

AGREEMENT

For the period from

JULY 1, 1999

through

JUNE 30, 2002

between

NEW JERSEY TRANSIT MERCER INC.

and

AMALGAMATED TRANSIT UNION

DIVISION 540

THIS AGREEMENT, effective from and retroactive to the first day of July, 1999 by and between the NJ TRANSIT Mercer, Inc., body politic, (hereinafter referred to as the "Company") and Division No. 540, TRENTON, NEW JERSEY AMALGAMATED TRANSIT UNION, (hereinafter referred to as the "UNION").

WITNESSETH:

WHEREAS, it is the intent and purpose of the parties hereto to promote and improve the industrial economic relations between the Company, its employees and the Union, to establish a basic understanding relative to rates of pay, hours of work and other conditions of employment, and to provide means for the amicable settlement of all disputes and grievances;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

PURPOSE, REPRESENTATIONS, RECOGNITION AND UNION SECURITY

SECTION 1.

The purpose of this Agreement is to provide a working understanding between the Company and the Union, each through its duly accredited representatives, to provide as satisfactory service to the public as possible, to provide as good working conditions for the members of the Union as possible, and properly to protect the interest of the Company with respect to the transportation system of the Company and the relations to exist during the term of this Agreement between the Company and the members of the Union.

SECTION 2.

The Company recognizes the Union as the sole and exclusive bargaining agent for all drivers, garage employees and designated salaried personnel employed by it.

SECTION 3.

All present Union employees and all new Union employees shall become and remain members in good standing of the Union as a condition of continuous employment with the Company. Union employees entering the service of the Company shall become members of the Union after 30 days. However, the 90-day probationary period agreed to by the employee on applying for a position with the Company will be recognized.

SECTION 4.

The Company represents that it is duly empowered by law and appropriate action of any requisite body to enter into the terms of this Agreement and acknowledges that it has taken all steps necessary so that it, its successors and assigns, will be bound by all the terms contained herein for the term of the said Agreement.

SECTION 5.

Subject to legal requirements, the Company shall deduct from the pay of all employees who are members of the Union their Union dues, assessments and fines for each calendar month and remit the same to the proper officials of the Union.

SECTION 6.

Members of the Union suspended from the Union for failure to pay initiation fees, periodic dues or assessments required by the Union as a condition of acquiring or retaining such membership, shall be suspended from the service of the Company upon written request of the President of the Union stating such cause for suspension. In case the Company feels that any member of the Union has been suspended for a cause other than stated in the written request from the President of the Union, the question will be submitted to arbitration upon request of the Company, in accordance with the procedure set out in Article V.

SECTION 7.

The employer and the Union agree not to discriminate against any individual with respect to hiring, compensation, terms or conditions of employment because of such individual's race, color, religion, sex or national origin, nor will they limit, segregate or classify employees in any way to deprive any individual employee of employment opportunities because of race, color, religion, sex or national origin.

ARTICLE II

MANAGEMENT, PREROGATIVE AND LIMITATIONS ON SUB-CONTRACTING

SECTION 1.

The Union recognizes the rights of the Company to retain fully, all functions of management relating to the direction of the working forces and the operation of the department and division, including, but not limited to, the hiring, promoting, demoting, rehiring of employees; the suspending, discharging or otherwise disciplining of employees; the laying off or calling to work of employees in connection with any reduction or increase in the working forces, the assignment of work, the scheduling of work, and the control and regulation of the use of all equipment and other property of the Company, providing, however, that none of these rights shall be exercised in such a way as to conflict with the provisions of this Agreement, and providing further, that the Union shall have the right to contest any such action in accordance with provisions of this Agreement.

SECTION 2.

Management shall have the right to retain individuals or firms for consultation. The Company will not subcontract, transfer, lease or assign in whole or in part, any worker's service presently or hereafter performed by members of the bargaining unit which would result in the furlough of an employee.

SECTION 3.

When there are any Union job openings in any NJ TRANSIT Mercer department, such as Office, Dispatchers, Operators or Garages, the employees of those departments will have first bid on the opening. If no employee from that department picks the job, the open job will be posted for picking by employees from other departments before anyone is hired from the outside. Employees bidding on open jobs will be selected for the job on the basis of seniority and qualifications. Any employee so selected will be on probation for a period of time posted on the job pick specifications.

SECTION 4.

All new, additional duties or responsibilities in the form of work rules or regulations will be presented to Union representatives for consultation before posting or becoming effective. Changes in work rules or regulations will be submitted to Union Executive Board Members for consideration and advice prior to becoming effective, whenever possible. Nothing herein implies that management is to be denied the responsibility or final authority concerning decisions of their responsibility.

ARTICLE III
TERM AGREEMENT

This Agreement shall be effective from and retroactive to July 1, 1999, to and including June 30, 2002.

ARTICLE IV

DISCIPLINE

SECTION 1.

When the members of this Union are summoned before the Superintendent of Transportation, Maintenance or their representative, to answer any charge or charges, they shall be given the charges in writing, including the names and addresses of persons preferring charges and two days in which to answer same. When members of the Union have been suspended or discharged, and after investigation is found

not guilty, both by the Company and the Union or by an Arbitrator, of the charges preferred against them, they shall be reinstated to their former position and paid for all time lost from the service of the Company if the arbitrator so rules. Charges against members of the Union must be made within seventy-two (72) hours. Saturdays, Sundays, holidays, days off, vacations, and illness, are excluded in computing the seventy-two (72) hours, after reports of the offense have been received by the Company, except that employees will be held responsible beyond the period for charges involving mishandling of fares.

Employees involved in accidents while driving equipment provided by the Company shall not be included in the 72 hour restriction should additional time be required to determine fault of either operator or equipment. However, no operator will be held responsible for accidents when it is determined equipment failure is found to be contributory to the incident.

SECTION 2.

When members' names are on the bulletin to see the Superintendent of Transportation or Maintenance, or their representative at a stated time on said bulletin, they must see the Superintendent of Transportation or Maintenance or their representative at the office at the time designated. By failing to do so, they must stand suspended without pay until such time as they do report. If either the Superintendent or their representative are absent at the stated time, such members will not be required to report until their names again appear on the bulletin board. After presenting themselves at the designated time, members are not to be required to wait longer than one half hour and if not seen in that time, may leave and not report until their names again appear on the bulletin board. Members who are required at a specific time to see the Superintendent of Transportation or Maintenance, a second or more times, because of absence of the Superintendent, shall be paid for such time at the regular rate of pay, with a minimum of one hour's pay.

Members who are relieved of their duties to appear before said Superintendent or the representative shall receive their regular rate of pay for all time lost, unless such relief was made because of a violation occurring on the same day.

SECTION 3.

In the event a member of the Union is required to see the Superintendent, or any one else later than one hour after the member has finished work, or earlier than one hour before starting the day's work, the member so requested to appear, shall be paid, at straight time, the regular hourly rate for the time so spent.

SECTION 4.

In the event a member of the Union shall be required to see the Superintendent, or any one else, on one of their regular days off, they be compensated at one and one-half times their regular rate of pay for the time so spent, with a minimum of three hour's pay. In the event an accident report must be made out, the above section will not apply.

SECTION 5.

Under no condition will any member of the Union be suspended as a result of reports by supervisory force without first having a hearing before the Superintendent of Transportation of the representative, except that any supervisor shall refuse to allow any person to commence work or continue to work until the person in question has reported to the Superintendent of Transportation or their representative when such person is, in the opinion of the supervisor or dispatcher, not in fit physical condition to work. Furthermore, suspensions for a minor infraction will not be imposed until a Second Step hearing with the General Manager is completed. Any person who has been improperly stopped by a supervisor or dispatcher from commencing or continuing to work shall be made whole for any loss of earnings resulting therefrom.

SECTION 6.

When any member of the Union is disciplined for any other than a minor offense, including specifically discipline involving time off or final warning, or discharge, said member of the Union shall be given the charges and record of discipline in writing, and a copy of said letter or report shall be forwarded to the Secretary and President of the Union.

SECTION 7.

Any Member summoned to appear before the General Manager or their representative, on charges of misconduct or violation of Company rules will be notified to appear for such reason and shall have the option of being accompanied by an executive board member of the Union. Said board member shall be present to represent the individual. Any grievance arising out of said appearance shall be considered by the Company only when presented by the executive board as a whole to the proper representative of the Company. Any member summoned and appearing without a board member shall forfeit said option.

SECTION 8.

All time off for disciplinary action shall begin with the next working day following the close of the hearing, and the days off shall be consecutive working days. Employees being disciplined cannot work on their day off for seven (7) days after returning to work.

SECTION 9.

Management personnel shall be restricted from performing the work which is recognized as the work of the employees covered by the Agreement, except for the purposes of instruction and emergency.

SECTION 10.

Due consideration shall be given to the record of an employee for the past five (5) years when determining the extent and appropriateness of any contemplated disciplinary action.

ARTICLE V
GRIEVANCE PROCEDURE AND ARBITRATION

SECTION 1.

Any differences, disputes or grievances that may arise between the Company and the Union regarding the interpretation or application of this Agreement or any disciplinary matter referred to in the preceding Article shall be discussed within seventy-two (72) hours between the duly designated representatives of the Company and the Union in the manner set forth below. In computing the aforementioned seventy-two (72) hour period, any Saturdays, Sundays or holidays shall be excluded:

First Step - between the Superintendent of Transportation or Superintendent of Maintenance or Designee (for the Company) and an Executive Board Member or Designee (for the Union) along with any individual grievant.

Second Step - between the General Manager or Designee (for the Company) and the President of the Union and Executive Board Member or Designee (for the Union).

Third Step - between the Manager of Labor Relations or his Designee (for the Company) and the President of the Union.

SECTION 2.

Any differences, disputes or grievances which remain unresolved following conclusion of the Third Step meeting as aforesaid shall be referred, upon the demand in writing of either party, to a Board of Arbitration. Such a demand for arbitration shall be made within seventy-two (72) hours following the conclusion of the next regular scheduled meeting of the Union or Company. The Union will notify management within twenty-four (24) hours of the outcome of that meeting. The Board of Arbitration shall be composed as follows: The Company shall select one member and the Union shall select another. The selection of a third "neutral arbitrator" who shall serve as Chairman of the Board shall be made through the New Jersey State Board of Mediation, with the party initiating the arbitration designating the Agency whose rules and regulations shall then govern.

SECTION 3.

It is understood that neither party shall refuse at any time during the term of this Agreement or while a new Agreement is being negotiated, to arbitrate the matter which falls within the enumeration set forth above. It is also understood that time is of the essence. In such arbitration each party shall bear the expense related to the appointment of its members of the Board and the parties shall share equally the expenses and cost related to the employment of the Chairman of the Board as well as all expenses incidental to the conduct of the said arbitration.

SECTION 4.

(a) The parties agree to establish a permanent panel of arbitrators from whom the "neutral arbitrator" shall be selected in all arbitration cases involving discipline. By mutual agreement, an arbitrator may also be selected from the permanent panel for other cases. The permanent panel of arbitrators shall be established by requesting either the American Arbitration Association or the New Jersey Board of Mediation to forward a list of twenty (20) arbitrators (with background information) from the New Jersey-New York area. The parties shall each "rate" the panel, returning it to the Agency. The first six (6) arbitrators mutually selected by the parties shall serve on the permanent panel. In the event six (6) arbitrators are not mutually selected by the parties, the Agency shall be requested to furnish an additional list of ten (10) arbitrators. The parties shall alternately strike names from this second list until a sufficient number of arbitrators' names remain on same to complete the permanent panel of six (6).

