

COLLECTIVE BARGAINING AGREEMENT

BETWEEN

AMPORTS

and

**MACHINISTS' AUTOMOTIVE TRADES DISTRICT LODGE NO. 190
OF NORTHERN CALIFORNIA, INTERNATIONAL ASSOCIATION OF
MACHINISTS' AND AEROSPACE WORKERS, AFL-CIO**

AND

INTERNATIONAL BROTHERHOOD OF TEAMSTERS, LOCAL 853

EFFECTIVE DATE:

October 1, 2015 through September 30, 2019

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AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____ 2015 by and between AMPORTS, party to the first part, and Machinists Automotive Trades District Lodge No. 190 of Northern California, International Association of Machinists and Aerospace Workers, AFL-CIO, and International Brotherhood of Teamsters, Local 853, parties of the second part.

Definitions

"Union" means Machinists Automotive Trades District Lodge No. 190 of Northern California, International Association of Machinists and Aerospace Workers, AFL-CIO, and International Brotherhood of Teamsters, Local 853.

"Employer" means AMPORTS.

WITNESSETH

Section 1. Union Security

The Union is recognized as the sole and exclusive bargaining agent for all its employees covered by this Agreement who are employed in the classifications listed in Section 18 hereof.

Membership in the Union on or before the thirty-first (31st) day following the beginning of employment of employees covered by this Agreement, or the effective date of this Agreement, or the date upon which this Agreement is executed, whichever is the later, shall be required as a condition of employment. Tender of the Union's periodic dues and the initiation fees uniformly required as a condition of acquiring or retaining such membership, shall, for the purposes of this Section, be considered membership in the Union.

Upon receipt of a written assignment and authorization signed by the employee on a form acceptable to the Employer, the Employer agrees to deduct monthly from the first paycheck of such employee in each calendar month, and all regular monthly dues required for Union membership. The amounts so deducted shall be remitted by the Employer to the Union on or before the 15th day of each month. The Union shall indemnify and hold the Employer harmless against any and all claims, demands, suits, proceedings, Labor Board or court orders, or any other liability that may arise out of or by reason of action taken or not taken by the Employer for the purpose of complying with any of the provisions of this check-off clause.

Within five (5) calendar days from date of hire of any employee, the Employer shall furnish the Union the date of hire, name, Social Security number, address

and classification of each employee on the form furnished the Employer by the Union.

Within seven (7) working days from the date an employee quits or is terminated, the Employer shall furnish the Union the date of termination, the name, Social Security number, address and classification of each such employee on the form furnished the Employer by the Union.

The Employer, upon written request of the Union, shall discharge any employee within seven (7) days after receipt of such notice who fails to tender the periodic dues and initiation fees uniformly required by the Union as a condition of acquiring or retaining membership in the Union. If the Union has notified the Employer in writing prior to the expiration of the seven (7) days that the employee has paid the amounts owing, the discharge shall not take place.

The Employer shall give the Union equal opportunity with all other sources to refer suitable applicants for employment, but the Employer shall not be required to hire those referred by the Union or any other particular source. The Employer shall give consideration to those applicants previously employed in this type of industry or having related experience.

Section 2. Hours of Work

Eight (8) hours shall constitute a regular day's work, to be worked within a spread of not to exceed nine (9) hours. Starting time, for day shift, shall not be earlier than 6:00 A.M. and not later than 9:00 A.M., quitting time to be regulated accordingly.

The Employer shall establish regular scheduled working hours so that each employee shall commence work daily at a definite designated time. Scheduled starting times may be changed as needed up to one hour earlier or later. Earlier starting and ending times shall be dependent upon operational needs and customer expectations.

Five (5) eight (8) hour days, Monday to Friday, inclusive, shall constitute a regular week's work. The Employer may establish a work week other than Monday through Friday as a result of a contractual obligation to a customer. Prior to the establishment of a schedule that includes either Saturday or Sunday at straight time rates, the Employer will meet with the Union and reach agreement prior to implementation of such a schedule.

Section 3. Overtime

3.1 Overtime Rates

The overtime rate shall be time and one-half (1-1/2) for all time over eight (8) hours in any one (1) day, over forty (40) hours in any one (1) week and on Saturday, and prior to the established starting times and after the established

quitting times. Notwithstanding the above, any employee who is absent during Monday through Friday as a result of illness or injury shall not be entitled to time and one-half for time worked on Saturday of that same week.

Employees scheduled by the Employer to work on holidays listed in Section 7 of this Agreement shall be paid double time for all work performed on such holiday in addition to their holiday pay if they are entitled to holiday pay as provided in Section 7.

Employees will be paid at double time for any hours worked on Sunday.

3.2 Overtime During Lunch

Employees required to work through lunch shall be paid at the overtime rate for time worked during the regular lunch period and shall be permitted sufficient time as soon as possible thereafter to eat.

3.3 Overtime After Regular Shift

If employees are required to work more than one and three-quarters (1-3/4) hours of overtime immediately following the end of their regularly scheduled shift, they shall receive a fifteen (15) minute rest period. If they work more than two (2) additional hours following the rest period provided above, they shall receive a second fifteen (15) minute rest period for each additional two (2) hours' overtime worked thereafter.

3.4 Overtime Assignment

Overtime shall be assigned to those employees within the classification and shift and compound where the overtime work is required. Employees working on the job requiring overtime work shall be assigned to perform such work. If an insufficient number of employees within the classification and shift and compound are available for the necessary overtime, the Employer will offer the work to qualified employees in other classifications and compounds on a company seniority basis in accordance with Section 3.7.

3.5 Notice of Overtime

The Employer will give employees as much advance notice as possible when overtime work will be required. It is understood that the Employer must process all cars on the Daily Allocation List, therefore, it may not always be possible to give advance notification of the overtime requirement. For daily overtime requirements, the Employer will attempt to notify employees by noon if overtime is required for that day.

3.6 Refusal of Overtime

The Employer will attempt to honor an employee's request to be excused from the overtime work requirement where such employee has a good and sufficient reason involving a conflicting obligation on the part of the employee.

If there are still insufficient employees available to work the necessary overtime, the needed employees shall be required to perform the overtime work provided assignment in such cases shall be made in the order of inverse seniority.

3.7 Scheduling Work in Other Compounds

When employees are needed for straight time and overtime opportunities in other compounds, the Employer will establish a list of volunteers from all compounds. Employees will be given the opportunity to place their names on a volunteer list for other compounds. Employees will be called from the list in order of company seniority within the classification needed provided the employee is qualified to perform the work to be done.

Any employee who refuses such assignments two (2) times in a six (6) month period shall have his/her name removed from the list until the next sign up period. Sign up will be held each March and September. If an employee is notified of same day overtime in another compound after noon, the refusal of the employee to work same day overtime shall not be counted as one of the two (2) refusals.

Section 4. Shift Work

The Employer may operate additional shifts in any scheduled work day. Any shift immediately following a regular day shift shall be considered a night shift and night shift employees shall be paid Fifty Cents (50¢) per hour above the regular day shift rate of pay as set forth herein. The Employer shall give preference to present employees on the basis of seniority in making shift assignments.

The Employer may institute, as the volume of vehicles to be processed requires, a part-time second shift.

For employees who have been regularly working night shifts for thirty (30) or more days immediately preceding a paid holiday, or the commencement of a vacation, or the commencement of a paid sick leave period, as the case may be, the applicable night shift premium shall be included in such employee's holiday pay or vacation pay or paid sick leave. The vacation and sick leave pay of an employee who is on a rotating shift schedule shall include the shift differentials he/she would have received had he/she been working during such period.

Section 5. Reporting Time

Employees who are required to report to work on any day other than Saturday, Sunday, or holiday and who do so at the specified time shall receive a minimum of eight (8) hours' work, or if eight (8) hours' work is not furnished, a minimum of eight (8) hours' pay at the straight-time rate. Employees having seniority who are required to report for work on Saturday, Sunday, and holidays and who do so at the specified time shall receive a minimum of four (4) hours' work, or if four (4)

hours' work is not furnished a minimum of four (4) hours' pay at the applicable rate. The above minimum hour requirements shall not apply if such employees quit, voluntarily layoff, are discharged for cause or for reasons beyond the control of the Employer. Examples of such are power outages, customer supply disruption or acts of nature. Employer will notify the Union any time there is such an occasion and provide proof upon request of the Union.

