

MEMORANDUM OF UNDERSTANDING

2011 – 2013

Between

CHISPA Housing Management, Inc.

And

Service Employees International Union, Local 521

September 1, 2011 – August 31, 2013

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This collective bargaining agreement (Agreement) is entered into by CHISPA Housing Management, Inc. (hereinafter referred to as the Employer) and Service Employees International Union, Local 521, AFL-CIO, CLC (hereinafter referred to as the Union). The Employer and the Union agree that harmonious labor/management relations are to be promoted and furthered to provide the highest quality service to the community and clients.

Any policies not included in this Memorandum of Understanding shall be covered under the CHISPA Employee Handbook. If there are any conflicts between policies in this Agreement and the Employee Handbook, this Agreement shall supersede the Handbook, with the exception of policy changes which have been approved by the Union.

ARTICLE 1 – UNION MEMBERSHIP

- a) Employees who are regularly scheduled to work twenty (20) hours or more shall be required to join the Union. Part-time employees who are hired or regularly scheduled to work less than twenty (20) hours per week are not required to join the Union.
- b) It shall be a condition of employment that all employees of the Employer covered by this Agreement shall remain member in good standing and those who are not members on the execution date of this Agreement shall, within thirty-one (31) calendar days following the execution of this Agreement, become and remain members in good standing in the Union. Any employees covered by this Agreement and hired on or after its effective date shall, within thirty-one (31) calendar days following the beginning of such employment, become and remain members in good standing in the Union.
- c) Employees who are required hereunder to maintain membership and fail to do so and employees who are required hereunder to join the Union and fail to do so shall be replaced by the Employer upon notice in writing from the Union.
- d) The Employer will supply the Union with the name, address, and job classification of employees hired or terminated within fifteen (15) days of their hiring or termination. The Employer will allow a Union Representative and/or a shop steward the opportunity to provide an orientation to the Union to each new employee at the time of hiring for not more than thirty (30) minutes during paid time.

ARTICLE 2 – UNION DUES

- a) The Employer shall deduct the amount specified by the Union from the pay of all employees covered by this Agreement who have voluntarily provided the Employer with a written assignment authorizing such deductions. The written assignment shall be on a Payroll Deduction Authorization form provided by the Union. Such sums shall be remitted to the Union, together with a list of the names of members from whom deductions have been made. The Union shall indemnify the Employer and hold it harmless against any and all suits, claims, demands, or liabilities that may arise out of or by reason of any action taken by the Employer for the purpose of complying with this Article.
- b) The Employer's Human Resources Assistant or designee, upon request from either the Field Representative or shop steward, will answer questions on monies deducted through payroll deductions.

ARTICLE 3 – COPE DEDUCTIONS

Employees may voluntarily elect to have contributions deducted from their paychecks for the SEIU Local 521 COPE fund. Such deduction shall be made upon signed authorization from the employee and shall be continued until such authorization is revoked in writing. The Employer shall transmit to the Union such deductions on a check separate from regular dues deductions.

ARTICLE 4 – NO DISCRIMINATION

No person shall be discriminated against on the grounds of race, color, religion, gender, sexual orientation, ancestry, physical or mental disability, political affiliation, status as a disabled veteran or veteran of the Vietnam or Persian Gulf War era, or any other non-job related factor, for Union activity, be denied the full benefits, or be subjected to discrimination under, or be denied employment with any programs or activities of the Employer. This includes, but is not limited to, recruitment, hiring, promotion, discipline, transfer, compensation, assignment, benefits, training, layoff, and recall practices.

ARTICLE 5 – NO HARASSMENT

The Employer will maintain an environment free from harassment that has the effect, either directly or indirectly of discriminating against individuals on the basis of race, color, national origin, age, religion, gender, sexual orientation, ancestry, physical or mental disability, political affiliation, status as a disabled veteran or veteran of the Vietnam or Persian Gulf War era, or any other non-job related factor, or Union activity.

ARTICLE 6 – UNION BULLETIN BOARD

The employer will furnish for the use of the Union, reasonable bulletin board space at the agreed upon work sites. Such bulletin board space shall be at a location inconspicuous to the public and used only for the following subjects:

1. Union recreational, social, and related news bulletins;
2. Scheduled Union meetings;
3. Information concerning Union elections, or results thereof;
4. Reports of official Union business including reports of committees or the Board of Directors;
5. Non-partisan political materials; and
6. All material shall clearly state that it is prepared and authorized by the Union.

The Union agrees that notices posted on these bulletin boards shall not contain anything that may reasonably be constructed as maligning the employer, its representatives, or any individuals in any manner.

ARTICLE 7 – UNION STEWARDS

- 7.1 The Employer agrees to recognize up to three (3) Union Stewards designated by the Union to receive and investigate complaints, assist in the resolution of potential problems and see that the terms and conditions of this Agreement are observed. The Union will notify the Employer, in writing, of the names of designated Union Stewards.

7.2 Union Stewards Activities

Union Stewards will be allowed to use such reasonable time as necessary, during working hours, without reduction of pay or other benefits to perform the following duties:

- a) To act as a representative of an employee for any step of the grievance procedure, including formal arbitrations and informal meetings with Management (non-Union supervisors and managers) to discuss concerns that may potentially become grievances.
- b) To act as a representative of an employee during an investigatory interview or other meeting conducted by the Employer where the employee has reason to believe that disciplinary action may potentially result from the interview or meeting.
- c) To meet with an employee to investigate a potential grievance. The Union Steward will coordinate any such release time with that Union Steward's supervisor or designee, but will not be asked to inform the supervisor of the specific nature of the meeting. Management must be made aware of any such release time prior to authorization.

ARTICLE 8 – BUSINESS CARDS

The Employer will provide business cards to all members of the bargaining unit.