(b) The six (6) arbitrators selected for the permanent panel will be listed at random. In cases where the neutral arbitrator is to be selected from the permanent panel, the first arbitrator on the list shall be contacted to ascertain availability. If he or she can furnish a hearing date within thirty (30) days, such arbitrator shall be designated as the "neutral arbitrator". If not, the next arbitrator on the list shall be contacted until an arbitrator is found who can schedule a hearing within thirty (30) days. Once an arbitrator has been utilized for an arbitration case, the next arbitrator on the list shall first be contacted for the next case between the parties so that the arbitrators on this permanent panel may be utilized on a "rotating basis."

(c) Each party shall have the option to remove up to two (2) arbitrators (each) from the permanent panel at any time during the term of this Agreement in which event a replacement shall be made in the manner as specified in the last two sentences of Paragraph (a) of this Section. Unless mutually agreed upon, the term of each arbitrator on the permanent panel shall expire on June 30, 2002.

ARTICLE VI

NO STRIKE - NO LOCKOUT

It is hereby agreed between the parties, that since the agreement provides for the orderly and amicable adjustment and settlement of any and all disputes, differences or disagreements, there shall be no strikes by the Union unless all conditions of the Constitution and General Laws of the Amalgamated Transit Union have been complied with, nor any lockout by the Company of any employees or any group of employees.

ARTICLE VII

LEAVES OF ABSENCE

SECTION 1.

Officers and committeemen having work to do for the Union, shall have preference over all others except in the case of death, and in case members of the Union are elected as delegates or to any office in

the Union which requires their absence from the Company service; they shall be granted such relief, and upon their return, shall have their proper place in the Company's service.

SECTION 2.

Union officers employed by the Company who take off from work to perform any union duties will not be paid by the Company for such time so spent, unless agreed to by the Company Management. Union officers requesting such time off will give the Company at least forty-eight (48) hours advance notice whenever possible.

SECTION 3.

Employees suspended from employment after February 1, 1985, because of revocation of their driver's license, shall be granted a leave of absence for a period of not more than six (6) months. While on leave of absence, the suspended employee shall not bid on any open jobs. The employee will return to their prior location after leave of absence. The Company may use a part-time employee to cover the leave period and the part-time hours involved shall not count against the percentage limitations upon the use of part-time employees. A person on leave of absence must pay one-hundred percent (100%) of all benefit premiums.

ARTICLE VIII

FREE TRANSPORTATION

Pocket passes, good for all lines of the Company, shall be issued to each member of the Union, and to their spouses; also to retired members of the Union and to their spouse, until the death of the retired member. Upon the death of a member or retired member of the Union the pocket pass shall be continued to the spouse, until the remarriage or death of the spouse. A \$15.00 charge will be assessed for the replacement of a lost pass. In addition, all active employees will also be allowed free transportation on service provided by NJ TRANSIT RAIL OPERATIONS, INC., under reasonable conditions.

ARTICLE IX

WORK ASSIGNMENTS

SECTION 1.

The basic work week of operators, both regular and extra, shall be five (5) consecutive days. However, the Company may schedule a total of twenty (20) extra men or relief or swing runs, with non-consecutive days off. In the event in the future more split days off are required, it will be done so by mutual agreement by the Union and the Company.

SECTION 2.

Seniority shall prevail at all times with only special exceptions as are specifically set forth in the Agreement. Length of service establishes the right to pick runs at least four (4) times a year: March, June, September and December. These picks may be extended two (2) weeks beyond the end of the month at the Company's option.

The Company and Union shall pay their costs for all mark-ups. In addition to the four (4) mark-ups allowed to the employees, the Company may have additional mark-ups, limited to not more than one in each calendar quarter, except in case of emergency. Sign-ups will take place as necessary but no more than sixty (60) days from the date of the last mark-up. When a mark-up or sign-up takes place, operators on extra list, in accordance with seniority, shall fill all runs vacant because of sickness of regular operators, and shall hold same until their return or next sign-up. Any regular run becoming permanently vacant, shall be filled by an immediate sign-up available to all operators according to seniority. Such vacancies shall be posted for seventy-two (72) hours, within seventy-two (72) hours of the time the vacancy occurs. The vacancy shall be filled effective with the beginning of the first payroll period following the end of the posting period. In the event of the discharge of a bus operator and an appeal taken under the provisions of this Agreement, the member's run shall not be posted until a final decision has been reached in the case. All assignments shall take place at the beginning of each payroll period following the creation of a vacancy and shall hold good until the next sign-up or mark-up. Members cannot give up a run which they have picked without written permission of the Superintendent of Transportation. Schedule for all regular mark-ups shall be posted at least seventy-two (72) hours before picking time, except in the case of an emergency. This also includes trippers and open runs.

SECTION 3.

The Company shall have the right between mark-ups, to establish not more than six (6) additional runs (without a new mark-up) or to take off no more than six (6) runs (without a new mark-up). In the event more than six (6) runs are established, or if more than six (6) runs are discontinued, or if there are more than six (6) runs changed, it will be necessary to have a new mark-up. A run will be considered a changed run if it is extended one mile or more in any direction, providing there is sufficient running time for such a change. The Company agrees not to make any changes in runs before consulting with the Union. If any run is discontinued or changed, the affected operator or operators may bump any one with less seniority and any operator affected may also bump until an operator selects the extra board. In the event of a layoff, employees will be recalled in their respective departments by virtue of seniority within their assigned departments. This shall be applicable to operators, salaried and maintenance employees. In the event of a layoff, departmental seniority shall prevail and "bumping" will be by department only.

SECTION 4.

When a mark-up is prepared for posting, the Company shall endeavor to make all work into at least eight hour runs, insofar as possible. These will be straight runs, swing runs, relief runs and combinations thereof. Pieces or assignments or work totaling seven (7) hours but less than eight (8) hours will have report

time and turn-in time added to them, also, when applicable, twenty minutes travel time into Town will be added on. After the above procedure has been followed, any runs that are still less than eight (8) hours will have make-up time or garage extra added to them so that all runs will pay eight (8) hours platform time.

Any operator working a tripper or a run, that has any trips cancelled, for any reason at all, must remain in the operator's room and must work anything the dispatcher orders. Operators that comply with this section will not suffer any loss of pay. If there is more than one operator with any cancelled trips, the dispatcher will if they need someone, use reverse seniority in picking an operator. Said operator will not be required to work more than one hour later than the time they normally would finish work.

SECTION 5.

(a) A copy of all proposed mark-ups shall be supplied to the Executive Board of the Union.

(b) Two Union officers shall work on all mark-ups. Operators who are not at the mark-up and do not leave a written request, will then accept what is picked for them by said Union officials.

SECTION 6.

All runs not picked at a mark-up shall fall automatically to the equivalent number of operators at the foot of the list and will be assigned to said operators on a seniority basis until a newly hired operator is qualified, at which time the operator may pass the run down to the newly hired man. All runs shall not pay less than eight (8) hours platform time. No piece of a swing run shall be less than two (2) hours platform time. No more than five percent (5%) of the total runs shall be swing runs which shall start before 5:00 a.m. or end after 8:00 p.m. No swing runs shall have more than one unpaid break. Premium pay at the rate of half time for time worked in excess of the spread of ten and one half (10-1/2) hours shall be paid in addition to all their straight time and overtime payments.

SECTION 7.

Relief runs shall be make up of work comprising days off and all other classes of runs. Relief runs will comprise early runs, late runs, and other runs in that order.

SECTION 8.

Combination runs shall not comprise more than the number of days worked in the basic week, of which individual days may be made up of regular runs, swing runs, relief runs, as the case may be, and shall be paid in accordance with the classifications for the particular run worked on the individual days.

SECTION 9.

No assignment of work shall pay less than four (4) hours, provided, however, that one or more assignments of work may be assigned and paid for on the basis of actual hours worked in which event all intervening time must be paid at the regular rate of pay.

SECTION 10.

The use of the "Book" will be limited to six (6) operators per day. The Book cannot be used before or after to lengthen any vacations. Operators will be permitted to use the Book six (6) times a year, no more than one (1) day in any month. Operators who use the Book during their five (5) working days will not be allowed to work on their regular days off nor will be allowed to use the Book if they have worked on their regular days off. Operators using the Book must notify the dispatcher before 3:00 p.m. preceding the day they will be using the Book. No operator can mark off in the Book more than thirty (30) days in advance. Ten (10) operators will be allowed to use the Book on mark-ups and major holidays. Operators using the Book for the mark-up must make themselves available for work after their pick. Operators who make themselves available will not be charged for a Book use. Failure to be available for work will be charged as a Book use. Employees hired after April 14, 1986, may not make use of the book except with the approval of management.

SECTION 11.

All runs shall be called according to the clock in the dispatcher's office, prevailing time to govern. The calling time shall be ten (10) minutes previous to the starting time. A current list shall be hung in the dispatcher's office giving the time every run is called, the name of operators, run numbers and days assigned. Operators must have in their possession when on duty, a watch keeping the prevailing time.

SECTION 12.

Operators who miss their regular work day, on reporting will be available for work ahead of a day off man on the extra list. "Miss men" will report as soon as possible and must work whatever falls to them. If they do not receive a day's work on the first report, they must make a second report and work whatever falls to them.

Operators who miss their call time must report for work within one (1) hours of their call time. If they fail to do so, they will be considered to be a no report man and shall be subject to suspension from work. Any operator who fails to come to work at all, will be considered to be a "No-Show" employee and shall be subject to a severe suspension period or discharge. When miss men report for work, they will be assigned to the bottom of the extra list for that report and work whatever falls to them. They must make a second report if needed, and work whatever falls to them.

SECTION 13.

Operators who accumulated eight (8) misses in a one hundred and fifty (150) day period shall be suspended five working days and will not be permitted to work on their days off during the suspension period. Operators who accumulate eight (8) misses twice within a three hundred and sixty-five (365) day period shall be suspended ten working days and will not be permitted to work on their days off during the suspension period.

Operators who accumulate eight (8) misses three times within a period of eighteen months shall be discharged. All misses will be considered chargeable. Effective March 1, 1986, reference to eight (8) misses will be changed to five (5) misses.

SECTION 14.

Operators who "time sheet" a work assignment for being passed over, must make themselves available for a work assignment during the time period of the time-sheet work. Operators will not be required to work beyond the time of the time sheet assignment they were denied. Operators will not be required to work more than thirty (30) minutes beyond the "sheet time".

SECTION 15.

The Company shall meet with the Executive Board of the Union concerning the establishment of new work under consideration or new work to be bid upon. In the event the Company contemplates bidding on new work, the Company shall provide the Executive Board with copies of the information which was submitted to all interested bidders. This information will be supplied to the Executive Board as soon as possible after the Company receives same. In the event the Company and the Executive Board are able to agree upon a proposal for the bidding of new work, said agreement will be incorporated into the main agreement as a supplement thereto.

ARTICLE X

OVERTIME, REPORT AND TURN-IN TIME

SECTION 1.

All operators shall be paid overtime at the rate of time and one half.