It is agreed that the Employer will endeavor in every way possible to employ only such forces as will guarantee a full week's pay.

Section 6. Maintenance of Standards

It is mutually agreed that any and all existing working conditions restricted to hourly rates of pay, hours, vacations, holidays and rest periods, as are now in effect by the Employer which provided more favorable conditions to the employees shall not by the adoption of this Agreement be made less favorable to the employee during the life of this Agreement except by negotiations or governmental decree.

The Employer agrees not to enter into any agreement or contract with employees, individually or collectively, which in any way conflicts with the terms and provisions of this Agreement. Any such agreement shall be null and void.

No changes in this Agreement or interpretations thereof (except interpretations resulting from arbitration proceedings hereunder) will be recognized unless reduced to writing and agreed to by the Employer and the Union.

Section 7. Holidays

7.1 Holidays

The following shall be paid holidays to all employees who have seniority in accordance with Section 17.4 of this Agreement:

New Year's Day, President's Day, Good Friday, Memorial Day, the Fourth of July, Labor Day, Thanksgiving Day, the day after Thanksgiving, the day before Christmas, Christmas Day and the day before New Year's Day.

7.2 Qualifying Holidays

All employees who qualify for pay on these holidays shall receive eight (8) hours of pay at straight-time rates (including applicable shift premium, if any, as provided in Section 4 even though no work shall be required of them; provided that the employees work the full regular working day preceding the holiday and following said holiday. Employees who are tardy by less than an hour (1) on the day before or the day after a holiday shall still be eligible to receive holiday pay.

Employees otherwise entitled to holiday pay but who are absent due to layoff on either the regular working day immediately preceding the holiday or on the first

working day following the holiday shall receive holiday pay provided such employees shall have worked one or more days during the five (5) work days immediately preceding the holiday and worked one or more days during the four (4) work days immediately following said holiday.

During any week in which two holidays fall, it shall only be necessary the employee work one or more days during the five (5) work days immediately preceding the holiday to qualify for the first holiday or work one or more of the four (4) work days immediately following the holiday to qualify for the second holiday.

An employee shall be eligible for holiday pay if the employee is absent on the work day before the holiday or the work day following the holiday if the reason for such absence is the hospitalization of the employee or if the absence has been approved by the Employer.

7.3 Saturday Holidays

If any of such holidays fall on a Saturday, they shall at the option of the Employer on each such occasion be celebrated on such Saturday or on the Friday immediately preceding. If Friday is selected all the provisions of this Section 7 shall apply to such Friday; and if Saturday is selected all the provisions of this Section 7 shall apply to such Saturday, including eight (8) hours' straight-time pay (including applicable shift premium, if any, as provided in Section 4) to employees not required to work on such Saturday and who qualify for holiday pay in accordance with this Section 7.

In the exercise of the options set forth in this Section 7.3, the Employer shall notify the employees three (3) days prior to the day to be celebrated as the holiday.

7.4 Holiday During Vacation

If a holiday for which he/she would otherwise be paid falls within the employee's vacation period, he/she shall receive an additional day of vacation.

Section 8. Vacations

8.1 Vacation Benefits

Every employee who on the most recent anniversary date of his/her employment has been in the service of the Employer for a period of one (1) year or more and shall have worked a minimum of twelve hundred fifty (1250) straight-time hours within the twelve (12) month period immediately preceding such anniversary date, shall be entitled to a vacation as follows:

One (1) week of vacation with pay if he/she has been in the service of the Employer for a period of one (1) year or more but less than two (2) years prior to such anniversary date.

Two (2) weeks of vacation with pay if he/she has been in the service of the Employer for a period of two (2) years or more but less than five (5) years prior to such anniversary date.

Three (3) weeks of vacation with pay if he/she has been in the service of the Employer for a period of five (5) years or more.

An employee shall be eligible for four (4) weeks of vacation with pay if he/she has been in the service of the Employer for a period of fifteen (15) years or more.

In case of industrial accident for which the employee is receiving Workers' Compensation benefits, up to three hundred (300) hours of absence from regularly scheduled employment shall be counted toward qualifying for such minimum working time of twelve hundred fifty (1250) straight-time hours. In case of off the job accident or illness for which the employee is receiving State Disability Insurance benefits up to eighty (80) hours of absence from regularly scheduled employment shall be counted towards qualifying for such minimum working time of twelve hundred fifty (1250) straight-time hours.

For the purpose of this Section 8, years of service shall mean years of unbroken seniority with the Employer which shall in no event be calculated from a date prior to the time the employee actually commenced working for the Employer.

In computing straight-time hours as that term is used in this Section 8, all hours worked by the employee for the Employer shall be counted, but each premium or overtime hour worked shall count only as one (1) straight-time hour. Paid holidays and hours paid for jury duty shall be counted toward satisfying the foregoing twelve hundred fifty (1250) straight-time hour eligibility requirement.

8.2 Vacation Pay at Termination; Vacation Proration

An employee who on his/her most recent anniversary date has qualified for a vacation by working the requisite minimum of straight-time hours during the preceding twelve (12) months but whose employment is terminated prior to taking such vacation shall be entitled to pay in lieu thereof. An employee who fails to work the requisite minimum number of hours during the twelve (12) months preceding his/her most recent anniversary date or who is not in the employ of the Employer on his/her anniversary date shall not qualify for a vacation or for pay in lieu thereof; provided, that for those employees who fail to qualify for a full vacation, vacation benefits shall be prorated in accordance with the following schedule:

For employees with less than one (1) year's seniority, 1/12 of one (1) week's vacation shall be credited for each one hundred twenty-five (125) straight-time hours worked by such employee since his/her employment date.

For employees with more than one (1) but not more than five (5) years' seniority, 1/12 of two (2) weeks' vacation shall be credited for each one hundred twenty-five (125) straight-time hours worked by such employee since his/her most recent anniversary date.

For employees with more than five (5) years' seniority, 1/12 of three (3) weeks' vacation shall be credited for each one hundred twenty-five (125) straight-time hours worked by such employee since his/her most recent anniversary date.

Employees qualifying for pro rata vacation whose seniority and employment are terminated for any reason shall receive in cash the pro rata vacation for which they are eligible at the time of termination.

8.3 Vacation Pay

Vacation with pay shall be computed at forty (40) times the straight-time hourly rate in effect at the time the employee takes his/her vacation for each week of vacation entitlement (including applicable shift premium, if any, as provided in Section 4).

Neither vacations nor vacation pay will be cumulative from year to year. Each employee may cash in up to five (5) days of vacation each year within thirty (30) days prior to the employee's next anniversary.

Upon request of the employee, vacation pay allowance may be drawn in advance immediately preceding the employee's vacation.

No employee shall receive vacation credit or pay until he/she has completed his/her probationary period. His/her accrued vacation credit shall then be computed from time of hire.

8.4 Vacation Scheduling

Preference of vacation date shall be given to employees according to their seniority rating; provided, however, that due consideration shall be given to the Employer's requirements.

The Employer shall post a sign-up sheet on the bulletin board on or before January 15 of each year so that employees may indicate thereon their choice of vacation dates. This sign-up sheet shall remain posted for a period of thirty (30) calendar days. The Employer will thereafter approve vacation dates on the basis of seniority to those employees who have requested same on the sign-up sheet. In the event too many employees sign up for the same time the less senior employees will be offered the opportunity to select alternate dates. All employees will be notified of approved vacation dates within one (1) week of the final date of the posting period. After the closure of the vacation posting period,

employees may request vacation on a first come first served basis. The Company will approve or deny all such vacation requests within three (3) days of the receipt of the request.

Requests made during the selection period in January of each year shall be granted in order of seniority. The Employer retains the right to determine how many employees may be granted vacation per day, but will permit at least one (1) employee per classification to sign up for any day of the year provided the employee signs up during January of each year.

When an employee has scheduled a vacation in accordance with the scheduling provisions of this Section and such vacation is approved, the Employer shall not deny or reschedule the employee's vacation. Vacations may be scheduled and/or requested on a one (1) day basis. Use of vacation time is subject to the approval of the Company.

Section 9. Protective Equipment

No employee shall be required to furnish or launder any seat covers, fender covers, or other protective equipment. The Employer shall provide rubber boots, raincoats and rain hats to employees requiring this equipment in the performance of their job duties. The Employer shall provide such other protective equipment as deemed necessary. The Employer shall provide gloves to employees assigned to load or unload rail cars. The employee shall take prudent care of all such items provided by the Employer and shall not remove them from the Employer's premises and the Employer shall provide the employee with suitable facilities to secure issued items.