ARTICLE 9 – HIRING PRACTICES

9.1 Filling Vacant Positions

- a) Appointments to regular full-time and on-call positions subject to this Agreement shall be made as a result of a formal selection process that shall determine those applicants best qualified to fill the vacancy.
- b) A vacancy may also be filled by increasing the hours of employees within the same classification, but only if mutually agreeable between Management and the employee or employees.
- c) Appointments to limited term, temporary, and part-time positions of less than twenty (20) hours per week need not be made as a result of any formal selection procedures; however Management will select from a qualified candidate list where such list is available.
- d) If there are existing layoff lists, the use of these lists shall supersede the use of any other selection process in the filling of any vacancy, whether permanent, limited term or temporary.

e) Posting of Vacancies

Prior to notice to the public, all employees will be notified of the Employer's intention to fill any vacant position.

f) Selection Process Participation

All regular, probationary or temporary employees and staff members from any subsidized employment program who apply and who possess the minimum qualifications for the vacant position shall be invited to participate in the qualifying interview.

g) Interview Panel

All candidates who meet the minimum qualifications will be scheduled for a qualifying interview with a panel, which will include at least one bargaining unit employee who works directly with the position being filled.

- h) The Employer will notify the union of any proposed hiring and job openings.

9.2 Transfers

In the case that a bargaining unit position (except Maintenance Tech I, II, III, and IV) becomes vacant at a different location within any CHMI property, any employees that possess the required qualifications for such property shall have the right to request a transfer to that location. No transfer shall result in a loss of seniority, benefits and/or wages. Requests for transfers should only apply to transfers within the same classification. The selection process shall be applied pursuant to Article 10-Promotional Classification and Article 11-Seniority and Layoffs.

The Employer reserves the right to transfer the primary work location for the Maintenance Technician classification at any time as deemed appropriate. The Employer shall provide thirty (30) days written notice to affected employees and the Union of any transfers within this classification.

9.3 Introductory Period

All new employees will be required to complete an Introductory Period of ninety (90) calendar days, during which time they will be evaluated as to their performance. Upon completion of the Introductory Period, a performance evaluation will be conducted to ascertain the viability of continued employment on a regular basis.

Employees may not use paid vacation time during the Introductory Period.

ARTICLE 10 – PROMOTIONAL CLASSIFICATIONS

- a) A promotional classification is a higher-level position within a job series or outside the bargaining unit within CHISPA.
- b) All eligible employees shall have three (3) working days from the date they are notified of the vacancy to indicate their interest in the position in writing to the Director of Administration or his/her designee.
- c) All employees who have indicated their interest will be scheduled for an interview with an interview panel as described in Section 9.1 g), above.
- d) If there are no qualified candidates for promotion to the position, the Employer will conduct an open recruitment.

ARTICLE 11 – SENIORITY AND LAYOFFS

11.1 Seniority

Seniority is defined as the length of an employee's continuous employment from the most recent date of hire or re-hire in a job classification as a regular and/or probationary period. An employee who promotes or transfers to another job classification continues to accrue seniority in the previously held job classification.

11.2 Definition of Layoff

A layoff is any mandatory reduction in an employee's hours of work or days of work lasting longer than five (5) days, or the elimination of a position.

- a) In the case of a reduction of hours lasting five (5) days or less, the following procedure will be followed:
 - 1. Employees in the affected classification will be asked to volunteer.
 - 2. Appropriate alternate work, if available, will be offered to affected employees.
 - 3. The least senior employee in the affected classification will be the one affected by the reduction.

11.3 Recall Lists

- a) Regular and probationary employees who have been laid off will have recall rights in their classification for future vacancies in any program for a period of one year from the date they were laid off. The names of such employees shall be placed in the reversed order of their layoff, on a recall list for that classification. No open recruitment shall be made for the classification until this recall list is exhausted.
- b) A laid off employee will be removed from the recall list if any of the following occur:
 - 1. The employee refuses a job in a classification for which the employee is qualified, in which case the employee will be classified as a voluntary resignation and removed from the recall list.
 - 2. The employees becomes employed with the Employer at the same or higher salary; or
 - 3. The employee fails to respond to a notice of re-employment.
- c) Regular and probationary employees who have been laid off shall be guaranteed an interview for any positions that become available in any program in the Company provided they possess the minimum requirements for the job.
- d) Temporary and limited-term employees who have been laid off shall be notified of vacancies in their former classification. Employees who are recalled after layoff shall be returned to the Employer with the same seniority that they had when they were laid off.
- e) Re-call shall always be contingent upon the employee's continued possession of the minimum qualifications required for the position.
- f) Employee's Responsibility for Address
Laid off employees are responsible for keeping the Employer informed of their current address.
- g) Subject to the provisions of this article, employees separated from employment will be entitled to receive one week of pay for each year of service up to a maximum of four (4) weeks.

11.4 Vacation Seniority

Vacations shall be scheduled based on seniority. Employees shall make every effort possible to give advance notice to their immediate supervisor for vacation requests. Each year commencing January 1 through March 31st, all employees shall submit their vacation requests for the year. After March 31st, senior employees shall be granted the vacation requests provided it is operationally feasible. Any requests submitted after March 31st will be on a first submittal basis.

- a) For two or more employees who have the same date of hire and have requested time off for the same period of time, the employee with the lowest last 4 digits of the social security card will be granted first priority for vacation.

ARTICLE 12 – GRIEVANCE PROCEDURE

Most work-related problems can be resolved by regular, open communication between employees and their supervisors. Occasionally, a different approach might be necessary to resolve an issue of concern. Nothing in this agreement would prohibit an employee from discussing an issue of concern with his/her supervisor or the Director of Administration to resolve the issue quickly at the lowest possible level.

12.1 Grievance Defined

For purposes of this grievance procedure, a grievance is defined as a claim between CHMI and the employee or Union regarding a violation on an expressed provision of the Memorandum of Understanding (MOU), Supplemental Agreements, and/or State and Federal law, or an appeal of a disciplinary action.

There shall be no restraint, interference, coercion, discrimination or reprisals against any employee for exercising his/her rights under the grievance procedure.

12.2 Step I: Appeal to Immediate Supervisor

12.2.1 An employee may present the grievance in any written format either directly or indirectly or through his/her Union representative to the employee's immediate supervisor within ten (10) working days following the event or events on which the grievance is based. The immediate supervisor shall make whatever investigation necessary to obtain the facts pertaining to the grievance. Within ten (10) working days after receiving the employee's written grievance, the immediate supervisor shall give the employee a reply in writing.