- (a) For all platform hours worked in excess of the number of hours in the basic work week in any payroll week.
- (b) For all platform time in excess of eight (8) hours daily.
- (c) For all platform time outside the regularly scheduled hours of work of a run. This applies only to operators who have completed a regular run.
- (d) For all work on regular days off.
- (e) When a tripper is worked before or after a charter, when added to the charter makes a total of more than eight (8) hours, one and one half time will be paid for that part of the tripper which runs over eight (8) hours.

Provided the operator has completed their assignments for the five (5) regularly scheduled work days in the payroll week involved. This does not apply to an operator who may be properly excused, or is absent due to a documented illness, or who is absent due to a disciplinary suspension in that week.

SECTION 2.

Notwithstanding everything in Section 1 above to the contrary, all hours worked on a chartered bus shall be paid at the straight time rate.

When employees are away from their home terminal on overnight service, they shall receive reasonable expense money and said expense money shall be paid to such operator upon the presentation of claims thereof. Operators must present receipts to collect any expenses incurred.

SECTION 3.

Whenever an operator is marked for a charter on one of their regular working days, and the charter is cancelled, the operator shall have the option to be placed first for work on the extra list for that day. If not provided with seven or more consecutive hours of work for that day, and if the operator is an extra operator, they shall be the first man marked upon the next regular working day.

Whenever an operator is marked for a charter and the charter is cancelled, the operator will be paid a minimum of three hours pay if they make themselves available for other work. If they do not make themselves available for other work, they will be paid for actual time worked only.

SECTION 4.

Straight time or overtime shall not be paid twice for the same hours worked. In the event a work assignment which is given an employee exceeds the normal eight hour stint, the employee shall be required to complete said work assignment as per contract at stipulated overtime rates.

SECTION 5.

Operators who wish overtime work shall place their names on the daily overtime list, maintained by the dispatcher, no later than 6:00 p.m. on the previous night. The dispatcher will assign the overtime work on a rotating basis, according to the timeout sequence of the work.

If no operator on the overtime list is present and available when an overtime assignment is to be performed, the dispatcher will offer the job to any operator on the property on a rotating basis. If the job is not then filled, the dispatcher may then use any operator to do the work. All overtime will be distributed on a rotating basis.

Operators wishing work that comes in after 4:00 p.m. daily, must leave their names with the dispatcher no later than 4:00 p.m.

SECTION 6.

All regular operators and extra operators working regular runs shall be paid fifteen (15) minutes reporting time and five (5) minutes turning-in time at the straight time rate. Neither reporting time nor turning-in time shall be taken into consideration in the computation of overtime. Effective April 1, 1979, five (5) minutes turn-in time will be eliminated on all exact fare lines.

SECTION 7.

If the Company shall discontinue the use of the lock-type fare boxes, then the turn-in time shall become fifteen (15) minutes at the completion of the operator's work day.

ARTICLE XI

REGULAR, PART TIME AND EXTRA OPERATORS

SECTION 1.

(a) Notwithstanding any other provision of the collective bargaining agreement, the Company may employ part-time operators. The use of such part-time operators is subject to the restrictions and limitations imposed by this section. Part-time operators will only receive the pay and benefits specifically provided for in this section.

(b) The introduction of part-time operators is not intended to, and shall not, adversely affect the continued employment of all full-time operators by taking work away from full-time operators and transferring it to part-time operators. To accomplish this objective, no part-time operators shall work at a time when a full-time operator is on economic layoff (not employed by NJT Bus) and willing to work.

(c) No part-time operator shall work more than thirty (30) hours in any work week, except where unavoidably delayed on assignments which have been picked, or by weather breakdown on the last day worked. This limitation shall only refer to actual driving hours.

(d) Part-time operators may work up to ten percent (10%) of the scheduled platform hours per week. The determination of the amount of scheduled platform hours available to be worked by part-time operators will be based upon the total number of scheduled platform hours in each garage at the time of the general pick.

(e) If the Company adds on unscheduled extra pieces after the general pick, no more than twenty percent (20%) of the platform hours of such pieces shall be assigned to part-time employees.

(f) Part-time operators may work all charters, subject only to the provisions of subparagraph "c" above, and provided that there are no full-time operators in the garage who are assigned or who volunteer to work same.

(g) Part-time operators may be assigned to emergency work, subject only to the provisions of subparagraph "c" above and not subject to any daily limitations. An emergency is defined as any work which results from factors which could not have been anticipated.

(h) Part-time operators shall receive the same hourly rate as full-time operators, except:

1. The first step of progression for part-time operators will be 70% of the full-time operator's rate which will be in effect for the first 2,080 hours of work. This pertains to employees hired after July 1, 1989.
2. Thereafter, the regular operator's progression rate shall apply
3. For the purposes of calculating advancement in progression, 173.3 hours shall constitute a month's work.

(i) The probationary period for part-time operators shall be 520 hours.

(j) Part-time operators shall be entitled to, and covered by, the contract provisions of Union membership and check-off on a non-discriminatory basis, and the grievance procedure after completion of the probationary period. In calculating the 72-hour notice period for discipline for part-timers, the days a part-timer does not work will not be included in the computation of the 72 hours.

(k) Part-time operators will not accrue seniority except within the unit of part-time operators. This seniority will apply when reducing part-time forces.

(l) Retired bus operators will be given consideration in the hiring of part-time operators. All of the provisions of this section will be applicable to retired operators hired as part-time operators, except that their starting hourly rate will be eighty-one and one-half percent (81-1/2%) of the full-time operator's rate.

(m) Part-time operators will be furnished free transportation service on all regular-route operations of NJ TRANSIT Mercer Inc.

(n) Part-time operators will be supplied an initial uniform and shall receive a uniform allowance after the completion of 2,080 hours.

(o) The Company's right to use part-time operators shall terminate if repeated proven violations of the limitations contained in this section occur and continue to occur following written notice of the nature and approximate dates of such violations delivered to the General Manager of the Company by the Union. If a bona-fide dispute arises concerning the occurrence of such violations alleged to have been repeated, the matter may be submitted directly to arbitration at the request of either party pursuant to the applicable terms of this agreement.

(p) Part-time operators are entitled to delay time, at straight time rate.

(q) The provisions of Section 3 of Article XVI, "Street Reliefs", shall apply to part-time operators.

SECTION 2.

Extra operators not assigned to regular runs will make two (2) reports for work in compliance with report sheets which will be posted in the dispatcher's office. A report sheet shall be posted no later than 10:00 a.m. for the second report of that day. Extra operators will rotate on the seniority list but will not lose their places on the list if assigned less than seven (7) consecutive hours of work.

SECTION 3.

Any operator finishing work after 12:00 midnight but before 3:00 a.m. shall not be required to report until the second report. Any operator finishing work after 3:00 a.m., shall not be required to report for work before 4:00 p.m.

SECTION 4.

Any operator affected by the above provision must inform the dispatcher on duty that they will or will not make the morning report. If they say they will make the morning report and fail to do so, they shall be considered a "miss operator". If they say they will not make the morning report, they shall lose their seniority

on the list for that report.

SECTION 5.

Any extra operators who work a piece of work seven (7) hours or more which starts one day and finishes after 8:00 a.m. the next day, shall not be required to report that day. Any such operator shall not suffer any loss of weekly guarantee because of this clause.

SECTION 6.

An operator while on report shall be paid straight time rate starting at the scheduled report time until they are excused or assigned work.

SECTION 7.

All extra operators answering a report must remain in operator's room until they are assigned work or excused for that report.

SECTION 8.

All extra operators who report on time and complete assignments of work on their regular scheduled days of work, shall be guaranteed forty (40) hours pay for a five (5) day payroll week.

Extra operators who miss call time, mark off sick, fail to report at all, request to be excused from work and the request is granted, put their name in the book, or fail to complete five scheduled days of work in the five day payroll week, will not be covered by the 40 hour guarantee.

SECTION 9.

(a) All extra work shall be rotated among extra operators. All runs must be called on time, and all operators must report in person to the Dispatcher for their work no later than their call time. If they fail to do so, their work will be given to an extra man. All operators must report at the dispatcher's window by their call time.

(b) Any member other than Maintenance Department of the Union who has been off sick must report on before 3:00 p.m. in order to be assigned to work on the following day. Any member of the Union that goes to work at 3:00 p.m. or later must report on before 10:00 a.m. the following morning. A doctor's certificate certifying the employee's physical fitness to return to work may be required. Management shall have the right to send an employee to a doctor chosen by the employee from the management's assigned list of doctors.

When management deems it necessary, members of the Union reporting back on for work from the sick list cannot work on their days off the week they report back on.

(c) All operators suspended who have been reinstated must be reported as available for work by management; however, such report shall not be withheld once a suspension is terminated.

SECTION 10.

A list shall be hung in the dispatcher's office not later than 6:00 p.m., designating the operators marked off and the names of the extra operators marked up to work for the same. The operators marked up for the runs shall report when runs are called. Extra operators will report at call time.

SECTION 11.

A day's work of seven (7) hours, but not more than eleven (11) hours, whenever possible, will be placed at the top of the available extra list. The dispatcher shall, when possible, hook consecutive pieces of work together to make a day's work, which shall be dispatched according to time sequence to the top senior man on the extra list for that day.

If there are no consecutive pieces available, the Company may assign non-consecutive pieces, which shall be dispatched according to time sequence, to the top senior man on the extra list for the day.

SECTION 12.

The Company agrees that non-assigned overtime hours do not apply against the guarantee on extra board operators.

SECTION 13.

When extra operators are assigned a regular run and such other work connected with it on a particular day, they shall on such day be listed as a regular operator if they make the proper reports.

SECTION 14.

Extra operators or regular operators wishing to take off or wishing to be held over must notify the Company at least one (1) hour before the time of reporting at the dispatcher's office in person, and in such cases, providing they would otherwise have received a day's work, they shall forfeit their places and take seniority places on the list the same as if they had worked. All extra operators and regular operators when asking to be held over will work whatever falls to them for the report. Idle time pay for operators desiring to be held over shall not begin until 1 hour and 30 minutes after the time of reporting at the dispatcher's office. A hold-over operator will go to work before an overtime operator is used.

SECTION 15.

A complaint relating to a run or tripper being continually late, shall be made in writing to the Company by the Union and the Company will make a check and notify the Union of the result of the check.

ARTICLE XII
VACATIONS

SECTION 1.

The Company agrees that during the period of this Agreement, all members of the Union who have been continuously employed by the Company for period of thirty (30) years or more shall receive a vacation of six (6) weeks with pay; all members of the Union who have been continuously employed by the Company for a period of eighteen (18) years or more, but less than thirty (30) years, shall receive a vacation of five (5) weeks with pay; all members of the Union who have been continuously employed by the Company for a period of twelve (12) years or more, but less than eighteen (18) years, shall receive a vacation of four (4) weeks with pay; all members of the Union who have been continuously employed by the Company for a period of five (5) years or more, but less than twelve (12) years, shall receive a vacation of three (3) weeks with pay; all members of the Union who have been continuously employed by the Company for a period of two (2) years or more, but less than five (5) years, shall receive a vacation of two (2) weeks with pay; and all members of the Union who have been continuously employed by the Company for one (1) year or more but less than two (2) years, shall receive a vacation of one (1) week with pay. Any member of the Union to be entitled to vacation with pay must be employed by the Company at the time the vacation falls due and shall have worked not less than one hundred fifty (150) days in the twelve month period preceding the anniversary date of employment, except where failure to do so results from illness or Union business.