The Employer will replace items issued in accordance with this Section when they become so worn as to be unsuitable for further use. The employees must turn in the worn item to the Employer who shall determine if the item needs to be replaced. No item will be replaced unless the employee turns in a worn item as provided herein.

Section 10. Uniforms

If the Employer requires employees to wear uniforms other than is provided below, the Employer will furnish and launder said uniforms. The Employer shall be the judge of the number of changes and washings required.

The Employer shall provide and launder uniforms for all Journey Technicians and Apprentices up to a maximum of five (5) changes per week.

Section 11. Seniority Following Military Service

Any employee who may enlist or be drafted into the Armed Forces of the United States Government shall be reemployed at the expiration of service without loss of seniority in accordance with Federal law.

Section 12. Subcontracting

It is understood that the Employer may from time to time be required to subcontract work coming under the jurisdiction of this Agreement. However, it shall be a violation of this Agreement to subcontract work when employees who are qualified to perform the work to be subcontracted are in a layoff status.

Section 13. Sick Leave

13.1 Sick Leave Accrual

Effective November, 2010, employees who have been employed for at least one (1) year and who on their most recent anniversary date of hire have worked a minimum of twelve hundred fifty (1,250) hours in the previous year shall be entitled to five (5) days (forty (40) hours) of sick leave with pay. Sick leave shall be accumulated at the rate of five (5) days per year. An employee who fails to work the requisite minimum number of hours during the twelve (12) month period preceding his/her most recent anniversary date shall not be entitled to the full sick leave allowance, however, he/she shall be entitled to prorated sick leave in accordance with the following schedule:

- (1) One twelfth (1/12) of five (5) days' (forty (40) straight-time hours) for each one hundred twenty five (125) straight-time hours worked by the employee since his/her most recent anniversary date.
- (2) In case of industrial accident for which the employee is receiving Workers' Compensation benefits, up to three hundred (300) hours of absence from regularly scheduled employment shall be counted toward qualifying for such minimum working time of twelve hundred fifty (1,250) straight-time hours. In case of off-the-job accident or illness for which the employee is receiving State Disability Insurance benefits up to eighty (80) hours of absence from regularly scheduled employment shall be counted towards qualifying for such minimum working time of twelve hundred fifty (1,250) straight-time hours.
- (3) In computing straight-time hours as that term is used in this Section, all hours worked by the employee for the Employer shall be counted, but each premium or overtime hour worked shall count as one (1) straight-time hour. Paid holidays and hours paid for jury duty shall be counted toward satisfying the foregoing twelve hundred fifty (1,250) straight-time hour eligibility requirement.

Earned but unused sick leave benefits may be accumulated to a maximum of twenty-eight (28) days. Employees who otherwise qualify for sick leave on their anniversary date of hire shall be paid at the straight time rate of pay for all such sick leave accumulated and unused in excess of twenty-eight (28) days.

13.2 Sick Leave Usage

Earned sick leave pay shall be granted only in cases of bona fide illness or accident. A doctor's certificate or other reasonable proof of illness may be required by the Employer in cases of suspected abuse of sick leave privileges. In such cases, the Employer will notify the Employee in advance of a request for verification of illness. A false or fraudulent claim for sick leave or any abuse of sick leave may be grounds for immediate discharge.

A child, for purposes of this section, means a biological, adopted, or foster child, stepchild, legal ward, or a child to who the employee stands in loco parentis. A parent, for the purposes of this section, means biological, adoptive, or foster parent, stepparent, or a person who stood in loco parentis when the employee was a minor child.

Earned sick leave benefits shall be paid with the first workday's absence. In addition, an employee may use up to four (4) days of earned sick leave per year to attend to the illness or injury of an immediate family member or to take an immediate family member to a doctor's visit. For purposes of this section, immediate family shall mean the employee's spouse, registered domestic partner, parents, grandparents, children, grandchildren or siblings.

Employees may elect to take sick leave in two (2) hour increments for scheduled doctor's visits or in the event the employee becomes ill at work. Employees may not use two (2) hours sick leave at the beginning of a shift unless the employee has provided advance notice of the scheduled medical appointment.

Employees who have been approved for FMLA shall be entitled to use paid sick leave in two (2) hour increments for intermittent medical appointments provided the employee has requested and been approved for such leave three (3) days prior to the date requested. This leave is approved only in the event the appointment cannot be scheduled outside regular working hours.

13.3 Sick Leave Integration with State Disability and Worker's Compensation

In industrial injury or disability cases, Workers' Compensation or State Disability payments and sick benefit allowances shall be paid separately, but in the event Workers' Compensation payments or State Disability payments cover all or part of the period during which sick benefit allowances are paid, the sum of the two shall not exceed the sick benefit payable for said period, and the unused portion of accumulated sick leave will continue to be credited to the employee. Integration of sick leave benefits with Workers' Compensation or State Disability payments is to be automatic; the Employer may not waive integration, and any employee entitled to Workers' Compensation or State Disability payments must apply therefore (in order that the principle of integration may be applied before sick benefits are payable).

13.4 Sick Leave Cash Out

Each employee may cash out up to seven (7) days of unused sick leave each year within thirty (30) days prior to his/her next anniversary.

Section 14. Shop Meetings

Employees may be recalled from layoff out of order of seniority for the sole purpose of training. In such case the provisions of Section 17.2, Layoff shall not be applicable.

In the event that an employee is recalled for training such employee shall be guaranteed a minimum of two (2) hours pay at the regular rate.

Section 15. New Machinery and New Processes

The Employer shall notify the Union in advance of any permanent layoff of seniority employees which is going to result from the installation of new machinery or new processes in order that the impact of such layoff upon the employees may be discussed. Such discussions are to be without recourse to the grievance procedure and without the right of strike or lockout; provided that in the event any new job classifications are created or any permanent layoff is made because of the introduction of new machinery, or new methods of operation, then the Union may refer to the grievance procedure set forth in the Agreement any dispute concerning the wage rates established by the Employer for such new classifications and the question of whether such layoff was in accordance with the layoff provisions set forth in the Seniority Section of this Agreement. In addition, the Union may submit to the grievance procedure a claim that any employee having seniority, and permanently laid off because of the introduction of new machinery or new methods of operation, should not lose seniority under the Seniority Section until he/she has twenty-four (24) consecutive months of unemployment in lieu of such shorter period of unemployment as may be provided in the Agreement for loss of seniority; provided that any such claim that seniority should not be broken until twenty-four (24) months have elapsed must be submitted within one (1) year after notice of such layoff. Otherwise such claim shall be deemed to have been waived.

Section 16. Settlement of Disputes

16.1 Disputes

In the event that a dispute arises during the term of this Agreement regarding the interpretation or enforcement of any of the Sections of this Agreement or discharge or suspension, the matters in dispute will be promptly taken up between the steward and/or business agent and the Employer and/or his/her designated representative. Disputes must be taken up with the Employer within ten (10) working days of the occurrence giving rise to the dispute and if not taken up within said ten (10) working days shall be deemed waived and abandoned. If the dispute is not settled by the parties within five (5) working days, the matters in dispute shall be set forth in writing by the Union and served upon the Employer. Thereupon the matter will be taken up within five (5) working days following the

receipt of such written notice or within such extended time as may be agreed upon between the Union and the Employer or designee. If the dispute is not settled at this stage of the grievance procedure, it may be referred by either party to an Adjustment Board. The request to proceed to a Board of Adjustment shall be filed in writing within fourteen (14) calendar days after the meeting or after receiving the decision in writing. If the request to proceed to Board of Adjustment is not received by the other party within said fourteen (14) calendar days the grievance shall be deemed waived and abandoned. No change in this Agreement, or interpretations thereof, except interpretations resulting from Adjustment Board or arbitration proceedings hereunder, will be recognized unless agreed to by the Employer and the Union.

16.2 Adjustment Board

An Adjustment Board, consisting of an equal number of members representing each of the parties hereto, shall be established for the purpose of hearing and deciding disputes which arise and are presented during the term of this Agreement and which are limited to the interpretation or enforcement of any of the Sections of this Agreement. In the event this dispute involves a discharge or a suspension, the Adjustment Board shall meet to hear the matter within five (5) working days after the meeting between the Union and the Employer or designee, or within such extended time as may be agreed upon.

