of the accident, will be tested.

In the case of all other accidents covered by this policy (i.e., those not involving a fatality), each safety-sensitive employee operating the Pace vehicle at the time of the accident will be tested unless Pace determines, using the best information available at the time of the decision, that the safety-sensitive employee’s performance can be completely discounted as a contributing factor to the accident. Additionally, any other safety-sensitive employees whose performance could have contributed to the accident, as determined by Pace using the best information available at the time of the decision, will be tested.

Post-accident drug tests will be performed as soon as possible but no later than thirty-two (32) hours following the accident. Post-accident alcohol tests will be performed within two (2) but no later than eight (8) hours following the accident. If an alcohol test is not administered within two (2) hours following the accident, Pace will prepare and maintain a record stating the reason(s) the test was not so administered. If an alcohol test still is not

administered within eight (8) hours following the accident, all attempts to administer the test will cease.

An employee subject to post-accident testing who fails to remain available for such testing, including notifying Pace of his/her location after leaving the scene of the accident, may be deemed to have refused to submit to testing.

Nothing in this section shall be construed to require the delay of necessary medical attention for the injured following an accident or to prohibit a covered employee from leaving the scene of an accident for the period necessary to obtain assistance in responding to the accident or to obtain necessary medical care.

d. Random Testing

All employees covered by this policy will be subject to random drug and alcohol testing. The random selection method will be a scientifically valid method, such as a random number table or a computer-based random number generator. Subject to adjustment by the FTA, each year at least fifty (50) percent of the total number of safety-sensitive employees will be subject to drug testing and-ten (10) percent to alcohol testing. In conducting such tests, the process will be unannounced as well as random. The dates for administering unannounced testing of randomly-selected covered employees shall be spread reasonably throughout the calendar year including all days and hours during which safety-sensitive functions are performed, so as to ensure that the employees have a reasonable expectation that they might be randomly tested for prohibited drug use anytime while on duty. Once the employee has been notified of selection for testing, the employee will be required to report directly to the designated collection site.

e. Return to Duty

Before any employee covered by this policy is allowed to return to duty to perform a safety-sensitive function following a verified positive drug test

result, an alcohol test result of 0.04 or greater, or a refusal to submit a test, the employee will be required to:

- Be evaluated by a substance abuse professionally (“SAP”) designated by Pace to determine whether the employee has followed the recommendations for action by the SAP, including participation in any rehabilitation program; and
- Pass a return to duty drug and alcohol test.

The employee must have a verified negative drug test result and alcohol test result of less than 0.02 to return to duty to perform a safety-sensitive function. If a drug test result is canceled, the employee will be subject to and required to pass another drug test.

f. Follow-Up

An employee who is allowed to return to duty to perform a safety-sensitive function following a verified positive drug test result, an alcohol test of 0.04 or greater, or a refusal to submit to a test will be subject to unannounced follow-up testing. The SAP shall determine the frequency and duration of such follow-up testing. The employee shall be required to take a minimum of six (6) follow-up tests during the first twelve (12) months after returning to duty. After that period of time, the SAP may recommend the frequency and duration of follow-up testing provided that the follow-up testing period ends sixty (60) months after the employee returns to duty. In the event the SAP recommends follow-up testing in excess of twelve (12) or twenty four (24) months, the SAP shall document the basis upon which such a determination has been made.

In addition to the foregoing, and separate from any FTA requirements, Pace requires that any employee who participates as a volunteer in Pace’s EAP comply with all drug and/or alcohol testing recommended by the EAP counselor.

The foregoing is separate from and in addition to Pace’s random testing program. Employees subject to follow-up testing also will remain in

the standard random pool and will be tested whenever subject to random testing, even if as a result the employee is tested twice in the same month, week, or day.

g. Non-FTA Testing

Separate from any FTA requirements, Pace requires that all employees covered by this policy submit to a return to duty drug and alcohol test when:

- The employee is returning from a drug and/or alcohol rehabilitation program known to, or arranged by, Pace, or made known to Pace.
- The employee has signed a treatment plan, work resumption, or return to work agreement that requires the test.
- The employee is returning to work from an absence longer than thirty (30) consecutive calendar days.

Additionally, Pace requires that all employees covered by this policy submit to a return to duty alcohol test when the employee is returning to duty to perform a safety-sensitive function following an alcohol test result of 0.02 or greater but less than 0.04.