SECTION 2.

Vacation pay shall be computed as follows: For regular operators to the number of hours their run calls for that they have at the time the vacation falls due.

For all other operating members of the Union, not less than forty (40) hours per week. In the salary departments, all members of the Union shall receive their normal salary as their vacation pay.

For garage employees: 40 hours per week, provided, however, that employees as of April 15th in any year shall have had fifteen (15) years of continuous employment or more shall be paid for forty-six (46) hours per week of vacation. This section pertaining to forty-six (46) hours vacation pay shall not apply to employees hired after July, 1963.

All vacation hours will be paid at straight time.

All vacations shall coincide with the pay week beginning Saturday and ending Friday. All vacation money shall be paid before the vacation starts.

All operating members of the Union hired after April 14, 1986 shall receive vacation pay based upon forty (40) hours per week at straight time.

SECTION 3.

All vacation will be taken between the first Sunday in April when the vacation is due and the first Sunday in April of the following year.

SECTION 4.

The amount of vacation pay due to employees shall not be reduced because they shall also receive funeral pay or payment under any medical temporary disability or Workmen's Compensation Policy and it is specifically agreed that they shall receive both their vacation pay and any of the aforementioned payments if they would have been entitled to the same had they not been on vacation. Additionally, they shall receive in addition to their vacation pay, any holiday pay which may become payable during the period of time while they are on vacation.

SECTION 5.

Any employee whose vacation falls due, when said employee is on sick leave, may at their option, have their vacation cancelled for the purpose of not losing any sick benefits afforded said employee. If employee(s) opts to cancel their vacation during sick leave, then upon returning to work, employee(s) may pick any week(s) that are open. In the event there are no weeks available, the Company will make an endeavor to allow an additional employee off, prime weeks to be excluded in this instance. Prime weeks to be defined as weeks where the maximum employees are on vacation. In the event more than one employee is involved at the same time, the picking of said vacation will be on the seniority basis.

SECTION 6.

Employees wishing to change their vacations must give notice of the desired change thirty (30) days prior to the beginning of the vacation. There will be no automatic changes. All changes will be at Management's discretion.

ARTICLE XIII

PAID HOLIDAYS

SECTION 1.

The following days shall be observed as holidays in all departments: New Year's Day, Martin Luther Kings' Birthday, Washington's Birthday, Good Friday, Memorial Day, July 4th, Labor Day, Columbus Day, Thanksgiving Day, Day After Thanksgiving, Christmas Day, Employee's Birthday, and one (1) Personal Holiday. The Personal Holiday will be picked at the time vacations are picked in March of each year. Employees hired after the March vacation pick will be allowed to pick a Personal Holiday after becoming members of the Union.

(a.) Any garage employee who has selected a Personal Holiday and so desired to use this Personal Holiday against the loss of a Sick Day within the same payroll work week may do so upon a written request to the Superintendent of Maintenance; however, it cannot be used to extend the Holiday, long weekend, or vacation, either in the front or in the back.

(b.) Operators desiring to have off on their Personal Holiday or Birthday must notify the Dispatcher before 3:00 p.m. the day before the holiday.

SECTION 2.

Any member of the Union performing work on any of the aforementioned holidays shall be paid in addition to the pay for the holiday, the applicable rate of pay for the work performed including premium time as provided in this Agreement.

(a.) Time and one-half will be paid for all work performed on six (6) major holidays. Major holidays are: Christmas, New Year's Day, Memorial Day, July 4th, Labor Day and Thanksgiving.

The above is in addition to the eight hour holiday pay.

SECTION 3.

(a.) All observed holidays in this contract shall be paid holidays at the rate of eight (8) hours straight time pay.

(b.) To be eligible for a paid holiday, members of the Union must work their last scheduled day of work before the holiday, and their first scheduled day of work after the holiday.

Any member scheduled to work who reports off sick the day before a paid holiday, or on the paid holiday, or the day after the paid holiday, will not be eligible for the holiday pay except when a member suffers physical injury verified by a doctor's certificate or hospital report or any union official off for official union business.

Any employee who is relieved or excused for any portion of their scheduled work day before or scheduled day of work after the Holiday will be paid only in proportion for the Holiday for only those hours actually worked the scheduled day before or day after the Holiday. Any employee who does not complete their scheduled work day on a paid Holiday will receive Holiday pay only for those hours actually worked. Any employee excused their scheduled day before or scheduled day after, or scheduled day of the Holiday will not be paid the Holiday.

Any employee who reports late for work on a Holiday and catches a run will be paid for the Holiday.

(c.) When a holiday falls on a member's day off, during their vacation, while on funeral leave or receiving payments under a medical, temporary disability or Workmen's Compensation Policy, or has been off sick for three or more days, shall nevertheless receive the holiday pay as aforesaid.

Any employee using the book the day before a holiday or the day after the holiday will forfeit the holiday pay.

(d.) Operators who picked runs that do not work on a paid holiday, will be paid eight (8) hour holiday pay if they comply with the rules outlined in this Section 3.

(e.) Salaried employees whose job does not work on a paid holiday, will be paid their regular weekly salary if they comply with the rules outlined in this Section 3.

(f.) Garage employees whose job does not work on a paid holiday, will be paid the eight (8) hour

holiday pay, if they comply with the rules outlined in this Section 3.

(g.) Any member of the Union scheduled to work on a paid holiday who fails to report for work on that day, shall forfeit the eight (8) hour holiday pay.

(h.) Any member of the Union under suspension will not be eligible to any holiday pay during the period of suspension.

If an employee is suspended the day before or the day after a holiday and the suspension is regulated under Article IV Section 8 of this Agreement, they will be paid for the holiday.

If an employee is suspended and the holiday is part of the suspension, the employee will not receive the holiday pay.

(i.) To be eligible for any holiday pay, employees must be members in good standing with the Union.

(j.) All holidays falling on Sunday shall be observed on Monday and the day of observance shall be the paid holiday. If a holiday falls on a Saturday, it will be observed on Friday and the day of observance shall be the paid holiday.

(k.) Each employee shall be paid for their sixty-fifth (65th) birthday.

ARTICLE XIV

MILITARY SERVICE

All members of the Union who are called back to military service or drafted into any branch of the military service of the United States shall retain all seniority while in such service provided the member does not re-enlist of their own volition.

ARTICLE XV

JURY DUTY AND FUNERAL LEAVE

SECTION 1.

All members of the Union, while called upon to serve in the Federal, State, County or Municipal Court, shall be reimbursed by the Company for any difference between the compensation received for jury service and the pay the employee would have earned for their regularly scheduled assignment.

SECTION 2.

In the event of a death in the immediate family of any employee, the immediate family being defined as the employee's spouse or children, parents, brothers or sisters, father-in-law, mother-in-law, grandparents, and grandchildren, the employee shall be granted a three (3) day leave with pay at a rate of eight (8) hours per day at the prevailing hourly rate. The three (3) day leave of absence shall include the day of the funeral and either the two (2) days prior thereto or the two (2) days subsequent thereto.

SECTION 3.

All periods of funeral leave shall be paid to employees in addition to any holiday pay, vacation pay, or period when they are receiving payments under any medical, temporary disability or Workmen's Compensation Policy, which may otherwise be due for the same period.

ARTICLE XVI

STREET RELIEFS

SECTION 1.

All runs on all divisions shall have the early straight run relieved at a point designated by the Company.

SECTION 2.

On Sundays and holidays operating on a Sunday scheduled or after 6:00 p.m. on weekdays, all runs will start and terminate at the garage on East State Street.

SECTION 3.

An operator required to start an assignment at a point other than the garage or complete an assignment at a point other than the garage will be paid fifteen (15) minutes travel time in each direction.

SECTION 4.

If an operator is not relieved at the designated relief point, the operator shall continue to the end of the line after notifying the dispatcher. If still not relieved, the operator shall only be required to return the bus to the garage or to a designated relief point on route to the garage.

ARTICLE XVII

LOST ARTICLES

All employees finding any lost articles on buses must turn over the items to the dispatcher on duty, (specifying the amount of cash, if any). The dispatcher shall issue the employee a numbered receipt. Lost articles not claimed by owners within sixty (60) days shall be deemed to be the property of the person finding same. Management will not be responsible for any lost articles not claimed after (60) days.

ARTICLE XVIII

DRESS CODE

SECTION 1.

When operators are on duty, they must have their badge with them and work in such a way that makes the badge readily visible to the public. Operators, when engaged in service, shall display the Company issued identification plate in holder in vehicle. Operators can use either employee number or name.

SECTION 2.

Clothing worn by the operators must be neat and clean. The Company will provide each operator with a uniform jacket, two trousers, three summer shirts, two winter shirts, a hat and a tie. Effective 4/1/98, the annual replacement upkeep allowance shall be \$350.00, three hundred dollars (\$300.00) of which will be in the form of a voucher. Any employee currently receiving a uniform shall be entitled to a uniform allowance one year after issuance, provided that at the time of payment of the allowance, the employee is still required to be in uniform. Operators will be required to wear their uniform while on duty. If a hat is worn, it must uniform issue. Sneakers are not to be worn. Shoes worn must not interfere with the safe operation of the bus because of the extreme styling of the shoes.

A new employee, or an employee who was never issued a uniform, who becomes a Salaried Employee required to wear a uniform, between January 1st and March 31st of any year, will be issued a full uniform and will receive the appropriate upkeep allowance on April 1st of the following year.

A new employee, or an employee who was never issued a uniform, who becomes a Salaried employee required to wear a uniform between January 1st and March 31st of any year, will be issued a full uniform, but will not be eligible for the upkeep allowance until one (1) year from April 1st of the current year.

ARTICLE XIX

ACCIDENT REPORTS

SECTION 1.

Unless injury prevents, employees must make out proper accident reports at the completion of their day's work.

Employees shall be allowed twenty (20) minutes for making out each accident or witness report. Employees shall be paid actual time with a minimum of fifteen (15) minutes and a maximum of sixty (60) minutes for all statements to Risk Management Department Investigators.

SECTION 2.

Any employee injured on the job necessitating loss of time shall be paid in full for the day the injury occurred providing a proper report is filed.

SECTION 3.

When members of the Union are summoned into court as the result of an accident while driving equipment owned in whole or in part by the Company, they will be suitably represented at such hearing.

SECTION 4.

When any member of the Union is subpoenaed to appear in court as the result of the accident, or any incident on or near the vehicle owned in whole or in part by the Company, provided the incident directly involves the individual or the vehicle, the member shall be paid their regular rate of pay for eight (8) hours provided the dispatcher is called to see if the member is needed upon finishing in court.

SECTION 5.

(a.) When a member received a traffic summons, while driving a vehicle owned in whole or in part by the Company, as the result of faulty or inadequate equipment on the vehicle, the Company will defend the member in court and will pay any fines and costs imposed.

(b.) When members have their driver's license suspended or revoked because all of the points accumulated against their driver's license were received while driving faulty or inadequate equipment owned in whole or in part by the Company, the Company will employ the member on the property until the license is restored.

(c.) An employee whose regular or special driving license is revoked or suspended will be given first consideration for employment before the hiring of new or additional personnel, providing the individual qualifies for the position.