12.2.2 If the employee is not satisfied with the reply of his/her immediate supervisor, the employee may appeal the grievance to Step II.

12.3 Step II: Appeal to Director of Administration and/or Designee

12.3.1 If the employee desires to appeal the grievance to Step II, the Union shall submit a grievance to the Director of Administration or his/her designee within five (5) working days following the receipt of the immediate supervisor's reply in writing.

12.3.2 The written grievance shall contain a complete statement of the grievance and alleged facts upon which the grievance is based, the reasons for the appeal, the remedy requested, and the specific rules, regulations or statutes claimed to have been violated, if any. The grievance shall be signed and dated by the employee.

12.3.3 The Director of Administration or his/her designee may arrange, or the Union may request, a meeting between the Director of Administration or his/her designee, the employee, and the appropriate Union representative and attempt to resolve the grievance informally. In any event, the Director of Administration or his/her designee shall give a written decision to the employee within ten (10) working days following receipt of the written appeal to Step II.

12.3.4 If the employee is not satisfied with the decision, he/she may appeal the grievance to Step III.

12.4 Step III: Appeal to President/CEO and/or Designee

12.4.1 If the employee desires to appeal the grievance to Step III, the employee or the Union shall appeal the grievance in writing to the President/CEO within five (5) working days following receipt of the decision at Step II.

12.4.2 Within ten (10) working days after receipt of the grievance or appeal to Step III, the President/CEO or his/her designee shall hold a meeting with the employee, the appropriate Union representative and/or the appropriate supervisor to discuss the matter to hopefully reach an early resolution of the dispute. In any event, a written decision shall be given to the employee or the appropriate Union representative within five (5) working days following the meeting.

12.4.3 If the Union is not satisfied with the decision of the President/CEO, the appropriate representative of the Union may appeal the grievance to Step IV – Arbitration.

12.5 **Step IV: Arbitration**

12.5.1 If the grievance has been properly processed through the previous steps of the procedure and not resolved, the appropriate Union representative may appeal the grievance to arbitration. The Union representative shall notify the President/CEO, in writing, within twenty (20) calendar days following receipt by the employee of the written answer at Step IV.

12.5.2 Within ten (10) working days following the receipt of the notice of appeal to Step V, a meeting shall be arranged by the President/CEO or his/her designee with the appropriate Union representative to prepare a joint statement of the issue, or issues, to be presented to the arbitrator. If the parties are unable to agree upon the issue, or issues, each party will prepare its statement of the issue, or issues and jointly submit the separate statement of the issue, or issues, to the arbitrator for determination.

12.5.3 The parties may mutually agree upon the selection of the arbitrator or shall jointly request the Federal Mediation and Conciliation Services (FMCS) or the American Arbitration Association (AAA) to provide a list of seven (7) persons qualified to act as arbitrators.

12.5.4 Absent the parties reaching a stipulation as to an arbitrator following receipt of the above-referenced list, the parties shall select the arbitrator. The right to strike the first name shall be determined by lot and the parties shall alternatively strike one (1) name from the list until only one (1) name remains, and that person shall be the arbitrator.

12.5.5 The arbitrator shall hold a hearing on the issue, or issues, submitted, or as determined by the arbitrator if the parties have not mutually agreed upon the issue, or issues, and render a written opinion and reasons for the opinion as soon after the hearing as possible. The arbitrator's opinion shall be final and binding on both parties, and shall be limited to the issue, or issues, involved. Either party may elect to have representation by legal counsel at those arbitration hearings.

12.5.6 The opinion shall be sent to the Director of Administration and to the employee and appropriate representative of the Union.

12.5.7 The parties agree each party shall pay for the time and expenses of its representatives and witnesses and shall contribute equally to the fees and expenses of the arbitrator and arbitration hearing. The arbitration hearing will be held at a location mutually agreed upon by the parties.

12.5.8 Witnesses who are employees and on duty at the time of a scheduled appearance before the arbitrator shall be released from duty for the time required to testify. No overtime payments shall be made because of scheduled appearances.

12.5.9 The individual grievant shall be released from duty without loss of pay for the time of the arbitration hearing. One steward shall be permitted to be present for grievances filed by the Union.

12.5.10 The parties agree that the time limits set forth herein are of the essence of this procedure and are to be strictly complied with. Extensions to these time limits can be made only in writing, or by e-mail, signed by representatives of each party.

ARTICLE 13 – DISCIPLINARY ACTION

Disciplinary action may be taken for just cause. If it is necessary to take correction action in regard to an employee's performance, the Employer agrees to use progressive discipline. Constructive efforts will be made by management toward helping employees fully achieve satisfactory standards of performance. Some forms of conduct may lead to disciplinary action, up to and including immediate termination of employment. Examples of such conduct for which the company has zero tolerance include, but are not limited to the following:

- ◆ Theft or unauthorized removal or possession of property from the company, fellow employees, residents or customers on company property;
- ◆ Fraud;
- ◆ Possession, distribution, sale, transfer, use or being under the influence of alcohol or drugs in the workplace, while on duty, or while operating a company-owned vehicle;
- ◆ Being under the influence of a prescribed or over-the-counter medication which impairs the employee's ability to perform the essential functions of his/her job effectively, in accordance with Article 23, Substance Abuse Policy and Drug Rehabilitation Leave.
- ◆ Bringing into company offices, maintenance shops, or company-owned vehicles, firearms, explosives or other such dangerous property;
- ◆ Downloading, storing, or creating any inappropriate materials that violate the company's Harassment Policy or Electronic Communications Policy;
- ◆ Display, possession, or storing of pornographic materials or images on company property, including company-owned cellular phones, vehicles and company computers or computer network;
- ◆ Gross violations, non-compliance or disregard of company safety policies;
- ◆ Absence from work for one or more work days without notice to the supervisor, manager or Administration, unless a reasonable excuse is offered and accepted by the company.