Each panel shall consist of two (2) members appointed by the Union and two (2) appointed by the Employer. One of the panel members for the Employer may not be either an employee of Employer or a member of the Association representing Employer. One of the panel members of the panel for the Union may not be a member or staff of the same Union Local.

In the event the dispute does not involve a discharge or suspension, the Adjustment Board shall meet within fourteen (14) calendar days after the meeting between the union and the Employer or designee, or within such extended time as may be agreed upon.

16.3 Claims for Payment of Compensation

All complaints involving or concerning payment of compensation shall be filed in writing and no adjustments shall be retroactive for more than ninety (90) days in such cases, but only complaints involving or concerning payment of compensation under the terms of this Agreement may be considered by the Grievance Committee.

16.4 Warning Letters

In the event warning letters are protested, the grievance procedure shall be followed; except, that if the protests are not resolved at the step of the dispute procedure between the Union and the Employer or designee, they shall be considered as automatically protested to the Adjustment

Board. However, they shall not be heard by the Adjustment Board until such time as they may be introduced in connection with a discharge or suspension.

16.5 Arbitration

In the event that a majority of the members of the Adjustment Board cannot agree to a settlement of a dispute regarding the interpretation or enforcement of any of the Sections of this Agreement, the dispute may be submitted to a neutral arbitrator mutually selected and agreed upon whose decision shall be final and binding. It is understood and agreed, however, that proposals to add to or change this Agreement shall not be arbitrable and that no proposal to modify, amend or terminate this Agreement nor any matter or subject arising out of or in connection with such proposals may be referred for arbitration under this Section. The arbitrator shall have no authority or power to add to, alter or amend the terms and provisions of this Agreement.

16.6 Costs of Arbitration

Each party shall bear its own expense in presenting its case to the arbitrator. The expense of the arbitrator shall be divided between the parties hereto. The Employer agrees to pay a sum equal to but not greater than one-half (1/2) of said expense, and the Union agrees to pay a sum equal to but not greater than one-half (1/2) of said expense.

16.7 No Interruption of Work

There shall be no interruption of work during the settlement of a controversy.

Section 17. Seniority Rules

17.1 Seniority Defined

An employee's seniority is defined as the length of continuous service with the Employer from the date of last hiring by the Employer with the exception of Journey Automotive Technician, Foreman and Body/Fender and Paint Technician. The seniority date for Journey Automotive Technician, Foreman and Body/Fender and Paint Technician shall be the date of employment with the Employer into these classifications.

Notwithstanding their positions on the seniority list, account leads shall have preferential seniority in case of a layoff and subsequent recall, provided that there is work which they are qualified to perform.

For the purpose of this Section 17, the "Employer" shall be defined as Compound I, Compound II, etc. There shall be a separate seniority list for employees working in each Compound.

17.2 Layoff

In the reduction of forces due to the slackness of work, the least senior employee

within the classification shall be the first laid off, and in recalling the last employee laid off shall be the first employee recalled, until the list of former employees is exhausted. Persons retained because of seniority must be willing, competent and qualified by virtue of having previously performed the work remaining to be done; provided, however, employees may not utilize their seniority to displace any employee with less seniority who is assigned to a bid position, or to a classification with a higher hourly rate of pay than the classification held by the employee being laid off.

Persons recalled because of seniority must likewise be willing, competent and qualified to perform the available work.

In the event one of the Compounds permanently closes, the employees affected will be offered jobs in other Compounds before any additional new employees are hired.

In addition, any employee on extended layoff from a compound (employed less than 80 hours in a month) will be offered any vacant position in his/her job classification in another compound before any additional new employee is hired.

17.3 Break in Seniority

Seniority shall be terminated and recall rights forfeited by:

- (1) Failure to report for work within five (5) days after date of notification of recall is sent by registered or certified mail to the last address supplied by the employee to the payroll department of the Employer (copy of recall notice to be sent to the Union). The Employer will attempt to contact the employee via telephone to notify them of the company's intention to terminate the employee for failure to return to work.
- (2) Layoff of twelve (12) consecutive months for an employee with less than five (5) years of seniority and after eighteen (18) consecutive months for an employee with five (5) or more years of service.
- (3) Resignation.
- (4) Discharge for cause.
- (5) Failure to report for work upon the termination of a scheduled vacation, authorized leave of absence, or recovery from sickness or injury without a reasonable excuse.
- (6) Absence for three (3) consecutive workdays without notifying the Employer.

- (7) Absence on leave (other than Workers' Compensation leave) longer than nine (9) months in a twelve (12) month period of time.

17.4 Probationary Period

A probationary period of sixty (60) workdays shall be established for new employees. During such probationary period, an employee may be discharged for any reason, which, in the opinion of the Employer, is just and sufficient; provided, however, that there shall be no discrimination against any employee because of Union membership or activities. Once acquired, seniority shall be effective from the date of first employment.

17.5 Posting

The Employer shall keep an up-to-date seniority list of all employees covered by this Agreement and post the seniority list in a conspicuous place. A copy of the seniority list shall be sent to the Union.

17.6 Promotion

The procedure detailed below will be followed in making permanent promotions to higher paying classifications (except foremen and lead positions) within the bargaining unit.

Temporary reliefs/vacancies as a result of the absence of an employee which is anticipated to last more than thirty (30) calendar days shall also be filled in accordance with this Section.

Time spent on temporary jobs in accordance with this procedure shall not be considered as time worked in a classification to qualify for bumping on a layoff.

- (1) The Employer will post a notice listing details of the position, such as qualifications, classification, rate of pay, shift, etc. The notice will be posted in a prominent position near the time clock for five (5) consecutive working days.
- (2) Employees who sign their names in the spaces provided on the notice will be considered for the promotion position. Employees must sign personally and employees' names entered by other persons will be voided.

As exception to the preceding, a shop steward or Union Business Representative may enter the name of any person who is absent or on vacation for the five (5) days the notice is posted.

- (3) Determination of which employee is to be promoted will be based upon seniority provided the employee with the highest seniority has the

qualifications necessary for the job. (Qualifications shall include such factors as experience, job performance, aptitude, attendance, etc.) Where seniority is equal, merit and ability shall control. If the Employer feels that

additional information is needed from any employee, the employee shall supply such additional information as is reasonably required.

- (4) The employee selected for promotion will be given a trial period of up to thirty (30) workdays to determine whether or not he/she is capable of performing the job satisfactorily. If it is determined that he/she is not, he/she shall be returned to his/her former classification without any adverse effect upon his/her seniority or other contract benefits by virtue of his/her participation in the trial period. Thereupon, the employee next in line on the list of qualified employees will be given the trial period referred to above.
- (5) If an employee has completed the trial period referred to in Section 17.6 (4) above and subsequently relinquishes the job to which he/she was promoted, he/she shall not displace any other employee holding a bid job. If the Employer can utilize the employee's services in a new job opening in an entry level job, the employee shall be assigned to such entry level job; provided, however, the employee shall not be permitted in the event of a layoff to displace any other employee assigned to that specific job. If no job opening exists in an entry level job the employee may remain on the job to which he/she was promoted until such opening occurs or resign his/her position with the Employer. Any employee who relinquishes a bid position will not be permitted to re-bid for such position for six (6) months (or sooner with the approval of the Company).

In the event no employee in the Compound where promotional opportunity exists, bids on or is qualified for the promotion, then the Employer will post a notice listing details of the position in the other Compounds and follow the procedures of this Section 17.6 on a Company wide basis. Employees transferring from one Compound to another under the provisions of this procedure shall be placed at the bottom of the seniority list of the Compound to which they transfer and shall retain their overall Company seniority for benefit eligibility.

- (6) Bid positions that have been vacant for more than six (6) months shall be re-bid when the Company determines the need to fill such bid position.

17.7 Permanent Transfer Between Unions

Employees accepting a permanent transfer to work falling within the jurisdiction of the other Union party to this Agreement shall become members of the Union having jurisdiction over the job within thirty (30) days after transfer to the new job and shall be placed at the bottom of that Union's seniority list. They will retain

their seniority in the unit and classification from which they transferred for a period of three (3) months from the date of transfer.