A New Jersey driver's license will not be required of employees whose job classification does not normally require the operation of Company vehicles on the street. Employees whose duties require operating vehicles off the property will be required to have a valid New Jersey driver's license in their possession at all times.

(d.) Members of the Union who are required to possess a valid New Jersey driver's license, or Special Bus driver's license, or both, as a condition of their employment with NJ TRANSIT Mercer, Inc., will not be retained as employees if they are unable to perform their duties because of not having a New Jersey driver's license or Special Bus driver's license, or both.

ARTICLE XX

WAGE RATES

EMPLOYEES HIRED BEFORE OCTOBER 3, 1985

SECTION 1.

During the term of this Agreement the following wage rates shall apply.

GROUP III

| 07/03/99 | 01/01/00 | 07/01/00 | 01/06/01 | 07/07/01 | 01/05/02 |
|----------|----------|----------|----------|----------|----------|
| 18.36 | 18.65 | 18.89 | 19.13 | 19.37 | 19.61 |

GROUP IV

| 07/03/99 | 01/01/00 | 07/01/00 | 01/06/01 | 07/07/01 | 01/05/02 |
|----------|----------|----------|----------|----------|----------|
| 17.78 | 18.06 | 18.29 | 18.52 | 18.75 | 18.98 |

EMPLOYEES HIRED BEFORE JULY 19, 1998

BUS OPERATORS

| | | 07/03/99 | 01/01/00 | 07/01/00 | 01/06/01 | 07/07/01 | 01/05/02 |
|------------------------|---------|----------|----------|----------|----------|----------|----------|
| FIRST 3 MONTHS SERVICE | 80.00% | \$14.62 | \$14.86 | \$15.06 | \$15.26 | \$15.46 | \$15.66 |
| 3 MONTHS TO 6 MONTHS | 83.00% | 15.17 | 15.42 | 15.63 | 15.84 | 16.04 | 16.25 |
| 6 MONTHS TO ONE YEAR | 87.00% | 15.90 | 16.16 | 16.38 | 16.60 | 16.82 | 17.03 |
| ONE YEAR TO 18 MONTHS | 90.00% | 16.45 | 16.72 | 16.95 | 17.17 | 17.40 | 17.62 |
| 18 MONTHS TO 2 YEARS | 92.00% | 16.82 | 17.09 | 17.32 | 17.55 | 17.78 | 18.01 |
| TWO YEARS TO 30 MONTHS | 95.00% | 17.37 | 17.65 | 17.89 | 18.13 | 18.36 | 18.60 |
| 30 MONTHS TO 3 YEARS | 97.00% | 17.73 | 18.02 | 18.27 | 18.51 | 18.75 | 18.99 |
| THEREAFTER | 100.00% | 18.28 | 18.58 | 18.83 | 19.08 | 19.33 | 19.58 |

[OPERATORS WHEN PERFORMING THE DUTIES OF A DRIVING INSTRUCTOR SHALL RECEIVE THE SUM OF FIFTY CENTS (\$0.50) PER HOUR IN ADDITION TO THE REGULAR HOURLY RATE]

EMPLOYEES HIRED BEFORE JULY 19, 1998

GROUP I SPECIALISTS

| | | 07/03/99 | 01/01/00 | 07/01/00 | 01/06/01 | 07/07/01 | 01/05/02 |
|------------------------|---------|----------|----------|----------|----------|----------|----------|
| FIRST 3 MONTHS SERVICE | 80.00% | \$16.23 | \$16.49 | \$16.70 | \$16.92 | \$17.14 | \$17.35 |
| 3 MONTHS TO 6 MONTHS | 83.00% | 16.84 | 17.11 | 17.33 | 17.55 | 17.78 | 18.00 |
| 6 MONTHS TO ONE YEAR | 87.00% | 17.65 | 17.93 | 18.17 | 18.40 | 18.64 | 18.87 |
| ONE YEAR TO 18 MONTHS | 90.00% | 18.26 | 18.55 | 18.79 | 19.04 | 19.28 | 19.52 |
| 18 MONTHS TO 2 YEARS | 92.00% | 18.67 | 18.96 | 19.21 | 19.46 | 19.71 | 19.95 |
| TWO YEARS TO 30 MONTHS | 95.00% | 19.28 | 19.58 | 19.84 | 20.09 | 20.35 | 20.61 |
| 30 MONTHS TO 3 YEARS | 97.00% | 19.68 | 19.99 | 20.25 | 20.52 | 20.78 | 21.04 |
| THEREAFTER | 100.00% | 20.29 | 20.61 | 20.88 | 21.15 | 21.42 | 21.69 |

GROUP I

| | | 07/03/99 | 01/01/00 | 07/01/00 | 01/06/01 | 07/07/01 | 01/05/02 |
|------------------------|---------|----------|----------|----------|----------|----------|----------|
| FIRST 3 MONTHS SERVICE | 80.00% | \$15.45 | \$15.69 | \$15.89 | \$16.09 | \$16.29 | \$16.49 |
| 3 MONTHS TO 6 MONTHS | 83.00% | 16.03 | 16.28 | 16.48 | 16.69 | 16.90 | 17.11 |
| 6 MONTHS TO ONE YEAR | 87.00% | 16.80 | 17.06 | 17.28 | 17.50 | 17.71 | 17.93 |
| ONE YEAR TO 18 MONTHS | 90.00% | 17.38 | 17.65 | 17.87 | 18.10 | 18.32 | 18.55 |
| 18 MONTHS TO 2 YEARS | 92.00% | 17.77 | 18.04 | 18.27 | 18.50 | 18.73 | 18.96 |
| TWO YEARS TO 30 MONTHS | 95.00% | 18.34 | 18.63 | 18.87 | 19.10 | 19.34 | 19.58 |
| 30 MONTHS TO 3 YEARS | 97.00% | 18.73 | 19.02 | 19.26 | 19.51 | 19.75 | 19.99 |
| THEREAFTER | 100.00% | 19.31 | 19.61 | 19.86 | 20.11 | 20.36 | 20.61 |

EMPLOYEES HIRED BEFORE JULY 19, 1998

GROUP 1 SPECIALISTS, OR ANY OTHER GARAGE EMPLOYEES, WHEN PERFORMING THE DUTIES OF AN INSTRUCTOR SHALL RECEIVE THE SUM OF FIFTY CENTS (\$0.50) PER HOUR IN ADDITION TO EMPLOYEE'S SPECIFIED HOURLY RATE.

| 40 HOURS | 07/03/99 | 01/01/00 | 07/01/00 | 01/06/01 | 07/07/01 | 01/05/02 |
|--------------------|----------|----------|----------|----------|----------|----------|
| DISPATCHER A | \$820.56 | \$833.40 | \$844.14 | \$854.88 | \$865.62 | \$876.36 |
| DISPATCHER B | \$820.56 | \$833.40 | \$844.14 | \$854.88 | \$865.62 | \$876.36 |
| DISPATCHER C | \$820.56 | \$833.40 | \$844.14 | \$854.88 | \$865.62 | \$876.36 |
| UTILITYMAN | \$820.56 | \$833.40 | \$844.14 | \$854.88 | \$865.62 | \$876.36 |
| GARAGE PARTS CLERK | \$772.49 | \$784.58 | \$794.69 | \$804.80 | \$814.91 | \$825.02 |
| | | | | | | |
| 35 HOURS | 07/03/99 | 01/01/00 | 07/01/00 | 01/06/01 | 07/07/01 | 01/05/02 |
| SECRETARY | \$563.49 | \$572.31 | \$579.69 | \$587.07 | \$594.45 | \$601.83 |
| SENIOR CLERK I | 594.34 | 603.64 | 611.42 | 619.20 | 626.98 | 634.76 |
| SENIOR CLERK II | 533.61 | 541.96 | 548.95 | 555.94 | 562.93 | 569.92 |
| GENERAL CLERK | 505.49 | 513.40 | 520.02 | 526.64 | 533.26 | 539.88 |

A Salaried Employee when performing the duties of an Instructor shall receive the sum of fifty cents (\$0.50) per hour in addition to the employee's specified salary. If two or more employees in the Salaried Department perform instruction at the same, the senior such employee shall receive the additional fifty cents (\$0.50) per hour.

EMPLOYEES HIRED AFTER OCTOBER 3, 1985

GROUP III

| 07/03/99 | 01/01/00 | 07/01/00 | 01/06/01 | 07/07/01 | 01/05/02 |
|----------|----------|----------|----------|----------|----------|
| 11.37 | 11.55 | 11.70 | 11.85 | 12.00 | 12.15 |

GROUP IV

| 07/03/99 | 01/01/00 | 07/01/00 | 01/06/01 | 07/07/01 | 01/05/02 |
|----------|----------|----------|----------|----------|----------|
| 10.51 | 10.67 | 10.81 | 10.95 | 11.09 | 11.23 |

EMPLOYEES HIRED AFTER JULY 19, 1998

BUS OPERATORS

| | | 07/03/99 | 01/01/00 | 07/01/00 | 01/06/01 | 07/07/01 | 01/05/02 |
|------------------------|---------|----------|----------|----------|----------|----------|----------|
| FIRST 6 MONTHS SERVICE | 60.00% | \$10.97 | \$11.15 | \$11.30 | \$11.45 | \$11.60 | \$11.75 |
| 7 MONTHS TO 12 MONTHS | 65.00% | 11.88 | 12.08 | 12.24 | 12.40 | 12.56 | 12.73 |
| 13 MONTHS TO 24 MONTHS | 70.00% | 12.80 | 13.01 | 13.18 | 13.36 | 13.53 | 13.71 |
| 25 MONTHS TO 36 MONTHS | 75.00% | 13.71 | 13.94 | 14.12 | 14.31 | 14.50 | 14.69 |
| 37 MONTHS TO 48 MONTHS | 80.00% | 14.62 | 14.86 | 15.06 | 15.26 | 15.46 | 15.66 |
| 49 MONTHS TO 60 MONTHS | 90.00% | 16.45 | 16.72 | 16.95 | 17.17 | 17.40 | 17.62 |
| THEREAFTER | 100.00% | 18.28 | 18.58 | 18.83 | 19.08 | 19.33 | 19.58 |

[OPERATORS WHEN PERFORMING THE DUTIES OF A DRIVING INSTRUCTOR SHALL RECEIVE THE SUM OF FIFTY CENTS (\$0.50) PER HOUR IN ADDITION TO THE REGULAR HOURLY RATE]

EMPLOYEES HIRED AFTER JULY 19, 1998

GROUP I SPECIALISTS

| | | 07/03/99 | 01/01/00 | 07/01/00 | 01/06/01 | 07/07/01 | 01/05/02 |
|------------------------|---------|----------|----------|----------|----------|----------|----------|
| FIRST 6 MONTHS SERVICE | 60.00% | \$12.17 | \$12.37 | \$12.53 | \$12.69 | \$12.85 | \$13.01 |
| 7 MONTHS TO 12 MONTHS | 65.00% | 13.19 | 13.40 | 13.57 | 13.75 | 13.92 | 14.10 |
| 13 MONTHS TO 24 MONTHS | 70.00% | 14.20 | 14.43 | 14.62 | 14.81 | 14.99 | 15.18 |
| 25 MONTHS TO 36 MONTHS | 75.00% | 15.22 | 15.46 | 15.66 | 15.86 | 16.07 | 16.27 |
| 37 MONTHS TO 48 MONTHS | 80.00% | 16.23 | 16.49 | 16.70 | 16.92 | 17.14 | 17.35 |
| 49 MONTHS TO 60 MONTHS | 90.00% | 18.26 | 18.55 | 18.79 | 19.04 | 19.28 | 19.52 |
| THEREAFTER | 100.00% | 20.29 | 20.61 | 20.88 | 21.15 | 21.42 | 21.69 |