Disciplinary actions may be appealed through the Grievance Procedure in Article 12.

ARTICLE 14 – VEHICLE MILEAGE REIMBURSEMENT

- a) Any employee who, in the course of employment, is required to use a personal vehicle will be reimbursed for all mileage traveled for work purposes. Mileage will be paid at the maximum rate allowable for tax purposes by the Internal Revenue Service.
- b) Employees driving employer-owned vehicles must provide proof of a valid California driver's license upon hire and shall sign an Authorization for Release of Driver Record Information which allows the Employer to receive an driver record report annually or when any subsequent conviction, suspension, revocation, or any other action is taken against the employee's driving privileges during the employment relationship.
- c) Employees requesting mileage reimbursement must provide proof of a valid California driver's license and automobile insurance annually or upon request of the Employer.

ARTICLE 15 – LABOR/MANAGEMENT COMMITTEE

A Labor/Management Committee, consisting of two representatives designated by the Union and two designated by management, will meet monthly. The agenda will include items that may be of mutual interest to the parties. One purpose of the committee is to assure staff's input is available to the Employer's Board of Directors (Board). Some methods may include attendance at Board meetings when invited by the Board, invitations to Board Members to participate in Union/Management meetings or staff meetings as appropriate, reports to the Board as deemed necessary by the Board, participation as appropriate on committees, and task groups formed to advance the strategic plan are examples of such working groups. The Committee shall strive for joint recommendations; however, in the case of dissent, both recommendations shall go to the Board. The Board may consider the Committee's recommendations at the Board's discretion. The Committee members shall be paid for time at meetings or activities related to the Committee. Items made available to the Committee are subject to Board limitation and may include budgets, Board minutes, agendas, requests for proposals, etc.

ARTICLE 16 – WORK CLOTHES REIMBURSEMENT

Maintenance Department employees shall be reimbursed up to seventy-five dollars (\$75.00) each quarter for the cost of protective work clothing. The Employer will provide protective coveralls at work locations with on-site maintenance shops or on-board Employer-owned vehicles.

Receipts for reimbursement must be received no later than thirty (30) days following the end of the quarter in which the purchases were made. (Quarters end March 31, June 30, September 30 and December 31).

ARTICLE 17 – RETIREMENT PLAN

17.1 Eligibility

- a) Employees must be at least 18 years of age.
- b) Employees must complete six (6) months of continuous service (1,000 hours of service).
- c) Entry dates shall be on a monthly basis.

17.2 Contributions

- a) Employees may elect to defer a portion of their salary up to 96% of their annual salary or the annual amount allowed by the Internal Revenue Service.
- b) Employer will provide a matching contribution of up to 100% of the contributing participant's contribution up to 3% of the employee's base salary and up to 50% of the second 2% of the contributing participant's contribution, for a maximum employer match of 4% (Example: an employee who defers 5% of his/her salary will receive an Employer match of 4%).
- c) Employees who do not participate in the plan through elective salary deferrals are not eligible for the matching contribution.
- d) The Employer's Board of Directors may, at its sole discretion, authorize a discretionary contribution after the close of the calendar year and before the end of the first quarter of the subsequent calendar year.
- e) Employees who do not participate in the plan through elective salary deferrals shall be eligible for any discretionary contribution when authorized by the Board of Directors.

17.3 Vesting Schedule

Employees are always 100% vested in their own elective deferrals and under the Safe Harbor provision, all matching contributions by the Employer are immediately 100% vested.

Employer discretionary contributions to the individual employee retirement accounts are subject to the graduated vesting schedule below:

• 0 – 1 year of service	0% vested
• 2 years of service	20% vested
• 3 years of service	40% vested
• 4 years of service	60% vested
• 5 years of service	80% vested
• 6 years of service	100% vested

ARTICLE 18 – HOURS OF WORK

18.1 Workweek

- a) A full-time workweek consists of forty (40) hours within a seven-day time period.
- b) A part-time employee is an employee who works less than forty (40) hours per week.
- c) Employees will be entitled to two (2) consecutive days off each week unless otherwise mutually agreed.
- d) Regular business hours are between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday. Alternative work schedules may be approved on a case-by-case basis by the employee's immediate supervisor. Except in the case of emergencies, employees may not start work before 7:00 a.m. without prior written approval of the Director of Housing Management.

18.2 Overtime

Overtime compensation shall be paid as follows:

- a) One and one-half times the employee's regular rate of pay for all hours worked in excess of eight (8) hours up to and including twelve (12) hours in any workday, for all hours exceeding forty (40) hours per week, and for the first eight (8) hours worked on the seventh (7th) consecutive day of work in any workweek.
- b) Double the employee's regular rate of pay for all hours worked in excess of twelve (12) hours in any workday and for all hours worked in excess of eight (8) hours on the seventh (7th) consecutive day of work in any workweek.
- c) Except in emergencies, all overtime requires prior written Management approval.
- d) All overtime work shall be done on a voluntary basis.

18.3 Rest Periods

All employees are entitled to a fifteen (15) minute paid rest break for every four (4) hours of work and a one (1) hour unpaid meal break for each eight (8) hours of work.

18.4 Compensatory Leave

Employer will allow up to sixteen (16) hours of compensatory leave in lieu of overtime at the rate of one and one-half times the amount of overtime hours actually worked. Such compensatory leave shall be taken within thirty (30) days of the time worked.

ARTICLE 19 – VACATIONS

19.1 Vacation Accrual

All regular full-time and part-time employees regularly scheduled to work more than twenty (20) hours per week accrue vacation leave with pay according to the following schedule:

Length of Employment	Vacation Days/Hours Accrued Per Month	Vacation Days Accrued Per Year
0 – 6 years	1.25	15 days/120 hours
7 – 12 years	1.667	20 days/160 hours
12 years or more	2.0833	25 days/200 hours

Vacation will accrue based on actual hours in paid status (i.e. hours worked or on paid vacation or sick leave). Periods of unpaid leave will not accrue vacation hours. Vacation leave accrual for part-time employees is prorated based on actual hours in paid status.