17.8 Temporary Transfer Between Unions

Employees working in classifications under the jurisdiction of one Union party to this Agreement may be assigned by the Employer on a temporary basis to perform work falling under the jurisdiction of the other Local Union party to this Agreement; provided, however, no seniority employee in the Union having jurisdiction over the work to be performed is on layoff. Employee requesting transfer must register with appropriate Union prior to such transfer.

Section 18. Minimum Rates of Pay

<u>IAM CLASSIFICATIONS</u>	<u>10/1/2015</u>	<u>10/1/2016</u>	<u>10/1/2017</u>	<u>10/1/2018</u>
Journey/Automotive Technician				
1 st 60 calendar days	\$27.56	\$28.28	\$29.00	\$29.72
Thereafter	\$30.62	\$31.42	\$32.22	\$33.02
Body/Fender and Paint Technician				
1 st 60 calendar days	\$25.89	\$26.62	\$27.33	\$28.05
Thereafter	\$28.77	\$29.57	\$30.37	\$31.17
Foreman * paid 10% above Journey				
Body Shop Helper				
1 st 60 calendar days	\$19.11	\$19.75	\$20.38	\$21.02
2 nd 60 calendar days	\$20.23	\$20.91	\$21.58	\$22.26
3 rd 60 calendar days	\$21.36	\$22.07	\$22.78	\$23.49
Thereafter	\$22.48	\$23.23	\$23.98	\$24.73
Mechanic Helper Tech				
Technical Accessory Installer				
1st 60 calendar days	\$19.87	\$20.51	\$21.15	\$21.79
2 nd 60 calendar days	\$21.04	\$21.72	\$22.39	\$23.07
3 rd 60 calendar days	\$22.21	\$22.92	\$23.64	\$24.35
Thereafter	\$23.38	\$24.13	\$24.88	\$25.63
<u>TEAMSTER CLASSIFICATIONS</u>	<u>10/1/2015</u>	<u>10/1/2016</u>	<u>10/1/2017</u>	<u>10/1/2018</u>
<u>Utility Bid Positions</u>				
Auditor and Tool Person				
1 st 60 calendar days	\$16.06	\$16.57	\$17.08	\$17.59
2 nd 60 calendar days	\$17.00	\$17.54	\$18.08	\$18.62
3 rd 60 calendar days	\$17.95	\$18.52	\$19.09	\$19.66
Thereafter	\$18.89	\$19.49	\$20.09	\$20.69
Accessory Installer				
1 st 60 calendar days	\$16.14	\$16.65	\$17.16	\$17.67
2 nd 60 calendar days	\$17.09	\$17.63	\$18.17	\$18.71
3 rd 60 calendar days	\$18.04	\$18.61	\$19.18	\$19.75
Thereafter	\$18.99	\$19.59	\$20.19	\$20.79

Warehouse Person				
1 st 60 calendar days	\$16.91	\$17.45	\$17.99	\$18.53
Thereafter	\$18.79	\$19.39	\$19.99	\$20.59
Parts Person/Service Writer				
1 st 60 calendar days	\$18.07	\$18.58	\$19.09	\$19.60
2 nd 60 calendar days	\$19.13	\$19.67	\$20.21	\$20.75
3 rd 60 calendar days	\$20.20	\$20.77	\$21.34	\$21.91
Thereafter	\$21.26	\$21.86	\$22.46	\$23.06
Underseal Person				
1 st 60 calendar days	\$18.51	\$19.05	\$19.59	\$20.13
Thereafter	\$20.57	\$21.17	\$21.77	\$22.37
Vehicle Preparation Specialist*				
1 st 60 calendar days	\$15.17	\$15.71	\$16.25	\$16.79
Thereafter	\$16.85	\$17.45	\$18.05	\$18.65
<u>Utility (Grandfathered)</u>	\$18.04	\$18.04	\$18.04	\$18.04
<u>Lead/Account Lead</u>	\$21.43	\$22.03	\$22.63	\$23.23
<u>Utility</u>				
1 st 60 calendar days	\$13.66	\$14.20	\$14.74	\$15.28
Thereafter	\$15.18	\$15.78	\$16.38	\$16.98
Survey, Vehicle Inspection				
Detailing including touch-up				
Scanning				
Designated shuttle van driver				
Battery installation				
Tire wheel installation				
Rail loading and unloading				
Labelling				

*The ratio of Vehicle Preparation Specialist will be one for every four Utility Workers.

18.1 Work in a Higher Rated Job

Employees performing work of a higher rated job for less than four (4) hours in a workday shall nevertheless receive four (4) hours' pay at the rate of the higher classification. Employees performing work of a higher rated job for more than four (4) hours in a workday shall nevertheless receive eight (8) hours' pay at the rate of the higher classification.

18.2 Special Provisions for Parts Inventories

Parts employees requested to take inventory of Parts Department stocks outside of regular working hours and outside the regular workweek shall be compensated at the rate of time and one-half (1-1/2) their regular rate of pay regardless of the

day of the week or number of hours worked; except that work on parts inventory on any of the enumerated paid holidays of the Agreement shall be at penalty rates of pay provided for such holidays.

The Employer may use either of its Union contract employees in addition to parts employees at the overtime and penalty rates above stipulated. Union contract employees not desiring to work on parts inventory outside regular working hours shall not be held in violation of this Agreement.

In accordance with historic practice, the Employer may use either of its employees on parts inventory work, or, if policy or commitments require it, may employ qualified outside persons specializing in parts inventory work.

18.3 Weekly Pay

The Employer will provide for weekly pay.

18.4 Additional Pay

Should the Employer at any time grant any employee a personalized wage rate in excess of the contract minimum for his/her classification, said personalized wage rate shall not be subject to the provisions of Section 6. (Maintenance of Standards) of the Agreement and said personalized wage rate may be canceled at any time at the exclusive discretion of the Employer.

Section 19. Apprentices

19.1 Apprentice Defined

Apprentices are those who have been indentured to learn a trade and are indentured for a period of four (4) years in compliance with state law. Said apprentices shall be under the supervision of the Joint Apprenticeship Committee.

19.2 Apprentice Ratio to Journeymen

One (1) apprentice may be employed in each shop and one (1) additional apprentice may be employed for each four (4) journeymen employed in each shop. The above mentioned apprentice ratio may be changed by mutual agreement between the Employer and the Union. (All such agreements are to be in writing.)

19.3 Apprentice Selection and Hiring Procedure

Applicants for apprenticeships shall be required to make a passing grade in an evaluation test and personal interview administered by the Joint Apprenticeship Committee.

19.4 Rules and Regulations Governing Apprentices

The program is administered by the Apprenticeship Committee, and after a

ninety (90) day probationary period, the apprentice cannot be advanced or retarded, except with prior consultation and consent of the Committee. The required indenture agreement obligates the Employer to provide on-the-job training. Apprentices must be trained under supervision of journeymen at all times.

19.5 Schooling of Apprentices

The indenture agreement makes it mandatory for the apprentice to attend a related course of instruction.

19.6 Minimum Wage Rates of Apprentices

Mechanical, body and fender and paint apprentices shall be paid not less than the following percentages of Journeyman minimum wage rates:

1st six months of employment	50%
2nd six months of employment	55%
3rd six months of employment	60%
4th six months of employment	65%
5th six months of employment	70%
6th six months of employment	75%
7th six months of employment	80%
8th six months of employment	90%

Thereafter Journeymen's rate of pay

19.7 Effective Dates of Pay Increases of Apprentices

The semi-annual pay increases herein provided shall become effective January 15 and July 15 of each year of the indenture period. To provide uniformity, all apprentices shall be assigned arbitrarily a first day of indenture as follows:

- (1) Those hired April 15 through October 14 shall be assigned July 15 as a first date of indenture.
- (2) Those hired October 15 through April 14 shall be assigned January 15 as a first date of indenture.

19.8 Apprentice Training Fund

The Employer agrees to pay, effective on the first day of the month, the sum of Four Dollars (\$4.00) per month for each employee working in a classification within the jurisdiction of District Lodge No. 190, into an Apprentice Training Fund. Payment will be due for each employee who is on the payroll of the Employer as of the first calendar day of each month. The Employer further agrees and consents to become signatory to the Trust Document and be bound by any and all provisions thereof.

Effective March 1, 2013, the monthly contribution shall be increased to Six Dollars (\$6.00) for each employee.