GROUP I

| | | 07/03/99 | 01/01/00 | 07/01/00 | 01/06/01 | 07/07/01 | 01/05/02 |
|------------------------|---------|----------|----------|----------|----------|----------|----------|
| FIRST 6 MONTHS SERVICE | 60.00% | \$11.59 | \$11.77 | \$11.92 | \$12.07 | \$12.22 | \$12.37 |
| 7 MONTHS TO 12 MONTHS | 65.00% | 12.55 | 12.75 | 12.91 | 13.07 | 13.23 | 13.40 |
| 13 MONTHS TO 24 MONTHS | 70.00% | 13.52 | 13.73 | 13.90 | 14.08 | 14.25 | 14.43 |
| 25 MONTHS TO 36 MONTHS | 75.00% | 14.48 | 14.71 | 14.90 | 15.08 | 15.27 | 15.46 |
| 37 MONTHS TO 48 MONTHS | 80.00% | 15.45 | 15.69 | 15.89 | 16.09 | 16.29 | 16.49 |
| 49 MONTHS TO 60 MONTHS | 90.00% | 17.38 | 17.65 | 17.87 | 18.10 | 18.32 | 18.55 |
| THEREAFTER | 100.00% | 19.31 | 19.61 | 19.86 | 20.11 | 20.36 | 20.61 |

EMPLOYEES HIRED AFTER JULY 19, 1998

GROUP 1 SPECIALISTS, OR ANY OTHER GARAGE EMPLOYEES, WHEN PERFORMING THE DUTIES OF AN INSTRUCTOR SHALL RECEIVE THE SUM OF FIFTY CENTS (\$0.50) PER HOUR IN ADDITION TO EMPLOYEE'S SPECIFIED HOURLY RATE.

| 40 HOURS | 07/03/99 | 01/01/00 | 07/01/00 | 01/06/01 | 07/07/01 | 01/05/02 |
|--------------------|----------|----------|----------|----------|----------|----------|
| DISPATCHER A | \$820.56 | \$833.40 | \$844.14 | \$854.88 | \$865.62 | \$876.36 |
| DISPATCHER B | \$820.56 | \$833.40 | \$844.14 | \$854.88 | \$865.62 | \$876.36 |
| DISPATCHER C | \$820.56 | \$833.40 | \$844.14 | \$854.88 | \$865.62 | \$876.36 |
| UTILITYMAN | \$820.56 | \$833.40 | \$844.14 | \$854.88 | \$865.62 | \$876.36 |
| GARAGE PARTS CLERK | \$772.49 | \$784.58 | \$794.69 | \$804.80 | \$814.91 | \$825.02 |

| 35 HOURS | 07/03/99 | 01/01/00 | 07/01/00 | 01/06/01 | 07/07/01 | 01/05/02 |
|-----------------|----------|----------|----------|----------|----------|----------|
| SECRETARY | \$563.49 | \$572.31 | \$579.69 | \$587.07 | \$594.45 | \$601.83 |
| SENIOR CLERK I | 594.34 | 603.64 | 611.42 | 619.20 | 626.98 | 634.76 |
| SENIOR CLERK II | 533.61 | 541.96 | 548.95 | 555.94 | 562.93 | 569.92 |
| GENERAL CLERK | 505.49 | 513.40 | 520.02 | 526.64 | 533.26 | 539.88 |

SECTION 2.

During the term of this Agreement the following wage rates shall apply to all employees hired on or after October 3, 1985, and before Date of Ratification. The indicated percentages below shall be applied to the wage rate in effect at the time for the employee's classification to determine the applicable wage rate:

| | |
|---|------|
| For 1 to 3 months of employment | 80% |
| For 3 to 6 months of employment | 83% |
| For 6 to 12 months of employment | 87% |
| For 12 to 18 months of employment | 90% |
| For 18 to 24 months of employment | 92% |
| For 24 to 30 months of employment | 95% |
| For 30 to 36 months of employment | 97% |
| After 36 months | 100% |

For employees hired on or after July 22, 1998, progression will be as follows:

| | |
|---|------|
| For 1 to 6 months of employment | 60% |
| For 7 to 12 months of employment | 65% |
| For 13 to 24 months of employment | 70% |
| For 25 to 36 months of employment | 75% |
| For 37 to 48 months of employment | 80% |
| For 49 to 60 months of employment | 90% |
| Thereafter | 100% |

Part-time operators shall receive the same hourly rate as full-time operators, except:

- a.) The first step of progression for part-time operators hired after July 1, 1989, but before date of ratification, will be 70% of the full-time operators rate which will be in effect for the first 2.080 hours of work. Thereafter, the regular operators progression in effect for the July 1, 1993 through June 30, 1996 contract shall apply.
- b.) The applicable progression rate for part-time operators hired on or after the date of ratification shall be the progressive rate which would be applicable to a regular operator hired on the date that the part-time operator is hired.
- c.) For the purposes of calculating advancement in progression, 173.3 hours shall constitute a month's work.

SECTION 3.

The work week for most salaried employees will be five (5) consecutive days, eight (8) hours per day. Certain salaried employees will have split days off. Salaried employees must work forty (40) hours per week to be eligible for overtime at time and one-half. It is also agreed that certain salaried employees working a thirty-five (35) hour week will continue to work a thirty-five (35) hour week.

- (a) Salaried employees will receive comparable hourly increases. In addition, salaried employees will receive benefits which have been negotiated for hourly employees. The amount of wages computed in accordance with the aforementioned provisions shall be as follows in each of the cases enumerated.
- (b) Overtime work for salaried employees shall be dispensed according to seniority and be assigned to the employees in that department so affected. Employees must be qualified, this will not affect the assignment of Utility employees.
- (c) In the event of a layoff, recall shall be by virtue of seniority within the salaried division.
- (d) Salaried employees, if booked for work and work is cancelled before the employee leaves home, the employee is to be paid one (1) hour.

ARTICLE XXI

GARAGE EMPLOYEES LAYOFFS AND PROMOTIONS

SECTION 1.

Any language in the preceding sections relating to the grievance procedure or disciplinary matters wherein there is a reference to the Superintendent of Transportation or representative shall be construed to read the Superintendent of Maintenance whenever such sections are to be applied to garage employees.

SECTION 2.

Seniority of garage employees will prevail with respect to the layoff of employees because of insufficient work, or re-employment of employees, provided, however, that such employees are qualified for the work to be performed. In the event of a layoff, recall shall be by virtue of seniority within the garage.

SECTION 3.

Seniority shall be used in the selection of consecutive days off, shifts and jobs. When new positions are created in any group, the positions shall be posted within seventy-two (72) hours and remain posted on the

bulletin board for a minimum period of three (3) working days, and a maximum period of five (5) working days, Saturdays, Sundays and holidays excluded. All employees shall be eligible.

In the event that a realignment of the work force is needed, all positions will be posted on the board in the form of a single sheet.

This procedure must be completed within five (5) working days.

SECTION 4.

Seniority and qualifications shall prevail in filling all vacancies in any single group, and the Union's representative shall be consulted before final disposition is made.

SECTION 5.

An employee who is temporarily filling a vacancy in the Group 4 or Group 3 classification shall have a minimum trial period of thirty (30) days to prove the ability to fill the vacancy, following which they will either fill the vacancy permanently or revert to their former classification and must remain in that position for a minimum of one (1) year. However, they will be permitted to pick another job in Group 3 or 4 classification when a vacancy occurs.

(a.) Employees promoted to any Group 1-Specialists or Group 1 classifications, shall pass an examination ninety (90) days after such promotion, to determine their aptitude and ability to perform the above classification work. Employees failing such examination, shall be moved back to their former position for a minimum of six (6) months, before being allowed to pick into a higher classification.

(b) If an employee hired after ratification of this agreement fails to prove their qualifications for a position they will be barred from further promotion to that position unless they submit to the Company a certification of completion of an outside course of instruction in automotive skills and/or technology which indicate that their skills have been enhanced.

SECTION 6.

Any garage employee who has been laid off and who is called back to a job or group that they have held before, or who bids on a job that they have filled before, shall get the hourly rate of the job immediately.

SECTION 7.

When the number of employees in any group is depleted, the Company will give careful consideration to any applicant already in the employ of the Company before hiring anyone from the outside.

SECTION 8.

(a.) Effective October 9, 2001, the Company will provide an annual tool allowance of \$300.00 to each mechanic with one or more years of service. Garage employees must have one or more years of garage service by July 1st in order to qualify. All garage employees will be provided with six (6) sets of uniform work clothes to include pants and shirts. There will be laundry pick-ups each week for cleaning and maintenance. These uniforms must be worn while on duty and shall be returned to the Company upon termination of

employment. In addition to the regular maintenance uniform, the Company will supply a warmer outer garment to all maintenance employees.

(b.) The Company will supply all Maintenance Department employees with a seventy-five dollar (\$75.00) safety shoe allowance which will be paid at the same time the tool allowance is paid.

SECTION 9

(a.) The Garage Parts Clerk will receive the same rate as Group I Maintenance person.

(b.) The Garage Parts Clerk job qualifications will be changed to require at least one year prior experience as a Group I Maintenance Person.

(c.) In the event no employee bidding on the position has the requisite one year of Group I Maintenance person experience, the job will be awarded pursuant to the current practice.

ARTICLE XXII

GARAGE EMPLOYEES-EXTRA WORK GUARANTEE

SECTION 1.

In the event garage employees are called for additional work, they shall be guaranteed at least three (3) hours of applicable rate of pay; however, management has the right to assign work or hold the said employee for three (3) hours. The Company will endeavor to give them at least four (4) hours notice. In the event this is not possible, employees failing to report will not be penalized.

SECTION 2.

A holiday assignment list shall be posted seventy-two (72) hours before a holiday. The number of employees required to work on a holiday in each job classification or on each eight (8) hour work shift will be designated by the Superintendent of Maintenance or their assistant. Garage employees who wish to volunteer in the same job classification may do so by signing their name on the posted holiday list.

In the event no one volunteers to work, employees required to work on the paid holiday will be selected according to department work assignment. Seniority within the department will determine which employee or employees will observe the holiday. In the event insufficient personnel is available within the department, the lowest man qualified by virtue of seniority will be assigned to work the holiday.

SECTION 3.

Any employee called upon by Management to perform work in a higher rated group, shall be paid the top rate for that group for actual time worked with a minimum of four (4) hours guaranteed at the higher rate.

SECTION 4.

Any member of the Garage Maintenance Department who has been off sick must report on one (1) hour before employees scheduled reporting time. Night men who report to work after 4:00 p.m. must report on by 12:00 noon in order to be assigned to work.

Employees scheduled to work on Saturday and Sunday must report back by 9:00 p.m. Friday to work

on Saturday and by 9:00 p.m. on Saturday to work on Sunday.

A doctor's certificate certifying the employee's physical fitness to return to work may be required. Management shall have the right to send an employee to a list of assigned doctors, if management deems it necessary.