19.2 Vacation Accrual Limit

Vacation time may be accumulated to a maximum accrual of three hundred (300) hours. Employees will be guaranteed the right to use accrued vacation prior to reaching their maximum accrual.

19.3 Vacation Leave Usage

- a) Paid vacation time can be used in minimum increments of two (2) hours for non-exempt employees. The maximum time that can be used at one time is two (2) weeks; additional time beyond the two-week maximum is subject to the approval of the direct supervisor and the Director of Housing Management.
- b) Vacation requests which are submitted in writing to the employee's immediate supervisor at least ten (10) work days in advance of the requested vacation date will not be unreasonably denied. The Supervisor will respond to leave requests in writing within five (5) working days after receipt of the request.
- c) Employees may cash-out up to forty (40) hours of accrued vacation each year, payable with the last payroll in September provided that after cashing out the employee has at least twenty-four (24) hours (three (3) days) accrued vacation remaining. Employees with ten (10) or more years' continuous service may cash-out up to forty-eight (48) hours of vacation per year for the length of this agreement.

ARTICLE 20 – SICK LEAVE

20.1 Accrual Rate

All regular full-time and part-time employees regularly scheduled to work more than twenty (20) hours per week will accrue sick leave with pay at the rate of eight (8) hours per month, prorated based on the actual hours in paid status. Employees will not accrue sick leave during periods of unpaid leaves of absence.

20.2 Sick Leave Use

a) Limits on Use of Sick Leave

Paid sick leave can be used in minimum increments of one (1) hour for all hourly employees.

b) Health Care Provider's Verification

The Employer reserves the right to require a satisfactory statement of a qualified healthcare provider whenever an employee misses work due to an illness, injury, or disability. The employee may be asked to provide a statement which verifies that an illness, injury, or disability existed; its beginning and ending dates; and/or the employee's ability to return to work without presenting an immediate and significant risk to her/her own health or the health or safety of others. When

requested, such verifications and releases may be a condition to receiving sick benefits and returning to work. Although a healthcare provider's statement will not normally be requested for absences of less than three (3) working days, the Employer may request such a statement in situations where it determines that it is warranted, including, but not limited to, documented patterns of absenteeism.

c) Doctor's Statement

Employees may not return to work following an extended absence necessitated by an illness or injury without their healthcare provider's written approval. Employees who are absent from work for five or more working days due to an illness or injury must therefore provide a satisfactory doctor's statement before returning to work and assuming their duties (*forms are available from the Director of Administration*). The healthcare provider's statement must verify that an employee is able to return to work without presenting an immediate and significant risk to the employee's safety or to the health or safety of others. The Employer will make reasonable accommodations for disabled individuals where it would not result in an undue hardship to do so and is consistent with its legal obligations.

d) Retirement Payoff

Upon retirement at age 65 or death, an employee (or his/her beneficiary) with at least ten (10) years continuous service shall be paid for fifteen percent (15%) of his/her accumulated sick leave up to a maximum of one thousand five hundred (1,500) hours (maximum payoff is 225 hours).

e) Family Sick Leave

Regular full-time and part-time employees shall be granted use of accumulated sick leave because of illness of the employee's spouse and dependent children under age eighteen (18).

f) Transfer of Sick Leave

In the event an employee has exhausted all of his/her sick leave hours due to major illness, the employer will allow other CHMI employees to voluntarily donate up to four (4) hours of sick leave up to a combined forty (40) hours maximum per each sick leave recipient (transferee). Transfers of sick leave are subject to the following limitations:

1. Transferee has exhausted all sick, annual, and compensatory leave balances;
2. Transferor can contribute only up to 4 hours per year total to all transferees.
3. Transferor has an accumulated sick leave balance after the transfer of at least sixty (60) hours.

ARTICLE 21 – HOLIDAYS

21.1 Regular Hoiddays

a) The following days will be observed as paid holidays:

New Years' Day	January 1 st
Martin Luther King, Jr. Day	Third Monday in January
President's Day	Third Monday in February
Cesar E. Chavez Day	March 31 st
Memorial Day	Last Monday in May
Independence Day	July 4 th
Labor Day	First Monday in September
Veteran's Day	November 11 th
Thanksgiving Day	Fourth Thursday in November
Friday after Thanksgiving	Fourth Friday in November
Christmas Eve Day (1/2 day) 1 – 5 p.m.	December 24 th
Christmas Day	December 25 th
Floating Holiday	

- b) If an employee is required to work on a scheduled holiday, the employee will be paid for the holiday plus one and one-half (1 ½) times the employee's regular hourly rate of pay for each hour worked on the holiday. Except in emergencies, all work performed during a holiday needs to be pre-approved in writing by the employee's supervisor.

21.2 Employer Discretionary Holidays

Should an affiliate of the Employer (CHISPA) provide additional holidays to its employees, such as the entire day for Christmas Eve or the day after the 4th of July holiday, the Employer will provide the same additional holidays to bargaining unit employees.

21.3 Floating Holiday

Employees will be entitled to take one (1) floating holiday per year.

ARTICLE 22 – LEAVES OF ABSENCE

22.1 Personal Leaves of Absence

With the approval of the Employer, a regular, full-time employee may be granted a personal leave of absence without pay for a period of up to ninety (90) calendar days.

- a) In the event of urgent personal affairs requiring the full attention of the employee;
- b) For other purposes mutually agreed upon between the employee and the Employer;
- c) Union activities.

Employees may request a personal leave of absence only after completing one (1) continuous year of service.

Subject to the terms, conditions and limitations of the applicable plans, health insurance benefits will be provided by the Employer for thirty (30) days from the beginning of the approved leave, to the same degree provided before the leave began. If the approved leave of absence continues for longer than thirty (30) days, then at that time the employee will become responsible for the full cost of these benefits if he/she wishes coverage to continue. When the employee returns from the leave, benefits will again be provided by the Employer according to the applicable plans.

Benefit accruals, such as vacation, sick leave, or holiday benefits will be suspended during the leave and will resume upon return to active employment.