Section 20. Safety and Health

20.1 Safety Measures

The Union and each employee shall cooperate with the Employer and with each other in the carrying out of the Employer's safety measures and practices for accident prevention. Safety equipment required by the Employer shall be furnished by the Employer at no cost to the employee. Failure to use required safety equipment may result in the discharge of the employee.

The Employer will promptly investigate complaints of unsafe working conditions and take appropriate corrective measures where conditions warrant.

20.2 Job Injuries

The Employer shall provide transportation to the doctor for employees who are injured on the job and who request such transportation.

Whenever an employee who has been injured on the job and has returned to work is requested by the Employer's compensation doctor to leave work to report for treatment during working hours, he/she shall be allowed time off up to two (2) hours for such treatment without loss of pay. The Employer may schedule the treatment appointment with the doctor so as not to interfere with the operation of the business and may require a verification of the visit and treatment provided from the doctor.

In the event an employee is injured on the job and the attending physician directs the employee not to return to work, the employee shall receive full pay for the balance of his/her regularly scheduled shift on the day the disabling injury occurs.

Section 21. Union Representatives

21.1 Steward

The Union may select one (1) steward for each compound. Grievances which may arise and which cannot be adjusted on the job shall be reported to the Union by the steward; provided, however, in no event shall the steward or the Union order any changes and no changes shall be made except with the consent of the Employer.

21.2 Business Agent

The Business Agent shall have access to the premises during working hours, for the purpose of seeing that the provisions of the Agreement are being adhered to. He/she will notify representative of the management of his/her presence on the property and he/she shall not interfere with the normal conduct of work.

Section 22. Health and Welfare

22.1 Employer Contribution to Health and Welfare

Effective October 1, 2015 through September 30, 2019, the Employer agrees to continue the same medical, dental and life insurance coverage through the existing plans and plan designs.

Benefits provided through the Teamsters Managed Trust shall include group life insurance in the amount of \$25,000; the D2 Dental Plan and for the purpose of providing medical coverage through the Kaiser only M30 medical plan, vision and the annuity option for employees who waive medical coverage.

For the purpose of this Section 22.1 only, the term "full-time employee" shall mean any employee who has worked ninety-six (96) hours or more in the calendar month immediately preceding the month in which the premium payment is paid.

Holiday, vacation, funeral leave and sick leave time paid for but not worked shall be considered as time worked for the purpose of this Section.

22.2 Contributions for Health and Welfare

Employer Contributions

Effective October 1, 2015, the Employer agrees to contribute up to twelve hundred and eighty dollars and thirteen cents (\$1280.13) per month for each eligible employee.

Effective October 1, 2016, the Employer agrees to contribute up to thirteen hundred and thirty-seven dollars and seventy-three cents (\$1,337.73) per month for each eligible employee.

Effective October 1, 2017, the Employer agrees to contribute up to thirteen hundred and ninety-seven dollars and ninety-three cents (\$1,397.93) per month for each eligible employee.

Effective October 1, 2018, the Employer agrees to contribute up to fourteen hundred and sixty dollars and eighty-four cents (\$1,460.84) per month for each eligible employee.

Employee Contributions

Effective October 1, 2015, eligible employees will contribute the following weekly amount:

Single	\$ -0-
Two-Party	\$ 5.00
Family/Composite	\$10.00

22.3 Modification of Plan Designs to Health and Welfare

The parties may agree to change the carriers and or the plan designs during the term of the Agreement in order to reduce the costs to the employees.

22.4 Payment Due Date for Health and Welfare

Said payments shall be forwarded by the Employer as required by each Trust.

22.5 New Hires and Terminations

For new active "full-time" employees, the first payment is due as required by the Trust.

22.6 Family Medical Leave Act Coverage

Employees may be eligible for continued medical payments by the Employer for leaves that qualify under the Family Medical Leave Act and California Family Rights Act.

22.7 Legislation

Should any legislation be enacted by state or federal government during the life of this Agreement that may affect this Section 22, the parties hereto agree to mutually sit down in conference for the purpose of adjusting this plan to conform with such legislation.

22.8 Liability

If the Employer fails to make the payments per month as provided herein, within ten (10) day after receiving notice of default by the Union, the Employer shall be personally responsible to the Union and the employees herein covered for the benefits which would have been provided by such insurance coverage.

Section 23. Pensions

23.1 Pension Contributions

For each Journeyman and Apprentice, the Employer agrees to contribute and pay into a Pension Trust Fund the sum of Three Hundred Dollars (\$300.00) per month.

The Employer agrees to contribute and pay into a Pension Trust Fund on behalf of all other employees who are covered by this Agreement, the sum of One Hundred Fifty Dollars (\$150.00) per month.

The foregoing contributions are to be made on behalf of each eligible employee of the Employer in accordance with the terms and conditions of the Trust Agreement.

Holiday and vacation time paid for but not worked shall be considered as time worked for the purpose of this Section.

23.2 Pension Trust Fund

The Pension Trust Fund referred to herein is a jointly administered trust established in the County of Alameda, State of California, by a Pension Trust Agreement made and entered into as of the first day of September, 1955, and is known as the Automotive Industries Pension Trust Fund.

23.3 IRS 401(k) Plan

The Employer agrees to allow the employees to participate in the California Machinists 401(k) Plan. All authorized contributions made to the 401(k) plan will be made on a pre-tax basis using only "employee contributions". The Employer is under no obligation to contribute to the California Machinists 401(k) Plan.

Section 24. Protection of Rights

24.1 Strikes

The Union agrees not to engage in any strikes or stoppages of work during the term of this Agreement.

It shall not be a violation of this Agreement, and it shall not be cause for discharge or disciplinary action in the event an employee refuses to enter upon any property involved in a lawful primary labor dispute, or refuses to go through or work behind any lawful picket line if it has been sanctioned by Joint Council No. 7, IBT, and the Grand Lodge of the International Association of Machinists.

The Union agrees that it will not engage in, authorize, sanction or support any strike, slowdown, stoppage of work, curtailment of production, or other forms of concerted job action. In the event of an unauthorized work stoppage or other violation of this Section, the Union shall immediately make every effort to persuade the employees to commence the full performance of their duties and shall immediately inform the employees that the work stoppage and/or other job action is unauthorized and in violation of this Agreement.

24.2 Lockout

The Employer agrees not to engage in any lockout during the term of this Agreement.

Section 25. Tool Insurance

25.1 The Employer shall be responsible for replacement in kind of an employee's tools, including tool boxes and rollaways, stolen from the premises of the Employer by reason of illegal breaking and entering while such premises are closed for business, or by reason of fire in the Employer's premises at any time, provided such loss is not attributable to the employee's negligence. Employees are responsible for maintaining a tool inventory on file with the Employer and updating as necessary. Replacement will be limited to the current inventory on file with the Employer.

- 25.2 The Union agrees that the Employer has the right to institute reasonable rules for the purpose of providing protection against unwarranted claims under this Section. These rules shall include, but not be limited to, requirements for tool inventories, audit of tool inventories, restrictions on the removal of tools from the Employer's premises and proper safeguarding of tools by employees.
- 25.3 Misuse or abuse of the foregoing provisions may be considered cause for discharge.
- 25.4 The employee shall not be required to furnish tools other than his/her hand tools which does not include any cutting tools such as drill bits, taps, dies, reamers, files, grinders, drop cords, or creepers.

Section 26. No Discrimination

The Employer and the Union subscribe to the principle of equal employment opportunity. Accordingly neither the Employer nor the Union shall discriminate, nor cause, nor attempt to cause, the other to discriminate against any individual with respect to such individual's compensation, terms, conditions, or privileges of employment because of such individual's race, color, religion, sex, natural origin, ancestry, physical handicap, or age; provided, however, that the above prohibitions with respect to age are limited in accordance with Federal law, State law or other governmental regulations.

The Employer and the Union agree that the intent of this Section is to restate California and Federal law with respect to equal employment opportunity. Should any provision of this Agreement, at anytime during its life, be found in conflict with California or Federal equal opportunity laws, as such laws may be amended by legislation or interpreted by any Appellate Court, then such provision shall continue in effect only to the extent permissible under the applicable law.

Section 27. Discharge

27.1 Discharge for Just Cause

The Employer may discharge or suspend an employee for just cause. The Company agrees to utilize progressive discipline as appropriate including verbal and written warnings and suspensions being issued prior to termination.

