

AGREEMENT

Service Employees International Union Local 535, hereinafter called the Union, and The Independent Way, formerly The ARC-Alameda County, hereinafter called the Employer, have agreed and by signing below hereby do agree that the labor agreement between the Union and the Employer which was terminated by the Employer in 2001 is extended through November 30, 2004, without any changes except for those specific four (4) changes as listed below:

- (1) This Agreement shall be renewed from year to year for one (1) full year starting December 1, 2004, provided, however, either party hereto may terminate this Agreement by serving written notice on the party hereto not less than sixty (60) days prior to December 1, 2004, or December 1st of any subsequent year.
- (2) Pacific Care shall be eliminated as an HMO option.
- (3) The 2003 and 2004 Kaiser percentage increases shall be applied to the co-pays for employees hired since 2000. The \$55.73 co-pay for employee and spouse and \$195.82 co-pay for employee and family shall be increased the same percentage amounts as the 2003 and 2004 Kaiser percentage increases.
- (4) The Kaiser \$5/\$5 co-pays shall be changed to \$10/\$10 with the understanding that the Employer shall promptly reimburse all employees for the extra \$5 out of pocket expense(s).

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the below dates:

THE INDEPENDENT WAY

SERVICE EMPLOYEES INTERNATIONAL
UNION LOCAL 535

By Richard Johnson Date 4-9-03

By William Hill Date 6-17-03

By Lead [Signature] Date 4/9/03

By Debbie Brady Date 6/17/03

By [Signature] Date 4/9/03

By [Signature] Date 6-17-03

By [Signature]

By Fa [Signature] Date 6-17-03