Employees who accept other employment during an approved leave or who fail to report to work promptly at the expiration of an approved leave will be considered to have voluntarily terminated their employment.

22.2 Illness/Family Leaves of Absence

All regular full-time and part-time employees are entitled to a ninety (90) day leave of absence without pay due to the employee's illness; the illness of a family member (as defined in Article 22.5) or the birth, adoption or foster care placement of a child with the employee. All regular full-time and part-time employees are entitled to up to 12 weeks of Family Medical Leave (FMLA) and California Family Rights Act (CFRA) leave during any 12-month period. Employees must have worked for the company for at least 12 months (52 weeks) and must have worked at least 1,250 hours during the 12-month period immediately before the date when the leave would begin.

22.3 Maternity Leave

An employee shall be eligible for a leave of absence without pay for maternity leave of up to five months of which up to one month may be taken prior to delivery and no more than four months after the birth of the employee's child regardless of whether or not said employee has used accrued sick and vacation leave.

22.4 FMLA/PDL/CFRA Leave

While on a qualified FMLA/PDL/CFRA leave, the Employer will continue the employee's health benefits (and rent credit where applicable) during the leave period at the same level and under the same condition as if the employee had continued to work. The maximum entitlement for

continuation of benefits is up to 12 weeks during a 12-month period of paid coverage. Fringe benefits (vacation, sick leave) are not earned during the leave. If the employee chooses to remain on leave beyond the maximum 12-week FMLA leave he/she will be responsible for payment of any benefits including health insurance and employer-provided housing.

22.5 Bereavement Leave

In the event of the death of an employee's family member (family member is defined as the employee's mother, father, stepmother, stepfather, sister, brother, stepbrother/sister, spouse, domestic partner, child, adopted/stepchild, or grandparents, step-grandparents, mother-in-law and father-in-law), the employee shall be entitled to up to three (3) days of paid bereavement leave. Where considerable travel is necessary, due to closeness of the relationship (spouse, parent or child), or where other extenuating circumstances exist, the employee may request additional time off. Such additional time may be unpaid unless the employee chooses to use his/her accrued sick or vacation leave. Employees shall notify their supervisor as soon as feasibly possible of the need for bereavement leave and of their intended period of absence.

22.6 Training Leave

With approval of the Employer, a regular full-time employee shall be granted a leave of absence without pay not to exceed one (1) year for enrollment as a full-time student for the purpose of improving skills, obtaining certifications or credentials essential for the employee's current position or the advancement to a higher position.

Employees may request a leave of absence under this section only after completing one (1) continuous year of service.

Subject to the terms, conditions and limitations of the applicable plans, health insurance benefits will be provided by the Employer for thirty (30) days from the beginning of the approved leave, to the same degree provided before the leave began. If the approved leave of absence continues for longer than thirty (30) days, then at that time the employee will become responsible for the full cost of these benefits if he/she wishes coverage to continue. When the employee returns from the leave, benefits will again be provided by the Employer according to the applicable plans.

If a leave lasts longer than thirty (30) days, employees who are required to live on-site as a condition of employment and who meet the eligibility requirements will be required to pay the cost of their unit at the income level for which they qualify. Employees who do not meet the eligibility requirements will be required to pay the full fair rental value of their unit for leaves of absence which last longer than thirty (30) days.

22.7 Extensions

Leaves of absence in accordance with Article 22 – Leaves of Absence, may be extended by the Employer if a request for such extension is made by the employer to the employer prior to the expiration of the original leave. Approval of such extensions is solely at the option of the Employer.

ARTICLE 23 – SUBSTANCE ABUSE POLICY AND DRUG REHABILITATION LEAVE

Employees shall abide by the Substance Abuse Policy adopted by the Employer.

23.1 Alcohol and Drug Rehabilitation Leave

The Employer wishes to assist employees who recognize that they have a problem with alcohol or drugs that may interfere with their ability to perform their job in a satisfactory manner. Employees who have a problem with alcohol or drugs and who decide to enroll voluntarily in a licensed or accredited rehabilitation program will be given unpaid time off to participate in the program unless it would result in an undue hardship to provide the time off. If an employee requests time off to participate in such a program, the Employer will make reasonable efforts to keep the fact that the employee enrolled in the program confidential. Reinstatement may be conditioned upon satisfactory completion of the rehabilitation program. The responsibility for the cost of treatment lies solely with the employee.

This policy only applied to employees who voluntarily come forward before being detected, before a disciplinary problem occurs, or before the employee is asked to undergo substance abuse testing for reasonable suspicion or post-incident.

ARTICLE 24 – INSURANCE

24.1 Medical Insurance

The Employer agrees to pay the employee premiums for health insurance during the term of this Agreement and any increases to employee premiums during the term of this Agreement. Medical insurance is effective the first day of the month following the date of hire.

24.2 Dental Insurance

The Employer agrees to pay the employee premiums for dental insurance during the term of this Agreement and any increases to employee premiums during the term of this Agreement. Dental insurance is effective the first day of the third month following the date of hire.

24.3 Optical Insurance

The Employer agrees to pay the employee premiums for optical insurance during the term of this Agreement and any increases to employee premiums during the term of this Agreement.

24.4 Dependent Premiums

For those employees with dependents enrolled in the group's health insurance plan, the Employer agrees to pay up to three hundred fifty dollars (\$350.00) per month towards the medical, dental and optical premiums for the employee's spouse and dependent children qualified to participate in the respective plans. The Employer contribution of \$350.00 per month towards dependent insurance premiums shall take effect upon ratification of this Agreement and shall continue throughout the term of this Agreement. If there are any health insurance premium increases in any year(s) of this Agreement, CHMI Management and the Union agree to re-open this provision.

a) Alternative Dependent Premiums

Any employee that chooses not to include his/her eligible dependents in the Employer's health insurance plan and who obtain alternative coverage and provide the Employer with proof of such coverage shall be reimbursed up to the monthly contribution rate in effect for Dependent Premiums (Article 24.4).

b) Notification of Premium Increases

The Employer will notify the Union of any increases to dependent premiums no more than five (5) days after receiving a rate change notice from the carrier or administrator.