2. Conduct that Constitutes a Refusal to Submit to a Test

The following conduct will be regarded by Pace as a refusal to submit to a drug and/or alcohol test:

- Fail to appear for any test (except a pre-employment test) within a reasonable time, as determined by Pace.
- Fail to remain at the testing site until the testing process is complete. Provided, that an employee who leaves the testing site before the testing process commences for a pre-employment test is not deemed to have refused to test.

- Fail to provide a urine specimen for any drug test required by this part of DOT agency regulations, observation or monitoring of your provision of a specimen. Provided that an employee who does not provide a urine specimen because he or she has left the testing site before the testing process commences for a pre-employment test is not deemed to have refused to test
- In case of a directly observed or monitored collection in a drug test, fail to permit the observation or monitoring of your provision of a specimen.
- Fail to provide a sufficient amount of urine or breath when directed and it has been determined, through a required medical evaluation, that there was no adequate medical explanation for the failure.
- Fail or decline to take a second test Pace or collector has directed you to take.
- Fail to undergo a medical examination or evaluation, as directed by the MRO as part of the verification process. In the case of a pre-employment drug test, the employee is deemed to have refused to test on this basis only if the pre-employment test is conducted following a contingent offer of employment.
- Fail to sign the certification at step 2 of the ATF.
- Fail to cooperate with any part of the testing process.

As an employee, if the MRO reports that you have a verified adulterated or substituted test result, you have refused to take a drug test.

V. Methodology

A. Drug Testing

1. Collection Procedures

When ordered to do so by Pace, an employee shall submit to drug testing through urine analysis. At the time specimens are collected, the employee will be given written instructions (a copy of which was previously provided to the Union) setting forth his/her responsibilities. The employee's identity will be verified through the use of a photo identification card or through a representative designated by Pace.

Forty-five (45) milliliters (about 1½ ounces) of urine will be collected. The collection site technician will pour fifteen (15) ml into one bottle to be used as the split specimen. The remainder (at least thirty (30) ml) will be retained in the collection bottle or poured into another bottle to be used as the primary specimen.

If the employee is unable to provide at least forty-five (45) ml. of urine, that specimen will be discarded. The collection site technician will instruct the employee, who must remain at the collection site, to drink up to forty (40) ounces of fluids, distributed reasonably through a period of up to three (3) hours, or until the employee has provided a new urine specimen, whichever occurs first. The employee will then provide a new sample using a fresh collection container. If the employee is still unable to provide an adequate specimen, testing will be discontinued and the employee will be directed to obtain, as soon as possible after the attempted provision of urine, an evaluation from a licensed physician who is acceptable to Pace concerning the employee's ability to procure an adequate amount of urine.

Within four (4) minutes of receiving the specimen, the temperature of the specimen will be recorded. Any specimen temperature out of the range of 32 to 38C/90 to 100F will require an observed collection to take place. The collection site technician also will examine the specimen visually for any unusual color or sediment, and note the results on the custody and control form.

Both bottles will be sealed and labeled in the presence of the employee. The donor will initial the labels verifying the specimen is his/her. A custody and control form will be completed and signed by the collection site technician and the donor. Both the primary and split specimen will be

sealed in a single shipping container, together with the appropriate pages of the custody and control form. The tape seal on the container will bear the initials of the collection person and the donor, and the date of closure for shipment. The specimen will be placed in secure storage until dispatched to the laboratory.

Procedures for collecting urine specimens shall allow individual privacy. If, however, any of the following circumstances exist, a collection site person of the same gender as the individual providing the urine specimen shall obtain a specimen by direct observation:

- The individual has provided a urine specimen that falls outside the normal temperature range (32 to 38C/90 to 100F) and either the individual declines to provide a measurement of oral body temperature or the individual's oral body temperature varies by more than 1C/1.8F from the temperature of the specimen.
- The collection site person observes conduct indicating an attempt to substitute or adulterate the specimen. In such event, the collection site person will prepare and maintain a written report concerning the observation.
- The individual previously has been determined to have used a controlled substance without medical authorization and the test being conducted is a return to duty or follow-up test.

A supervisor of the collection site person or a designated Pace representative shall review and concur in advance with any decision by a collection site person to obtain a specimen under direct observation.