SECTION 5.

All new, additional duties or responsibilities in the form of work rules or regulations will be presented to Union representatives for consultation before posting or becoming effective. Changes in work rules or regulations will be submitted to Union Executive Board Members for consideration and advice prior to becoming effective, whenever possible. Nothing herein implies that management is to be denied the responsibility or final authority concerning decisions of their responsibility.

SECTION 6.

Any maintenance supervisor desiring repairs or adjustments to Company equipment or vehicles to be delayed or postponed will initial a work card or inspection sheet to that effect. No employee will be held responsible for repairs or adjustments not performed when brought to the supervisor's attention and ordered delayed or postponed. The Company may require a maintenance employee to initial a work sheet on work they have performed.

SECTION 7.

If employees are required to use equipment provided by the Company for their use only, the employee will sign for same and return in when leaving the job classification or terminating employment.

SECTION 8.

When Management deems it necessary, members of the Union reporting back on for work from the sick list, may be denied work on their days off for seven (7) days after they report back on.

ARTICLE XXIII

GARAGE WORK WEEK AND OVERTIME

SECTION 1.

The work week for all present garage employees shall comprise of five (5) consecutive days of not less than eight (8) hours per day. Garage employees under whatever classification or title employed shall receive time and one-half for overtime for all work performed in excess of eight (8) hours per day or forty (40) hours per week. They shall also receive time and one-half if called in to work on their day off, provided they complete all five (5) of the regularly scheduled work days in the payroll week involved, unless the employee is properly excused, or is absent due to a documented illness, or is absent due to a disciplinary suspension in that week. However, the Company may schedule new jobs with non-consecutive days off.

SECTION 2.

All garage work shall be dispensed according to seniority. Overtime work shall be offered first to the men who are actually performing the work prior to the overtime assignment. In the event the employee so affected does not desire the overtime offered, the senior qualified man will be offered the overtime work. Management will continue down the garage seniority list of qualified men until such time those available are exhausted. He may then call any other qualified employee for the assignment. A list of personnel who were engaged in overtime work on the previous day shall be posted in the foreman's window.

- a. All unscheduled (emergency) overtime will be offered to employees according to a current (updated) list of volunteers. This list will be posted on the bulletin board and in the dispatcher's office. The list will be composed of employees volunteering for same and listed according to seniority and qualifications. Seniority will prevail at all times for those qualified to do the work. The night foreman or dispatcher will call each man listed from the top to the bottom of the seniority list on each occasion. Those not available at time of call or who refuse offered work will be passed over on this particular occasion only. The list will always be called from top to bottom each time unscheduled overtime is required. The only exception will be those employees actively engaged on a job that requires overtime to complete. These employees will be asked first to continue on for overtime necessary to complete that job. The Company may select, by virtue of seniority, any employee who is present in the Maintenance Department, for use in the event of a road failure or emergency only. Once said employee has left the property, the supervisor must use the regular volunteer emergency list.
- b. Nothing above shall be construed as meaning that overtime will be paid more than once for any hour worked.
- c. Days off picked by garage employees shall be worked out between the Company and the Union.
- d. Vacation relief employees must cover and work whatever days off the employees they are covering for, however, they will never work less than five (5) days, but they may have to work six (6) or seven (7) days consecutively, depending on the job that they are covering for because of the over-lap in days off. A maintenance employee working the vacation relief assignment or garage floater may work for an employee off on a birthday or personal holiday.
- e. In the event a garage employee's replacement fails to show, it is expected that management will make every reasonable effort to find a suitable replacement and that the garage employee shall continue to work on into overtime not to exceed two (2) hours unless, if needed, the garage operator agrees otherwise.
- f. In the event that a garage employee is needed on equipment required for the operation of routine schedules or charters, it is expected that management will make every reasonable effort to secure

a garage employee without requiring employees to work on into overtime but where such operators are not available, garage employees on-the-job shall be required to continue work on into overtime until such special assignment is completed. If maintenance employees do not complete their regular five (5) day week's assignment they may be passed up for overtime on their days off in that week.

SECTION 3.

If maintenance employees accept an assignment by the Company to go to a training school, at the Company's expense, they must first sign an agreement to remain committed to a job assignment related to such schooling for a period of one (1) year from the completion date of such schooling.

ARTICLE XXIV

SNOW WORK

All snow work shall be performed by the Maintenance Department and shall be paid at the rate of double time for the actual time worked. It is understood that snow work pertains to the cleaning, salting, and sanding of snow and ice not normally performed in the regular course of daily work.

No employee called for snow work will be sent home from or denied any portion of their regular scheduled work time for the day so called. Nor will the employee be denied any portion of their normal forty (40) hour pay week for having volunteered extra hours (overtime) at any other time.

ARTICLE XXV

RULES - COMPLIANCE WITH

SECTION 1.

In consideration of the Agreement, the Union agrees that its members shall perform their duties conscientiously and use their best endeavors to promote the interest and welfare of the Company. The rules of the Company as set out in its rule books are to be observed. Any violation of any rules, or of any of the special rules published on the bulletin board from time to time, which do not conflict with the provisions of this Agreement, shall subject the employees violating same to either dismissal or discipline according to the severity of the case.

SECTION 2.

A complete volume of Company rules, regularly up-dated, will be posted on the operators board and garage board. All new notices will be posted on the respective bulletin boards. The employer agrees to provide suitable space for the Union Bulletin Board in each garage. Posting by the Union on such boards are to be confined to official business of the Union.

SECTION 3.

Radios shall not be played on buses while passengers are on board.

ARTICLE XXVI

RETIREMENT AND PENSION PLAN

SECTION 1.

All members will be fully vested under the Retirement Plan set forth herein after ten (10) or more years of service.

SECTION 2.

The Company hereby assumes all responsibility of the employer under the terms of an Agreement creating a pension fund, dated July 1, 1946 and all supplements and amendments thereto, and further assumes such responsibility with regard to the "Capital Transit Employees' Retirement Plan". The Company hereby agrees that it will appoint Trustees to represent its interest with regards to the aforementioned Fund and Plan, and execute all documents necessary to assume the right, interests and responsibilities of the employer under the aforementioned instruments.

SECTION 3.

Effective June 1, 2002 each employee who retires shall, at age 65, be entitled to receive a pension, the annual amount of which shall equal 2.00% for each year of credited service times the employee's final average salary. The final average salary is based on the employee's average annual pay earned during the three (3) years of highest earnings during the last ten (10) years of credited service. (Also, the pensions of Sylvia Marseille and Wilmer Rutherford will be recalculated based upon the above increase effective June 1, 2002.)

Effective July 1, 1999, an employee may retire on an unreduced early retirement pension at any age if the employee's age plus years of credited service are equal to 80 or more (Rule 80).

The pensions of employees who are full time Union Officers shall be determined by the same calculation used on other employees, except that the earnings factor in such calculation shall be based on the amounts such Union Officers would have earned on a sixty-hour work week basis had they been employed during the best three (3) years of the last ten (10) years preceding retirement at the job classification they left upon becoming Union Officers.

In computation of pensions for employees who are occasionally engaged in work for the local Union in matters related to the agreement with the Company, credit shall be given for the time spent to a maximum of eight (8) hours, except for General Office Employees which will be to a maximum of seven (7) hours.

The Secretary-Treasurer of the local Union shall give notice to the Company on a monthly basis, stating days lost as well as reasons for such lost time. Such time shall be recorded after mutually agreed to by the Company and the Union.

In computation of pensions of employees who are occasionally engaged in labor negotiations and other Union work involving the Company, credit shall be given for time so spent if required to produce a pension

equal to but not in excess of a pension computed for a full-time Union official in a like employment classification. Such time shall be recorded monthly after being mutually agreed to by the Union and the Company.

All employees who retired after July 1, 1997 with a retirement date prior to July 1, 1998 shall be treated for pension purposes as employees retiring after July 1, 1998. This will also cover any employee who is receiving a disability pension. The effective date of which is between July 1, 1997 and June 30, 1998.

In the event of a retirement prior to having attained age 65, the pension payable shall be reduced according to the following schedule (the age being determined to be that of the last birthday preceding retirement):

| | |
|----------------|-------|
| 65 years | 100% |
| 64 years | 100% |
| 63 years | 100% |
| 62 years | 100% |
| 61 years | 94.5% |
| 60 years | 86.5% |
| 59 years | 78.9% |
| 58 years | 72.4% |
| 57 years | 66.6% |
| 56 years | 61.4% |
| 55 years | 56.7% |
| 54 years | 52.6% |
| 53 years | 49.6% |
| 52 years | 45.6% |
| 51 years | 40.6% |
| 50 years | 35.6% |
| 49 years | 30.6% |
| 48 years | 25.6% |
| 47 years | 20.6% |
| 46 years | 15.6% |
| 45 years | 10.6% |
| 44 years | 5.6% |
| 43 years | 0.6% |
| 42 years | -0-% |

SECTION 4.

Effective July 1, 2000 all employees who shall be eligible to receive a disability pension in accordance with the terms and provisions of the NJ TRANSIT Mercer Inc. Employees's Retirement Plan, shall receive disability pension benefits as follows: Employees with ten (10) years or more of service, \$525.00 per month; employees with fifteen (15) years or more of service, \$575.00 per month, employees with twenty (20) years or more of service, \$625.00 per month. (Length of service shall be calculated as of time of disability is established). If computation of a disability pension based on the reduced percentage figures set forth under Section 3 and in conformity therewith (for persons with ten (10) years of service but less than 65 years of age who retire) would result in a higher rate than the minimums set forth above (by virtue of the disabled member's combination of years of service and age), the disability pension shall be based on and payable to such higher rate. In no event shall a disability pension be paid at a rate of less than \$475.00 per month.

SECTION 5.

During the term within the collective bargaining agreement, the Company shall pay to the Retirement Plan the "unfunded portion" outstanding as of April 1, 1978 and any unfunded portion thereafter as may be determined by an actuarial study. The Company will provide all funding necessary to maintain the benefit schedules contained here.

SECTION 6.

Members who are pensioned, furloughed, discharged or die, shall be entitled to vacation pay, pro-rated on the basis of the number of months between the last day worked and the first Sunday in April, computing each un-worked month as a one-twelfth reduction of vacation pay. Any portion of a month shall also be pro-rated. This section is independent of Article XII, Section I and there shall be no requirement hereunder that an employee to have worked 150 days to be eligible for a pro-rated vacation payment. In case of death, the amount due shall be paid to the member's spouse or to the member's estate.

SECTION 7.

Upon ratification, all members who have attained age fifty-five (55) and have ten (10) or more years of service or have met the rule of 80 shall be provided an automatic Pre-Survivor Option which will provide the member's spouse, upon death of the member, the sum of fifty (50%) percent of the pension due the member at the time of death. In lieu of the Pre-Survivor Option, a refund of the deceased member's contributions (without interest) to the Plan, may be chosen. The member's surviving spouse, if qualified, may select either the deceased member's contributions refund or the Pre-Survivor Option in accordance with the provisions of Section 12 of the Employees' Retirement Plan.

SECTION 8.

If an employee retires having elected the "Husband and Wife" pension, and the employee's spouse, thereafter, predeceases the employee, the pension shall be increased to what it would have been had the "Husband and Wife" pension not been elected.