24.5 Changes of Carriers or Administrators

Changes in insurance carriers or administrators shall not result in any significant reduction in benefits. The Employer shall notify the Union of any proposed changes in insurance carriers or administrators. The Employer will work with the Union to develop an alternative health insurance plan to be effective November 1, 2009.

ARTICLE 25 – TENANCY ARRANGEMENTS

25.1 Residence Requirement

The position of Resident Manager may require residence at assigned complexes. Such requirement may begin during or upon completion of the employee's initial probationary period. Any employee that is required residence at an assigned complex will be provided a two-bedroom unit (three-bedroom if no two-bedroom units exist at the particular complex) as part of the employment package. Should an employee's immediate family consisting of the employee, spouse or registered domestic partner, and dependent children require residency in a three-bedroom apartment, a three-bedroom apartment will be provided at no additional cost to the

employee. An employee may be allowed to upgrade the size of the unit by agreeing to pay the rent difference between the larger unit and the two-bedroom unit.

Should an employee voluntarily terminate his/her employment, the employee must vacate the unit as of the final day of paid status. If the Employer terminates an employee, the employee shall remain in the unit for up to thirty (30) days from the date of termination without charge. In both cases, the Employer may extend occupancy for an additional sixty (60) days if the former employee pays the full fair rental value.

As is the case for tenants, the employee is responsible for cleaning and damage charges beyond normal wear and tear to the apartment. In lieu of a security deposit, the employer may withhold three hundred and fifty dollars (\$350.00) from the employee's final paycheck until the move-out inspection of the former's employee's unit is complete and damage and cleaning charges are applied.

If immediately prior to employment the terminating employee was a qualified tenant at an Employer-managed complex and the employee resigns their employment, the employee has the option of remaining as a tenant providing the eligibility and financial requirements for continued occupancy are met. If the employee is terminated, he or she will not have the option to remain as a tenant.

25.2 Special Arrangements

The Employer and an employee may make special arrangements for the employee to receive rent credits for performing duties at a complex that are unrelated and in addition to the employee's position covered by this Agreement. Such Arrangements are not subject to the terms of this Agreement. Either the Employer or the employee may terminate the tenancy without affecting the employee's position covered by this Agreement. The employee's tenancy is subject to the established rental policy for non-employee tenants.

25.3 Rental Agreement

An employee occupying a unit at any Employer-managed complex will be required to execute a rental agreement and abide by all rules of tenancy at the complex. Failure to abide by all the rules of tenancy at the complex could subject the employee to penalty and/or eviction in accordance with the rental agreement. If performance of the employee's job requires residing at a particular assigned complex, eviction could mean termination of employment.

25.4 Managers Option to Live Off-Site

Resident Managers will have the option to live off-site and this option will be granted on a case-by-case basis at the discretion of management. Effective September 1, 2006, Resident Managers who reside off-site shall be paid an additional \$1.25 per hour above the rate for their current classification. Resident Managers who were living off-site prior to September 1, 2006 shall continue to be paid at the same rate as the Office Assistant regardless of their classification.

ARTICLE 26 – SUCCESSORSHIP

This Agreement shall be binding upon the successors and assigns of the Employer during its term, in the fashion and to the same extent as it is binding on the Employer. The term successor and assigns means any purchaser, assignee, or transfer of the Employer.

The Employer agrees that it will disclose to any successor employer the existence of this Agreement and the successorship clause, and agrees further that it shall condition any purchase, assignment or transfer of the Employer to adopt and apply this agreement.

The Employer agrees that if the Employer intends to enter into a purchase, assignment or transfer of the Employer to any other purchaser or organization, it shall give the Union thirty (30) days written notice of that action, which notice shall contain the name and address of the successor or assign and the name of the principal executive officer of that organization.

In the event of a merger, the Union will be given a minimum of thirty (30) days advanced written notice by the Employer. Upon such notice, the Union and the Employer will promptly meet and confer in good faith over the effects of the merger.

ARTICLE 27 – CONTRACTING OUT

- 27.1 During the term of this Agreement, no incumbent bargaining unit members shall be laid off or be subject to reduction in work hours due to Employer initiated contracting out.
- 27.2 During the term of this Agreement, management agrees to the following process for contracting out work:
- a) Management will determine the scope of work needed and deadline for work to be completed.
 - b) Work that is normally done by a bargaining unit member will be offered first to bargaining unit members within the appropriate classification prior to contracting out.
 - c) Work will be offered to bargaining unit members provided the work is such that a bargaining unit member is capable of performing the work within reasonable time constraints established.
 - d) In accordance with Article 18.2 (Overtime), all requests for such work which shall require overtime will be voluntary and shall be compensated at the appropriate overtime rate.
 - e) Management and the Union agree to refer this issue to the Labor Management Committee to develop a policy that provides for contracting out work.

ARTICLE 28 – JURY DUTY

Employees are encouraged to fulfill civic responsibilities by serving jury duty when required. Time off for jury duty is provided on a paid basis for regular full-time non-exempt employees for up to five (5) days. If an employee receives a notice to report for jury duty, the employee's supervisor should be notified immediately so that arrangements can be made to accommodate the employee's absence. Employees are expected to report for work whenever the court schedule permits.

Employees are required to provide a copy of the Jury Duty Summons to their immediate supervisor.

ARTICLE 29 – TIME OFF TO VOTE

To make the voting process more available, employees who do not have sufficient time outside of their working hours within which to vote will be allowed to take up to two (2) hours off, with pay, for this purpose. The time off for voting shall be only at the beginning or end of the regular working shift, whichever allows the most free time for voting and the least time off from the regular working shift, unless mutually agreed. To receive time off for voting, employees must notify their immediate supervisor at least one (1) day in advance of the need to take time off to vote.

Upon return from voting, employees must present a voter's receipt to their supervisor.

ARTICLE 30 – CALL OUT

The Employer agrees to guarantee a minimum of two (2) hours of paid time to any worker who is asked to leave his or her home in response to a call.