2. Laboratory Testing

All drug testing will be completed in a laboratory certified by the Department of Health and Human Services (DHHS). Pace has contracted with Quest Diagnostics, 506 East State Parkway, Schaumburg, Illinois, (847) 885-2010 to conduct all drug testing administered on its behalf under this policy. As of the revised date of this policy, the Federal Register has

identified Quest Diagnostics as DHHS-certified. All FTA and Pace mandated tests will undergo validity testing which is designed to deter and detect attempts to adulterate or substitute specimens. Which testing must conform to 49 CFR Part 40 as amended and effective January 18, 2001.

An immunoassay test will be performed initially on the specimen. If any prohibited drug registers above the cutoff level on the immunoassay screen, an aliquot of the same urine specimen will be confirmed by using gas chromatography/mass spectrometry (GC/MS).

All FTA-mandated drug testing will be performed to detect for the presence of the following five substances: marijuana; cocaine; opiates; phencyclidine; and amphetamines. The following initial cutoff levels will be used when screen specimens to determine whether they are negative for the identified drugs:

Drug	Cutoff Levels (ng/ml)
Marijuana metabolites	50
Cocaine metabolites	300
Opiate metabolites	2000
Phencyclidine	25
Amphetamines	1000

The following confirmatory cutoff levels will be used:

Drug	Cutoff Levels (ng/ml)
Marijuana metabolite (1)	15

Cocaine metabolite (2)	150
Opiates:	
6-Acetylmorphine (3)	10
Morphine	2000
Codeine	2000
Phencyclidine	25
Amphetamines:	
Amphetamine	500
Methamphetamine (4)	500

- (1) Delta-9-tetrahydrocannabinol-9-carboxylic acid
- (2) Benzoylcegonine
- (3) Test for 6-AM when morphine concentration exceeds 2000 ng/mg
- (4) Specimen must also contain amphetamine at a concentration greater than or equal to 200 ng/ml.

All Pace-mandated testing will be performed to detect for the presence of, in addition to the forgoing five substances, the following five substances: barbiturates; benzodiazepine metabolites; methadone; methaqualone; and propoxyphene.

The following initial cutoff levels will be used when screening specimens to determine whether they are negative for the identified drugs:

Drug	Cutoff Levels (ng/ml)
Barbiturates	300
Benzodiazepine metabolites	300
Methadone	300
Methaqualone	300

Propoxyphene 300

The following confirmatory cutoff levels will be used:

Drug	Cutoff Levels (ng/ml)
Barbiturates	200
Benzodiazepine metabolites	200
Methadone	200
Methaqualone	200
Propoxyphene	200

Long-term frozen storage (-20 deg. C or less) ensures that positive urine specimens will be available for any necessary retest during administrative or disciplinary proceedings. All confirmed positive specimens will be retained by the laboratory in their original labeled specimen bottles for a minimum of one year in properly secured long-term frozen storage. Within this one year period, Pace or any other person designated by DOT regulation may request the laboratory to retain the specimen for an additional period of time. If no such request is received, the laboratory may discard the specimen after the end of one year, except the laboratory shall maintain any specimen known to be under legal challenge for an indefinite period.

3. Review by Medical Review Officer (MRO)

All drug testing laboratory results shall be reviewed by a qualified review officer ("MRO") designated by Pace to verify and validate the test results. As of the revised date of this policy, Pace has contracted with Dr. Rajeev Khanna, M.D. to serve as its MRO. Dr. Khanna ha offices located at 2615 W. Harrison, Bellwood, Illinois 60104, (708) 493-0299. The MRO will conduct an administrative review of the control and custody form to ensure

its accuracy. The MRO also will review and interpret an individual's confirmed positive test by: (1) reviewing and individual's medical history; (2) affording the individual an opportunity to discuss the test result; and (3) deciding whether there is a legitimate medical explanation for the results, including legally prescribed medication. In addition, to ensure fairness to employees, the MRO will review the test results when a laboratory indicates that an employee's specimen may have been adulterated or substituted. The forgoing applies to both FTA-mandated and Pace-mandated drug testing.

4. Notification and Split Sampling

The MRO will notify each employee who has verified positive test that the employee has seventy-two (72) hours within which to request a test of the split specimen. If the employee requests an analysis of the split, the MRO will direct the laboratory, in writing, to ship the split specimen to the Union-designated DHHS laboratory (or in the event a Union is not involved, another DHHS laboratory) for analysis. If an applicant requests an analysis of the split specimen, the MRO will direct laboratory, in writing, to ship the split specimen to another DHHS laboratory for testing at the applicant's expense.