This provision shall be effective for employees retiring after July 1, 1989.

Upon ratification, the "husband and wife" pension penalty will be revised to reflect the calculations currently in use by NJ TRANSIT and the Amalgamated Transit Union, New Jersey State Council.

ARTICLE XXVII

MEDICAL - SURGICAL

SECTION 1.

The Company will pay the entire cost of Blue Cross and Blue Shield for members of the Union and their families during the life of the contract. Health coverage will begin on the first day of the month after 90 days of employment. Members of the Union are to be covered while actively working or on sick leave. Blue Cross and Blue Shield coverage shall include "Rider J", Blue Cross Comprehensive-Expanded, "Prevailing Fee", Major Medical program including the "catastrophic level benefit".

Major Medical shall be \$200.00 deductible for individual and \$400.00 for family based on contract year.

SECTION 2.

The Company will provide and pay the entire cost of an approved mandatory mail order plan, with a \$1.00 co-pay for each member and their dependents. This plan requires that mail order be used for all maintenance drugs.

SECTION 3.

The Company will provide active employees with at least 90 days of service of the State of New Jersey Family Eye Care Plan.

SECTION 4.

The Company will provide an upgraded Dental Plan through a Delta Dental Plan, including option to enroll in Delta Dental HMO. The Company is to pay 100% of the premium.

SECTION 5.

The Company shall have the right to change insurance carriers, provided that such change will result in equal or better coverage. The following cost containment provisions, along with standard provisions, will be included in the health insurance plan:

- (a) Pre-admission Certification
- (b) Mandatory Second Opinion
- (c) Mandatory Ambulatory Surgery
- (d) No weekend admission
- (e) Hospice Care
- (f) Post-Operative Home Care Nursing

Prior to implementation of Cost Containment Provisions, the Company will provide jointly with the health insurance carrier and education program pertaining to utilization.

SECTION 6.

If there are two employees who can be covered under the same family plan, only one coverage will be available.

SECTION 7.

All premiums for health care coverage paid by employees shall be with pre-tax dollars unless the employee elects to have them paid with post-tax dollars.

The Company has established, and will maintain a flexible spending account to which employees may contribute pre-tax dollars for health care (maximum contribution \$1,000.00) and dependent care (maximum contribution \$5,000.00).

ARTICLE XXVIII

SICK LEAVE PAY

SECTION 1.

The Company will allow five (5) days sick leave with pay per year to all full time employees who are absent from their job due to sickness and receiving Temporary Disability benefits, payable at the rate of one (1) day's pay for the second to sixth week of absence. However, employees who are entitled to Workmen's Compensation and are absent from their job for two (2) weeks will be reimbursed for the loss of the first week's pay in full. A day's pay shall be eight (8) hours at the employee's regular straight time rate of pay. A week's pay shall be forty (40) hours at the employee's regular straight time rate of pay.

In addition to the above all employees shall be entitled to two (2) sick days a year (eight hours pay for employees on a 40 hour week, 7 hours pay for employees on a 35 hour work week) effective upon ratification of this agreement. In the event an employee does not utilize these two sick days, the employee shall be paid for the unused days (of these two days.) The two sick days will be added to the sick benefits now existing for salaried employees and will be considered to be used last.

SECTION 2.

Any payments provided for under this article shall be in addition to any vacation, holiday, jury duty or funeral leave payments to which an employee may be otherwise entitled.

SECTION 3.

For disability commencing after January 1, 2000 temporary disability income benefits will be \$360.00 per week. Starting July 1, 2000 this will increase to \$375.00 per week for the second year of the Agreement, and then \$390.00 per week, effective July 1, 2001, however, no employee shall receive sick benefits in excess of their standard weekly rate (hourly rate x 40 hours; clerical hourly rate x 35 hours).

SECTION 4.

The Company shall have the right to require employees that they shall submit to a physical examination at any time at the expense of the Company. The Company must pay for time lost from work, except when physical examination is necessary for the procurement of the State For-Hire License.

When employees with ten (10) or more years of service, because of disability, except when their disability arises out of and in the course of employment other than NJ TRANSIT Mercer Inc., are unable to continue working at their regular assignment, but are approved for other work, the Company will carry them for their current period of sick benefits until such time as work may be found for them, in any classification in the Contract in a job paying not less than \$250.00 per week. Should employee's sick benefits run out prior to their location of work, they will be given Temporary Disability Allowance (T.D.A.) The TDA benefit is determined using the same basis for calculation, as provided under the provision of a Permanent Disability Pension as stated in the NJ TRANSIT Mercer Employees Retirement Plan.

While on TDA, employees must bid on available posted jobs until work can be found; however, they may also be assigned by the Company to the jobs that have not been bid on the normal bid process or any other job. The employee's Company seniority will continue while on TDA. While receiving benefits, the employee cannot perform any work outside the Company for remuneration or profit and is subject to periodic re-examination by the Company doctor. TDA benefits will cease for any employee who is not approved for any work within six (6) months of the commencement of TDA benefits. In no event will TDA or payments, thereunder, extend for a period of more than six (6) months commencing when sick benefit run out.

ARTICLE XXIX LIFE INSURANCE

As of October 1, 1981, the Company shall pay for and provide employees while actively working or on sick leave, an sixteen thousand dollars (\$16,000.00) life insurance policy. New employees are to be covered on the first day of the month following their employment. The amount of this life insurance policy will be reduced to eight thousand dollars (\$8,000.00) at the time an employee goes on pension and to continued at that amount thereafter.

ARTICLE XXX FELONY AND COMPREHENSIVE INSURANCE

SECTION 1.

The Company shall pay for and provide felonious assault insurance in the amount of one hundred thousand dollars (\$100,000.00) insuring each member for each specific instance.

SECTION 2.

The Company will be responsible for a maximum amount of \$1,000.00 dollars for each theft of mechanics complete set of tools, boxes, chests or bank of operators. The Company will not be responsible for the first

\$100.00 dollars of theft of complete set of tools, boxes or chest. Theft of tools is defined as meaning theft of same by parties unknown.

The Company will use a "current price list" at the time of the theft to cover the balance of said theft in excess of \$100.00 dollars.

Partial theft of tools in excess of \$150.00 dollars will be insured under conditions outlined herein.

1. The Company will only cover theft of tools, chests or boxes when said items are located at or near mechanic's assigned work area, during working hours. The Company will not be responsible for tools, chests, or boxes unless they are place in a designated area at the end of a work shift. The Company will not be responsible when an employee leave the property for any reason during their normal working hours or for items left lying outside of the tool box, chest or tray when employees leave their assigned working area unless ordered to do so.
2. The insurance against the theft of mechanics tools will include damage to tool chest or tool box to the full extent of the theft of damage up to \$1,000.00 dollars.
3. Mechanics will submit and maintain in writing an up-to-date list of tools to the Superintendent of Maintenance and will be responsible to supply an update list periodically or when new tools are added.
4. The Superintendent may, at any time, make a spot check of mechanics' tools.
5. The Company will not honor any claim where the theft has been through neglect of the employee.
6. Employees will not be compensated for the theft until receipt of purchase for replacement has been produced and approved by the Superintendent of Maintenance.
7. Any theft must be reported in writing within 24 hours to the Superintendent of Maintenance and reported to the police.
8. Items to replace will be of the same quality, if possible.
9. If items stolen are returned after the replacement of new ones, the employee will return to the Company all items replaced.

SECTION 3.

The Company will be responsible for all damage costs to employee's cars while parked on Company's property, if caused by equipment owned wholly or in part by the Company.

ARTICLE XXXI

SHORTAGES

When an error in computation has been made which results in an employee having been shorted, the employee shall be reimbursed within ten (10) days after the shortage is brought to the attention of the Company.

ARTICLE XXXII

EFFECTIVE DATES OF THIS AGREEMENT

All terms and conditions of the previous agreement which expired on June 30, 1999, not modified herein, shall be in full force and effect.

This agreement represents full and final settlement of the issues discussed and negotiated by the parties during the negotiations.

ARTICLE XXXIII

TERMINATION

This Agreement and the provisions thereof shall continue in force and be binding without alterations or additions whatsoever on the respective parties until June 30, 2002 and from year to year thereafter unless changed in writing by the parties hereto.

In the event the Company sells, leases, or otherwise disposes of its system or any part or portion thereof to another public agency, or to a private person, company or corporation, which continues any part or portion of this operation, then the Company shall require as part of the sale, lease or other disposition an agreement of the purchaser, lessor, etc., to abide by the terms of the Agreement or any amendment, modification or revision thereof.

Either of the parties desiring a change or changes in any section or sections of this Agreement, shall notify the other party in writing of the desired change(s) at least sixty (60) days prior to the expiration date thereof or any anniversary date thereafter.

ARTICLE XXXIV

"TAX DEFERRED SAVINGS PLAN"

The Company has established and will maintain, a tax deferred savings plan for all employees as soon as possible after ratification. The Company will offer direct deposit for all employees as soon as possible after ratification.

ARTICLE XXXV

LETTERS OF INTENT

The Company and Union will enter into certain letters of intent to review ARAT, vacation in days, accident grading system and expedited arbitration.

APPENDIX "A"

Effective July 1, 2000 The Perfect Attendance Program shall be changed to a semi-annual calendar program. A perfect attendance award of a personal day off (effective January 1, 2000 pay for the day to be based on the employee's normal run assignment or 8 hours straight time pay whichever is greater), or a payment of \$150.00, to employees including extra board operators will be awarded for perfect attendance for the period January 1 - June 30 and for the period of July 1 - December 31.

Perfect attendance is defined as no misses or absences except for a perfect attendance day, Union business, vacation, holiday, jury duty, funeral leave, attending hearings pursuant to Article XIX Section 4 during the periods (January 1 - June 30 or July 1 - December 31.) Absent due to an excused day off, sick leave, workers compensation, unexcused absences, disciplinary suspension or any other reasons will not be considered to have perfect attendance. An employee with perfect attendance in either of the periods who elects to receive the payment must do so in the month immediately following the perfect attendance period and the employee will receive payment in a separate check in the next month.

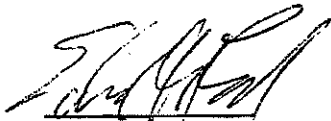
An employee with perfect attendance who elects to receive personal day off may do so at any time during the 6 months immediately after the period of the employee's perfect attendance provided the employee requests the same at least 72 hours in advance. If more than two employees require the same day off, the granting of the day off for more than two employees will be at the Supervisor's discretion and will be granted in seniority order.

Also, if mutually agreeable between the Supervisor and the Business Agent, part-timers may be used to cover the work of the employees allowed off.

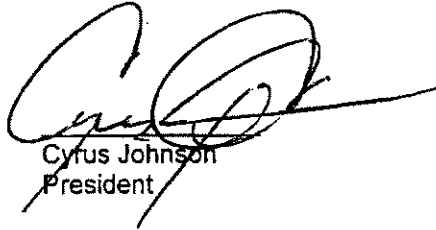
IN WITNESS WHEREOF, the parties have cause this Agreement to be executed by their respective duly authorized representatives and their respective seals to be hereunto affixed this day of ,2002.

NJ TRANSIT Mercer Inc.

Amalgamated Transit Union - Division 540



Edward F. Butler, Jr.
Deputy General Manger



Cyrus Johnson
President

WITNESSED BY:



David McDaid

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