No employee shall be suspended or discharged unless a written warning notice has previously been given to such employee. However, it is understood that no such prior warning notices shall be necessary if the cause for suspension or discharge is dishonesty, insubordination, violation of the Company's Drug and Alcohol Policy, violation of Company's Policy regarding Sexual and Other Unlawful Harassment, assault and battery, willful negligence, recklessness, violating the Employer's rules governing the punching of timecards, willful damage or destruction of Company property, or taking related work which is or would have been performed by the Employer.

However, in the case of attendance or tardiness written warnings, the employee must have a total of two (2) such notices prior to suspension for cause.

In order for a warning notice to be valid it must be issued within ten (10) business days of complaint against the employee concerning this work or conduct.

Warnings shall remain in effect for twelve (12) months from the date of issuance with the exception of warnings for infractions concerning inappropriate behavior, harassment or insubordination. Inappropriate behavior is defined as behavior that a "reasonable person" would find objectionable. The twelve (12) months excludes time off due to leaves (other than paid vacation) or periods of layoff.

A copy of such warning notices shall be sent to the appropriate Local Union at the time it is given to the employee.

27.2 Discharge Appeals

An employee may request an investigation of his/her discharge or suspension or any warning notice and the Union shall have the right to protest any such discharge, suspension or warning notice. Any such protest shall be presented to the Employer in writing within five (5) workdays, after the discharge, suspension, or warning notice, and if not presented within such period, the right of protest shall be waived. Upon the filing of any such protest it shall be referred immediately to the grievance committee as provided in this Agreement.

27.3 Written Notice of Discharge

The Employer shall give a discharged employee a written notice of termination within five (5) workdays of the date the Employer has full knowledge of the circumstances giving rise to the discharge, and at the same time send a copy to the Local Union. Both copies of the termination letter shall be sent by certified mail. If the Employer fails to give such notice within the specified five (5) day period, the right to discharge for that particular reason shall be waived.

Section 28. Leaves of Absence

An employee desiring a leave of absence from his/her employment for any reason (other than absence due to illness or injury) shall secure written approval of the Employer. The decision of the Employer on granting or refusing to grant a leave of absence or extension thereof shall be final and conclusive and shall not be subject to the grievance procedure of this Agreement. The maximum leave of absence shall be for thirty (30) days and may be extended for like periods up to a maximum of six (6) months. Written permission for such extended periods shall be secured from the Employer. Leaves due to illness or injury are covered by the Company Policy.

Section 29. Driver's License

All employees are required to have a valid California driver's license. In the event an employee's driver's license is suspended, revoked or otherwise terminated said employee shall immediately notify the Employer and the employee shall be laid off until such time as he/she presents a new driver's license or other proof that his/her driving privileges have been reinstated by the State of California. Any employee who fails to immediately notify the Employer of loss of driving rights as provided above shall be subject to immediate discharge.

Section 30. Bereavement Leave

In the event of a death in the immediate family of an employee who has one (1) or more years of seniority with the Employer, he/she shall, upon request, be granted such time off with pay as is necessary to make arrangements for the funeral and attend same, not to exceed three (3) regularly scheduled working days for services within five hundred miles or five (5) days to attend services further than five hundred miles. This provision does not apply if the death occurs during the employee's paid vacation, or while the employee is on leave of absence, layoff, or sick leave.

For the purpose of this provision, the immediate family shall be restricted to father, mother, brother, sister, brother-in-law, sister-in-law, spouse, child, grandchildren and foster children grandparents, mother-in-law and father-in-law. For the purpose of this Section, such relatives shall include step relatives. At the request of the Employer, the employee shall furnish reasonable proof of relationship. Foster children must have established a similar relationship to the employee as children and stepchildren.

Funeral leave applies only in instances in which the employee attends the funeral, or is required to make funeral arrangements, but is not applicable for other purposes such as settling the estate of the deceased.

Section 31. Jury Duty

Any employee with one (1) or more years seniority who is called to and reports for jury duty shall be paid by the Employer for each day wholly spent in performing jury duty, not to exceed five (5) days annually, if the employee otherwise would have been scheduled to work for the Employer and does not work, an amount equal to the deference between the employee's straight time rate hourly rate, exclusive of shift, overtime and any other premiums for the number of hours, up to eight (8) that he/she otherwise would have been scheduled to work. In order to receive payment under this Section, an employee must give the Employer prior notice that he/she has been summoned for jury duty and must furnish satisfactory evidence that jury duty was performed on the days for which he/she claims such payment. The provisions of this Section are not applicable to an employee who, without being summoned, volunteers for jury duty.

Section 32. Substance Abuse

Employees are covered by the Employer's Drug and Alcohol Policy.

Section 33. Scope of Agreement and Separability of Provisions

33.1 Separability of Provisions

Should any section, clause or provision of this Agreement be declared illegal by final judgment of a court of competent jurisdiction, such invalidation of such section, clause or provision shall not invalidate the remaining portions hereof, and such remaining portions shall remain in full force and effect for the duration of this Agreement.

Upon such invalidation the parties agree immediately to meet and negotiate substitute provisions for such parts or provisions rendered or declared illegal or an unfair labor practice. In the event the parties are unable to agree upon substitute provisions the dispute may, at the request of either the Employer or the Union, be referred to arbitration for settlement pursuant to the provisions of Section 16 hereof; but the power of the arbitrator shall be restricted and limited to determining a substitute provision to provide for the same specific objective and purpose of the provision rendered or declared illegal.

33.2 Unlawful Action Not Required

The parties agree that neither will willfully require the other or their respective members bound hereby to do or perform any act prohibited by law.

33.3 Government Controls

Should any provision of this Agreement not be placed into effect because of government wage regulations or controls, and should such controls be subsequently amended, relaxed or terminated during the term of this Agreement, then and in that event such provision(s) as has not been placed into effect because of said regulations or controls will be effectuated on the date on which it is determined that it is legally possible to do so, but not retroactively in excess of six (6) months, provided that the legality of such action is established during the term of this Agreement.

The Employer and the Union agree to cooperate in the preparation and filing of any submission(s) which during the term of this Agreement is required under the regulations of the Cost of Living Council of any successor agency responsible for the administration of government wage controls.

33.4 Transfer of Company Title or Interest

This Agreement shall be binding upon the parties hereto, their successors, administrators, executors and assigns. In the event an entire operation is sold, leased, transferred or taken over by sale, transfer, lease, assignment, receivership or bankruptcy proceedings, such operation shall continue to be subject to the terms and conditions of this Agreement for the life thereof. In the

event the Employer fails to require the purchaser, transferee, or lessee to assume the obligations of this Agreement, the Employer (including partners thereof) shall be liable to the Local Union and to the employees covered for all damages sustained as a result of such failure to require assumption of the terms of this Agreement, but shall not be liable after the purchaser, the transferee or lessees has agreed to assume the obligations of this Agreement.

The Employer shall give notice of the existence of this Agreement to any purchaser, transferee, lessee, assignee, etc. Such notice shall be in writing with a copy to the Local Union, at the time the seller, transferor, or lessor executes a contract or transaction as herein described. The Local Union shall also be advised of the exact nature of the transaction, not including financial details.

Section 34. Duration

This Agreement shall be effective October 1, 2015 except for those provisions of the Agreement which have been assigned other effective dates as hereinabove set forth and shall remain in full force and effect to and including the 30th day of September 2019, and shall continue thereafter from year to year unless at least sixty (60) days prior to the first day of October 2019, or to the first day of October of any subsequent year neither party shall file written notice with the other of its desire to amend, modify, or terminate this Agreement. There shall be no opening of any kind for any purpose during the term of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this 10th day of November, 2015.