If the analysis of the split specimen fails to confirm the presence of the drug(s), drug metabolite(s), or evidence of adulteration or substitution, found in the primary specimen, or if the split specimen is unavailable or inadequate for testing, the MRO will cancel the test and report the cancellation and the reasons for it to the DOT, the employer, and the employee.

If the employee has not contacted the MRO within seventy-two 72 hours of being notified of a verified positive drug test or evidence of adulteration or substitution, the employee may present to the MRO information documenting that serious illness, injury, inability to contact the MRO, lack of actual notice of the verified positive test or evidence of adulteration or substitution, or other unavoidable circumstances prevented the employee from contacting the MRO in time. If the MRO concludes that there is a legitimate explanation for the employee's failure to contact the

MRO, the MRO will direct that an analysis of the split sample be performed. If the MRO concludes that there is no legitimate explanation, the MRO is not required to direct the analysis of the split specimen. The decision of the MRO not to direct analysis of the split sample shall be subject to the grievance-arbitration procedures contained in the collective bargaining agreement between Pace and the Union.

If, after the MRO makes all reasonable efforts (and documents them), the MRO is unable to reach the individual directly, the MRO will contact a designated Pace representative who will direct the employee to contact the MRO as soon as possible. If, after making all reasonable efforts, the designated Pace representative is unable to contact the employee, Pace may place the employee on temporary unqualified status or medical leave.

The MRO will report each verified test result to person designated by Pace to receive the results. Reporting of a verified positive result or taking action required as a result of positive drug test will not be delayed pending the split sampling analysis. The MRO will maintain all necessary records and send test results reports to Pace's Deputy Executive Director, Revenue Services (or a designated representative), Pace's drug and alcohol program manager.

The MRO will also report all negative drug tests which indicate the urine was diluted. It is Pace policy to ensure that the retesting of employee is consistent and therefore require the immediate retesting for all negative pre-employment, reasonable suspicion, return to duty and follow-up testing where results have indicated a diluted urine sample. Such re-collections will not be collected under direct observations, unless there is another basis for use of direct observation.

5. Blind Sample Testing

Pace is exempt from Blind Sample Testing.

B. Alcohol Testing

1. Breath Testing Procedures

When ordered to do so by Pace, an employee shall submit to breath alcohol testing through the use of an evidential breath testing device ("EBT"). Upon arrival at the collection site, the employee's identity will be verified through the use of a photo identification card or through a representative designated by Pace. The testing procedures will be explained to the employee after which the employee and a breath alcohol technician ("BAT") designated by Pace will complete, date, and sign alcohol testing form.

The BAT will inform the employee of the need to conduct a screening test. The BAT and the employee will read the sequential test number displayed by the EBT. The BAT will open an individually sealed, disposable mouthpiece in view of the employee and attach it to the EBT. The BAT will instruct the employee to blow forcefully into the mouthpiece for at least six seconds or until an adequate amount of breath has been obtained. Following the screening test, the BAT will show the employee the results displayed on the EBT or the printed result. If the result of the screening test is an alcohol concentration of less than 0.02, no further testing is required and the test will be reported to Pace as a negative test. The employee may then return to his/her safety sensitive position.

If the result of the screening test is an alcohol concentration of 0.02 or greater, a confirmation test will be performed. The confirmation test will be conducted at least fifteen (15) minutes, but not more than thirty (30) minutes, after the completion of the initial test. This delay prevents any accumulation of alcohol in the mouth from leading to an artificially high reading. The employee will be instructed not to eat, drink, or put any object or substance in his/her mouth. The BAT will instruct the employee not to belch to the extent possible while awaiting the confirmation test. The BAT will inform the employee that the test will be conducted at the end of the waiting period even if the employee has disregarded the instructions.

Before the confirmation test is administered, the BAT will conduct an airblank on the EBT. If the reading is greater than 0.00, the BAT will conduct one more airblank. If the second airblank is greater than 0.00, the EBT will not be used to conduct the test. The confirmation test will be conducted

using the same procedure as the screening test. A new mouthpiece will be used.

If the initial and confirmatory test results are not identical, the confirmation test results will be deemed to be the final result. If the result displayed on the EBT is not the same as that on the printed form the test will be canceled and the EBT removed from service.