ARTICLE 31 – REPORTING TIME PAY

If an employee reports to work at his/her regularly scheduled time, but is sent home due to a lack of work or is given less than half the usual or scheduled daily work, he or she will be paid "reporting time pay." Any employee who is entitled to reporting time pay will be paid for at least half of the hours he/she was scheduled to work, but never less than two hours pay and never more than four hours pay.

Reporting time pay is not owed under the following circumstances:

- a) When operations cannot begin due to threats to the Employer or property or when recommended or required by a civil authority;
- b) When public utilities fail, such as water, gas, electricity, or sewer;
- c) When work is interrupted by an act of God or other causes not within the Employer's control (flood, fire, earthquake, etc.)

When an employee is required to report to work or attend a meeting or training on a day he or she is not scheduled to work, reporting time shall be paid as indicated above.

ARTICLE 32 – PERSONAL PROPERTY REIMBURSEMENT

When an employee, in the course of their official job duties, sustains a loss or damage to personal property as a result of vandalism or theft by tenants or other related individuals, the employee will be eligible for reimbursement for personal property. The employee must provide a written request for reimbursement, stating the facts surrounding the incident(s) and he or she must provide evidence of the replaced cost of the item(s) lost and/or damaged, such as receipts, invoices, estimates, bills, etc.

ARTICLE 33 – TERM

This Agreement is effective beginning September 1, 2011 and will expire August 31, 2013.

SIDE LETTER AGREEMENT 1
Between Service Employees International Union, Local 521 and
CHISPA Housing Management, Inc.

It is understood and agreed that this side letter agreement contains a list of locations where the Employer will furnish, for the use of the Union, reasonable bulletin board space as described on Article 6 – Union Bulletin Board. The locations are the following:

1. CHMI Office (Salinas)
2. Harden Ranch (Salinas)
3. Gabilan Hills (Salinas)
4. El Cerrito (Castroville)
5. Villa la Posada (Watsonville)
6. Jardines de Soledad (Soledad)
7. Tyler Park (Greenfield)

Evaluations:

It is understood and agreed that the Employer may conduct annual performance evaluations on employees which may include written evaluations. An employee can request that a Union representative be present during an evaluation and can provide a written response to an evaluation, if so desired. In the event that an employee is in material disagreement with an evaluation, the employee can appeal the evaluation by requesting a joint review by a representative of management and the bargaining unit.

Limitation on Transfers:

It is understood and agreed that the Employer may decline a transfer requested as per Section 9.2 during the first 18 months after hire or prior transfer if Management believes a relocation would affect the stability or consistency of the management effort at the employee's current property.

Union/Management Partnership Committee:

It is agreed and understood that a Union/Management Partnership Committee will meet monthly to discuss the feasibility of a Union/Management Partnership.

SIDE LETTER AGREEMENT 2
Wages and Classifications
Between Service Employees International Union, Local 521 and
CHISPA Housing Management, Inc.

Bargaining Unit Wages:

Effective September 1, 2011, wages will increase by 5% for each bargaining unit position in the first year and by 2% in the second year (2012) of the Agreement.

Step Increases:

Resident Managers and Maintenance Technicians will receive automatic step increases on their anniversary dates.

When an employee is assigned to a higher classification, the employee's rate of pay shall be at the rate of the higher classification to which the employee has been assigned for all hours worked in the higher classification.

APPENDIX A – WAGES AND STEP INCREASE SCHEDULE

Wages:

Position	Current Wage 2010-11	Hourly Wage 2011-12	Hourly Wage 2012-2013
Caretaker	\$11.45	\$12.02	\$12.26
Office Assistant	\$16.33	\$17.15	\$17.49
Resident Manager	\$13.44	\$14.11	\$14.39
Resident Manager I	\$13.97	\$14.67	\$14.96
Resident Manager II	\$14.40	\$15.12	\$15.42
Resident Manager III	n/a	\$15.87	\$16.19
Resident Manager IV	n/a	\$16.66	\$16.99
Maintenance Technician	\$15.55	\$16.33	\$16.65
Maintenance Technician I	\$17.47	\$18.34	\$18.71
Maintenance Technician II	\$18.44	\$19.36	\$19.75
Maintenance Technician III	\$19.94	\$20.94	\$21.55
Maintenance Technician IV	\$22.09	\$23.19	\$23.66

1. 5% increase in year one and 2% increase in year two of the contract.
2. New classifications of Resident Manager 3 and Resident Manager 4
3. Delete Senior Resident Manager position

Step Increase Schedule:

Resident Managers		Maintenance Technicians	
Position	Anniversary	Position	Anniversary
Resident Manager	0	Maintenance Technician	0
Resident Manager I	1	Maintenance Technician I	1
Resident Manager II	3	Maintenance Technician II	3
Resident Manager III	6	Maintenance Technician III	6
Resident Manager IV	10	Maintenance Technician IV	10

SIDE LETTER AGREEMENT 3
Labor/Management Committee
Between Service Employees International Union, Local 521 and
CHISPA Housing Management, Inc.

Labor/Management Meetings:

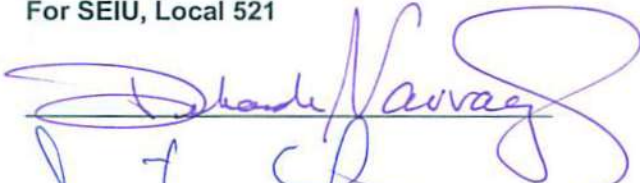


Upon request from either party, both CHMI and the Union shall meet at a mutually agreed upon time and place to discuss issues within the scope of this Agreement. The purpose of these meetings is to enhance communications in order to maintain and improve good labor/management relations. A maximum of two (2) employees attending, as Union representatives, shall be paid their regular rate of pay to attend these meetings.

ACKNOWLEDGMENT

This Memorandum of Understanding, term September 1, 2011 to August 31, 2013, and accompanying Side Letters (Side Letter 1, Side Letter 2-Wages and Classifications, Side Letter 3-Labor/Management Committee, and Appendix A) are agreed to on this

2nd day of October, 2012

For SEIU, Local 521

For CHMI