APPROVED AND ACCEPTED:

TEAMSTERS UNION LOCAL 853

By

By

MACHINISTS AUTOMOTIVE TRADES
DISTRICT LODGE NO. 190
OF NORTHERN CALIFORNIA

By

By

AMPORTS

By

By

Appendix A

Machinists

1. Mechanic Helper – The Employer may not hire a Mechanic's Helper unless there is at least one (1) Journey Technician at the compound, unless the only work that is available is technical accessory installation. The Employer may hire up to three (3) Mechanic Helpers for every one (1) Journey Technician assigned to a compound.
2. Port Upgrades – When the Company has Port upgrades or similar type work, the Company will first assign this work to a Machinist if it is either technical in nature, requires more than the tools normally supplied by the Company, is unique and non-repetitive or requires technical diagnosis for repair.
3. Job Descriptions
 - Journeyman Technician: A Journeyman Technician is a technician who regularly uses a degree of acquired expertise or independent thinking to perform skilled tasks with little or no direct supervision. Journeymen Technicians must possess the ability to diagnose and make complex automotive repairs.
 - Journeyman Body and/or Paint Technician: A Journeyman Body or Paint Technician is a technician who utilizes his/her skills and experience to repair and/or paint damaged vehicles. The Journeyman Body/Paint technician's job duties shall include the inspection, disassembly, repair, assembly and painting of vehicles as required.
 - Mechanic Helper: A Mechanic Helper may be used to perform light mechanical repair work where the technician is not required to use his/her diagnostic skills or utilize independent judgment to come up with a solution to a repair. A Mechanic Helper shall work under the supervision and guidance of a Journeyman Technician.
 - Body Shop Helper: The body shop Helper is generally a technician who assists Journeymen Body and Paint technicians in the performance of their duties. The Helper job duties include the sanding of vehicle body panels, the masking of vehicles in preparation for paint, the inspection of repaired vehicles for any unusual problems or additional damage and the Buffing/Polishing of the vehicle finish. The Helper may be assigned additional duties by management that assists the Journeymen Body/Paint technicians in assuring the smooth flow of work through the body shop.
 - Technical Installer: The Technical Installer is a skilled Installer that possesses the ability to install, adjust, service, test, or repair any of the Employer installed accessories. The Technical Installer must have the ability to provide technical assistance to the Accessory Installers when required by management to do so.

Appendix B

Teamsters

1. Temporary Agency Work

Temporary Agency work is not covered by this Collective Bargaining Agreement.

Employees on layoff from AMPORTS may be called to temporary work (at request of employee) through agency hire.

An employee holding a compound seniority date as of 12-1-05 shall retain the right to pay at Utility rate when laid off as Utility and offered assignment as "temporary employee duties" at the employee's compound.

2. DRIVE

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

Appendix C

All Employees

Sick Leave Accrual

Employees hired prior to November, 2009 shall accrue seven (7) days of sick leave rather than five (5) days as specified in Section 13. An employee who fails to work the requisite minimum number of hours during the twelve (12) month period preceding his/her most recent anniversary date shall not be entitled to the full sick leave allowance, however, he/she shall be entitled to prorated sick leave in accordance with the following schedule:

One twelfth (1/12) of seven (7) days' (fifty six (56) forty (40) straight-time hours) for each one hundred twenty five (125) straight-time hours worked by the employee since his/her most recent anniversary date.

All other provisions of Section 13.1 shall apply.

Side Letter of Agreement

Mr. Steve Older
Area Director
Automotive Machinists Lodge 1173
1900 Bates Avenue, Suite H
Concord, CA. 94520

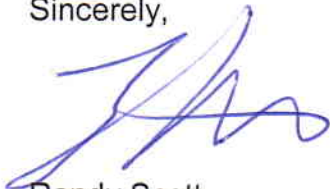
Dear Mr. Older:

This is sent to confirm discussions and agreements reached during the recent negotiations for a successor labor agreement between AMPORTS and Machinists' Automotive Trades District Lodge No. 190 of Northern California, International Association of Machinists' And Aerospace Workers, AFL-CIO.

It is agreed that Charles Barnett will receive \$300 monthly pension contribution while employed at the Toyota Compound.

It is further understood and agreed that all Machinist employees in classifications other than Journeyman or Apprentice will receive the rate provided for in Section 23.1 of the Collective Bargaining Agreement. If this is not your understanding, please notify me immediately.

Sincerely,



Randy Scott
General Manager

Side Letter of Agreement

Mr. Steve Older
Area Director
Automotive Machinists Lodge 1173
1900 Bates Avenue, Suite H
Concord, CA. 94520

Mr. Efren Alarcon
Teamsters Local 853
2100 Merced Street, Ste B
San Leandro, CA 94577

Re: Accessory Staffing – Toyota Facility

Gentlemen:

This will confirm our understanding with respect to the Toyota Facility Accessory Staffing. While the Company does not concede that the current accessory content qualifies as Machinist work under the definition provided in Appendix A.2. of the Collective Bargaining Agreement, the Company agrees to the provisions below as a resolution to the current dispute over assignment of work.

- 1) Effective September 27, 2006 and for the foreseeable future, AMPORTS agrees to employ one Machinist Technical Accessory Installer for up to twelve Teamster Utility Installers and an additional Machinist Technical Accessory Installer after 12 Teamster Utility Accessory Installers are hired. A second third Machinist Technical Accessory Installer will be employed after 24 Teamster Utility Accessory Installers are hired.
- 2) The Machinist installers will have access to work allocated to the qualifying Teamsters. For example: One Machinists Installer will be offered work as long as 1 or more of the qualifying 12 installers are working. A second Machinist Installer will be offered work as long as 13 or more of the qualifying Teamster Installers are working.
- 3) The role of the Machinists installers will be to support the qualifying Teamster Installer group through repair and instruction. The Machinist group will also be expected to become proficient in accessory installations.
- 4) None of the current class of accessory work (i.e. accessory installations of a repetitive nature) shall be considered "Technical Accessories".
- 5) It is agreed that accessory work at the Toyota compound may be performed by qualified members from either / both unions and neither union claim jurisdiction of accessory work which would violate the current CBA or the intent of this document.
- 6) In the event that Toyota changes the content of accessory work, the Company

will notify the Union of the need to meet to review this arrangement. For example: should Toyota cease to require the D line work currently performed and only require work such as A, B , C or E line, this resolution shall be considered null and void. In such event, the parties retain the right to pursue resolution through the grievance procedure.

The term of this letter of understanding shall coincide with the current CBA currently scheduled to expire September 30, 2019.

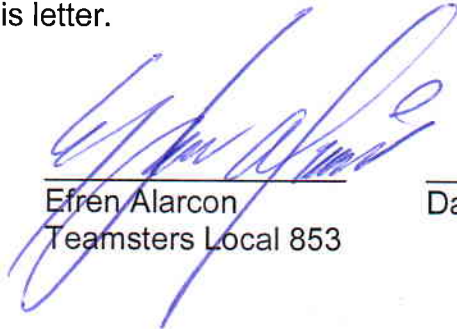
We the undersigned agree to the terms of this letter.



Steve Older
Machinists 1173


11/19/15

Date



Efren Alarcon
Teamsters Local 853

Date



Jimmy Triplett
AMPORTS

9 Nov 2015

Date

Side Letter of Agreement

October 2, 2015

Efren Alarcon
Teamsters Local 853
2100 Merced St., Ste. B
San Leandro, CA 94577

Re: Hourly Wage Rate for Employees Performing Labelling at GM Compound

Mr. Alarcon:

This will confirm our understanding with respect to Teamster employees currently performing labelling work at the GM compound. Employees with a GM compound seniority date prior to October 1, 2015 will have their current rate of \$18.04 grandfathered while at the GM compound performing labelling work.

Sincerely,



Randy Scott
General Manager

Side Letter of Agreement

October 2, 2015

Brian Fealy
Automotive Machinists Lodge No. 1173
1900 Bates Ave., Ste. H
Concord, CA 94520

Efren Alarcon
Teamsters Local 853
2100 Merced St., Ste. B
San Leandro, CA 94577

Re: Work Sharing Unemployment Insurance Program

Gentlemen:

This is sent to confirm discussions and agreements reached during the recent negotiations for a successor labor agreement between AMPORTS and Automotive Machinists Lodge No. 1173 and Teamsters Local Union 853.

It is agreed that in the event AMPORTS is considering not re-applying for the program you will be notified and provided an opportunity to meet and discuss the matter.

Sincerely,



Randy Scott
General Manager

Side Letter of Agreement

October 2, 2015

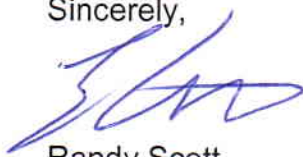
Efren Alarcon
Teamsters Local 853
2100 Merced St., Ste. B
San Leandro, CA 94577

Re: Hourly Wage Rate for Employees Having Compound Seniority Dates Prior to December 1, 2009

Mr. Alarcon:

This will confirm our understanding with respect to the hourly wage rate for Teamster employees having compound seniority dates prior to December 1, 2009. These employees will receive the hourly wage rate of \$18.04 when working utility at their own compound.

Sincerely,



Randy Scott
General Manager

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