The BAT will sign and date the alcohol testing form. The employee will sign and date certification statement, which includes a notice that the employee cannot perform the safety sensitive duties or operate a motor vehicle if the results are 0.02 or greater. The BAT will attach the alcohol test results printout directly on the alcohol collection form with tamperproof tape (unless the results are printed directly on the form).

If a screening or confirmatory test cannot be completed, the BAT will, if practicable, begin a new test using a new alcohol testing form with a new sequential test number.

Refusal by an employee to complete and sign the alcohol testing form, to provide breath, or otherwise to cooperate with the collection process will be noted on the form and the test will be terminated.

2. Notification

The BAT will transmit all results to a designated Pace representative in a confidential manner. In the event an individual must be removed because he/she is engaged in the performance of safety-sensitive duties, the BAT will notify the designated Pace representative immediately.

3. Positive Test Results at Designated Threshold Levels

In the event of a positive test result of 0.02 or greater but less than 0.04, the employee shall be removed from duty for at least eight hours following the administration of the test or until a retest show an alcohol concentration of less than 0.02. An employee with a positive test result of less than 0.04 will not be subject to discipline based solely on the FTA-mandated test.

Separate from any FTA requirements, in no event will employee be allowed to return to duty unless he/she passes a return to duty alcohol test showing an alcohol concentration of less than 0.02.

In the event of a positive test result equal to a or greater than 0.04, the employee shall be prohibited from performing any safety-sensitive duties until he/she has been evaluated by a substance abuse professional and has passed a return to duty test.

C. Substance Abuse Professional (SAP) Evaluation

Any individual who has verified positive drug test result or breath alcohol concentration of 0.04 or greater will be advised of the resources available to evaluate and resolve problems associated with drug abuse or alcohol misuse, including the names, addresses, and telephone numbers of substance abuse professionals and counseling and treatment programs. The employee also will be assessed by a substance abuse professional ("SAP") designated by Pace who will determine what assistance, if any, the employee needs in resolving problems associated with prohibited drug use or alcohol misuse.

As of the revised date of this policy, Pace has contracted with Bensinger, DuPont & Associates, Inc. 20 North Wacker Drive, Suite 3405, Chicago, Illinois (312) 726-8620 to serve as its SAP. Bensinger, DuPont & Associates, Inc. also manages Pace's EAP. As discussed in Section III. B. of this policy, the EAP is designed to assist Pace employees with personal problems, including problems associated with drug abuse or alcohol misuse.

The SAP will carry out the following responsibilities:

- Evaluate whether an employee who has refused to submit to a drug or alcohol test or who has a positive test result is in need of assistance in resolving problems associated with drug use or alcohol misuse.

- Evaluate whether any employee who previously tested positive and desires to return to work has properly followed the SAP's recommendations for treatment.
- Determine the number of months a returning employee will be subject to follow-up testing after returning to duty (subject to a minimum of six (6) tests during the first twelve (12) months).
- Document the basis upon which a determination of follow-up testing in excess of twelve (12) months has been made.
- Recommend whether a returning employee who previously tested positive for drug use also should be subject to return to duty and/or follow-up testing for alcohol misuse.
- Document all contacts with referred employees and present regular periodic reports to Pace's drug and alcohol program manager or his/her designee.
- Recommend whether a returning employee who previously tested positive for alcohol misuse also should be subject to return to duty and/or follow-up testing for drug use.

The foregoing applies to both FTA-mandated and Pace-mandated testing.

D. Union Involvement

If Pace orders an employee to submit to a drug and/or alcohol test pursuant to Section IV.B.1.b. or Section IV.B.1.c, Pace shall make a good faith effort to allow the employee being ordered to submit to the test to have the opportunity to consult with a Union representative before submitting to the test; provided, however, that the failure of the Union representative to be present within thirty (30) minutes after notification to the Union in accordance with the procedure set forth below shall in no way affect the requirement of submission to the test if any of the conditions set forth in Section IV.B.1.b or Section IV.B.1.c have been met.

Notification to the Union that an employee is being ordered to submit to testing shall be made as follow:

- Between the hours of 8:00 a.m. and 4:00 p.m., Monday through Friday, Pace shall call the Union at the Local 241 office at the following telephone number: 312/341-1733.
- At all other times, Pace shall call the Union at the telephone or beeper provided by the Union to the Division Manager.

