

**GRIEVANCE SETTLEMENT AGREEMENT BETWEEN
THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT AND THE BAY AREA
AIR QUALITY MANAGEMENT DISTRICT EMPLOYEES ASSOCIATION**

The following terms and conditions of this Grievance Settlement Agreement (“Agreement”) shall constitute a full and final resolution of the Grievance dated May 22, 2012 (“Grievance”), currently at Step IV of the Grievance Procedure, filed by the Bay Area Air Quality Management District Employees Association (“EA”), against the Bay Area Air Quality Management District (“District”), attached hereto as Exhibit “A.”

In resolution of said Grievance:

1. The District and EA agree that some of the work described in the District’s current contract with Technical and Business Systems, including but not limited to Contract #2012.074 (“BioWatch contract”), includes work that could also be performed by classifications represented by the EA.
2. The EA accepts the District’s current contracting out of the work in the existing BioWatch contracts and waives any arguments it may have under Sec. 16.02 of the current MOU for purposes of this Agreement.
3. The EA agrees to dismiss with prejudice the pending Grievance, dated May 22, 2012, in C.S.M.C.S. Case # ARB-12-0316.
4. The EA also agrees to dismiss with prejudice the associated arbitration proceedings, currently scheduled for November 7 and 8, 2013.
5. The EA agrees not to grieve the use of outside contractors to perform the work described in the current BioWatch contract (including any extensions thereto) through January 1, 2017.
6. The District and the EA agree that this Agreement is a full and final compromise of disputed claims and is not, nor is it intended to be, an admission of liability or wrongdoing by any party.
7. The District and the EA agree that no promises, representations, or warranties have been made by any party other than those that are expressly contained herein. The parties further agree that this Agreement sets forth the entire agreement between the parties and fully supersedes any and all prior agreements between the parties, oral or written, pertaining to the same subject matter of this Agreement.
8. The District and EA agree to split any cancellation fee related to the arbitration proceedings in this matter.

9. This Agreement is effective when signed by all of the persons designated below.

NOW, THEREFORE, this binding Agreement is hereby approved.

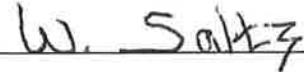
For the Bay Area Air Quality
Management District



A handwritten signature in cursive script, appearing to read "James", is written over a horizontal line.

Dated: 10/22, 2013

For the Bay Area Air Quality
Management District Employees Assn.



A handwritten signature in cursive script, appearing to read "W. Saltz", is written over a horizontal line.

Dated: 10/22, 2013