The Union reserves the right to change said notification numbers upon fourteen (14) days advance written notice to the Division Manager.

It is agreed and understood that notification to the Union is not necessary if a Union representative is present at the time the request is made, or if a situation exist which reasonable prevents Pace from notifying the Union. In the event Pace fails to notify the Union because it claims to have been reasonably prevented from doing so, the burden of showing such shall be on Pace.

VI. Enforcement of Policy Through Discipline

A. Pre-Employment

Any applicant who tests positive for drugs and/or alcohol will be disqualified from consideration for employment with Pace.

B. Reasonable Suspicion

Any employee who tests positive for drugs and/or alcohol pursuant to a reasonable suspicion test administered under this policy will be subject to discipline, up to and including discharge. Said discipline will be subject to the grievance-arbitration procedure.

C. Post-Accident

Any employee involved in an accident who test positive for drugs and/or alcohol pursuant to a test administered under this policy will be subject to discipline, up to and including discharge. Said discipline will be subject to the grievance-arbitration procedure.

D. Random

Any employee who tests positive for drugs and/or alcohol pursuant to a random test administered under this policy will be subject to discipline, up to and including discharge. Said discipline will be subject to the grievance-arbitration procedure.

E. Return to Duty

Any employee who tests positive for drugs and/or alcohol pursuant to a return to duty administered under this policy will be subject to discipline, up to and including discharge. Said discipline will be subject to the grievance-arbitration procedure.

F. Follow-Up

Any employee who tests positive for drugs and/or alcohol pursuant to a follow-up test administered under this policy will be subject to discipline, up to and including discharge. Said discipline will be subject to the grievance-arbitration procedure.

G. Refusal to Take Test and/or Non-Compliance with Testing Procedures

Any employee who refuses to submit to any drug or alcohol tests administered under this policy, to complete and sign the requisite testing forms, or otherwise to cooperate with the testing process in a way that prevents the completion of the test will be subject to discipline, up to and

including discharge. Said discipline will be subject to the grievance-arbitration procedure.

H. Inability to Provide Adequate Amount of Urine Specimen or Breath

Any applicant or employee who is unable to provide an adequate amount of urine specimen for drug testing will be directed to drink up to forty (40) ounces of fluid, distributed reasonably through a period of up to three (3) hours, or until the employee has provided a new urine specimen, whichever occurs first. If the employee refuses to drink fluids as directed or to provide a new specimen, the collection site person shall terminate the collection.

In all cases involving an employee who cannot provide an adequate specimen within the three (3) hour period, a Pace-designated MRO shall refer the employee for a medical evaluation to develop pertinent information concerning whether the employee's inability to provide a specimen is genuine or constitutes a refusal to provide a specimen. If the former, Pace will make whatever accommodation is reasonable in light of all circumstances relevant to the case. If the latter, the employee's failure to provide an adequate amount of urine will be regarded as a refusal to submit to take the test and the employee will be discharged. In pre-employment testing involving an applicant who cannot provide an adequate specimen within the three (3) hour period, the applicant will be disqualified from consideration for employment with Pace (without resort to an MRO referral).

An employee who is unable to provide an adequate amount of breath for alcohol testing will be directed to obtain an evaluation from a licensed physician who is acceptable to Pace concerning the employee's medical ability to provide an adequate amount of breath. If the physician concludes that a medical condition has or could have precluded the employee from providing an adequate amount of breath, the employee's failure to do so will not be regarded as a refusal to take the test. If the physician is unable to make such a determination, the employee's failure to provide an adequate amount of breath will be regarded as a refusal to take the test and the employee will be subject to discipline, up to and including discharge. Said

discipline will be subject to the grievance-arbitration procedure. An applicant who is unable to provide an adequate amount of breath for alcohol testing will be disqualified from consideration for employment with Pace (without referral to a physician).

I. Urine Specimen Alternation

In any case where it has been determined that an employee has altered or attempted to alter his/her urine specimen for drug test administered under this policy, the employee will be subject to discipline, up to and including discharge. Said discipline will be subject to the grievance-arbitration procedure. In any case where it has been determined that an applicant has altered or attempted to alter his/her urine specimen for a drug test administered under this policy, the applicant will be disqualified from consideration for employment with Pace.

J. Unsatisfactory Employee Assistance Program Participation

An employee allowed entry into Pace's EAP who fails to participate in the recommended treatment program, fails to comply with the terms of his/her EAP plan, or refuses to take a drug and/or alcohol screen when ordered to do so will be discharged.

K. Conviction for a Violation of a Criminal Drug Statute

As a condition of employment with Pace, an employee must notify Pace in writing of his/her conviction for a violation of any criminal drug statute no later than five (5) calendar days after such conviction. Any employee convicted for such a violation will be subject to discipline, up to and including discharge. Said discipline will be subject to the grievance-arbitration procedure.

L. Grievance-Arbitration Procedure

Any dispute concerning this policy shall be subject to the grievance-arbitration procedure.

**Pace West Division and Amalgamated Transit Union, Local 241
Side Letter Regarding Prescription Drug Plan**

In regard to the prescription drug plan, it is the mutual understanding of both parties that “when generic is available but cannot be take for medical reasons” shall be determined by the employee’s treating physician. In that instance, the employee will be subject to the brand name drug co-pay of \$15 for that prescription but shall not have to pay the difference between the retail cost of the brand name drug and the retail cost of the generic drug.

Signature on file

Pace West Division

Signature on file

Amalgamated Transit Union, Local 241

Dated: December 12, 2003

Pace West Division and Amalgamated Transit Union, Local 241 Side Letter Regarding Escrow Account Shortfall

It is the mutual understanding of both parties that Pace West Division shall absorb any escrow account shortfalls through December 31, 2003.

Signature on file

Pace West Division

Signature on file

Amalgamated Transit Union, Local 241

Dated: December 12, 2003

Pace West Division and Amalgamated Transit Union, Local 241 Side Letter Re: Retirement Plan for Pace West Division Employees

Under Section 15.1 of the First Amendment to the December 12, 2001 Restatement of the Retirement Plan for Pace West Division Employees, the Pace West Division of the Suburban Bus Division of the Regional Transportation Authority and Amalgamated Transit Union Local 241 have reserved the right to amend the Retirement Plan for Pace West Division Employees and hereby exercise the right as follows:

Paragraphs (A) and (B) of Section 5.3 of the Plan are amended to read as follows:

5.3 Disability Allowance

(A) Any participating employee who, after the effective date of the Plan, shall become disabled from performing his duties and from following his regular employment with the Company due to an occupational or non-occupational accident or sickness before becoming eligible for an old-age retirement allowance or Normal Retirement Pension in accordance with Section 5.1 hereof, shall be entitled to a monthly disability allowance from the beginning of such disability, provided he has been at the time of becoming so disabled, and has completed at least 10 Years of Service. An employee is disabled from performing his duties and from following his regular employment with the Company of participating employer when he is totally and permanently disabled for any type of work.

(B) An employee shall be totally and permanently disabled for any type of work of the employee is determined to be disabled by the Social Security Administration.

The effective date of the above Amendment shall be January 1, 2004.

Signature on file

Signature on file

Pace West Division

Amalgamated Transit Union, Local 241

Dated: December 12, 2003

ATU LOCAL "241" EXECUTIVE BOARD

Archer:

RODNEY TAYLOR
MARVIN JACOBS

77th Street:

CARL HAYMORE
MICHAEL WILLIAMS

Chicago Avenue:

LONNIE WALKER
KEITH HILL

103rd Street:

MICHAEL SEATON
MICHAEL TAYLOR

Forest Glen:

HERMAN REYES
JOSE C. COLON

Central Repair:

PETER FIONDA

General Office:

KEVIN MITCHELL
RUEBEN JOHNSON

North Repair:

MICHAEL WESOLOWSKI

Kedzie:

CARLOS HARRIS
NATHANIEL SCURLOCK

South Repair:

GUS STEVENS

North Park:

MICHAEL WALLACE
MICHAEL BARRON

Station Clerk:

RUTH LATSON

74TH Street:

VENITA JONES
VERN HODGES

Supervisor-Instructors:

MARY BEARD

Pace West:

ERNEST JONES

Election Commission:

MARILYN FREEMAN
TYRONE JORDAN
TONY OWENS
DOROTHY JOHNSON
MARIE HETHERINGTON

Warden:

WOODROW EILAND
ANDRE' ALLEN



**Headquarters of Local 241
20 South Clark Street - Suite 850
Chicago, Illinois 60603
Telephone (312) 341-1733**

www.atu241chicago.org