

OHIO TURNPIKE COMMISSION

Resolution Adopting Employee Severance
Anticipation Compensation Plan

WHEREAS the Ohio Turnpike Commission is charged by law with the responsibility of operating and maintaining The James W. Shocknessy Ohio Turnpike (hereinafter the "Turnpike"), and is authorized to do all acts necessary or proper to carry out such responsibility and to provide, in accordance with the trust agreement between the Ohio Turnpike Commission and The Ohio National Bank of Columbus, as trustee, and The National City Bank of New York (now Citibank, N.A.), as co-trustee, (hereinafter the "trust agreement"), for the payment of the bonds of the State of Ohio (hereinafter the "bonds") issued by the Commission for the purposes of the Turnpike;

WHEREAS pursuant to Section 5537.21 of the Ohio Revised Code, originally enacted in 1949, when the bonds and the interest thereon have been paid, or provisions for such payment in accordance with the trust agreement have been made, the Turnpike, if then in good condition and repair to the satisfaction of the Director of Transportation, shall become part of the state highway system, shall thereafter be maintained by the Ohio Department of Transportation, and shall be free of tolls;

WHEREAS the Commission presently contemplates that such payments will be completed in about the year 1981;

WHEREAS in addition and related to its basic contractual obligations to provide for the payment of the principal of and interest on the bonds from the sources pledged thereto, the Commission has covenanted in the trust agreement, for the benefit and security of the holders of the bonds and interest coupons, that it will, among other things, maintain and operate the Turnpike in an efficient and economical manner and maintain the Turnpike in good repair and sound operating condition, that compensation, salaries and wages paid by it in connection with the maintenance, repair and operation of the Turnpike will be reasonable, that no more (and, impliedly, no fewer) persons will be employed by it than necessary, that no action will be taken by which the rights of the bondholders will be impaired or diminished, and that it will from time to time take such action as may be required to carry out the purposes of the trust agreement;

WHEREAS this Commission hereby finds and determines that it is necessary and proper, in the exercise of and consistent with its responsibilities under the law and the trust agreement, to adopt, implement and commence the funding of the compensation program identified below, all to better ensure the efficient, economical and continuing maintenance and operation of the Turnpike for the benefit of the State of Ohio, the users of the Turnpike, and the bondholders, until such time as the cited provisions of Section 5537.21 of the Ohio Revised Code shall become operable; and

WHEREAS the draft of the plan of said program and this resolution have been examined and approved by fiscal and labor counsel to the Commission, Squire, Sanders & Dempsey, and by the trustee;

NOW, THEREFORE, BE IT

RESOLVED that the Commission approves and adopts the "Employee Severance Anticipation Compensation Plan," (hereinafter the "plan"), as attached

-2-

hereto, that the chairman of the Commission and the executive director, or either of them be, and they and each of them hereby are, authorized and directed to enter into, with the trustee under the trust agreement, agreements appropriate to initiate and implement the provisions of the plan as the same may from time to time be modified, including, without intended limitation, provisions for the deposits called for therein as current expenses and the investment and reinvestment (and the application of income therefrom) of moneys so deposited.

(Resolution No. 7 -1977 adopted April 5, 1977)

OHIO TURNPIKE COMMISSION

Employee Severance Anticipation Compensation Plan

The Ohio Turnpike Commission will pay, solely from revenues available therefrom, to each eligible employee whose employment by the Commission is terminated as a direct result of the outstanding bonds being paid and the Turnpike Project No. 1 being turned over to the State toll free ("Project Termination") pursuant to Section 5537.21 of the Ohio Revised Code an amount subject to and in accordance with provisions set forth hereinafter in this plan.

1. ELIGIBILITY

Each regular, full-time hourly or salaried employee will be eligible for payment under this plan provided the employee is in good standing and remains in the employment of the Commission until terminated and released by the Commission as a consequence of the project transfer.

2. COMPUTATION OF SEVERANCE ANTICIPATION COMPENSATION PAYMENTS

- a) Each eligible employee will be paid an amount equal to one week's pay for each 12-month period of the employee's total service with the Commission as of the date of the employee's termination. For any fraction of such a 12-month period, payment shall be calculated on a pro rata basis by dividing the number of full days of service in such a fractional period by 260 and multiplying the quotient so obtained by the employee's weekly rate of pay.

2. COMPUTATION OF SEVERANCE ANTICIPATION COMPENSATION
PAYMENTS (continued)

b) In addition to the amount provided for in paragraph a) hereinbefore, accrued earned but unused sick leave which was earned as an employee of the Commission will be paid as follows:

- i) All of such sick leave earned and accrued in the 24 months immediately preceding termination.
- ii) One-half of such sick leave earned and accrued in the 24 months preceding the period in paragraph i) above.
- iii) One-fourth of such sick leave earned and accrued during the months prior to the periods provided for in paragraphs i) and ii) above.

In the event an eligible employee is employed by another public agency which will accept transfer of all or a portion of the employee's accrued but unused sick leave, the employee may elect to transfer such sick leave in lieu of any payment therefor to the employee hereunder by the Commission.

c) Each eligible employee of the Commission will be paid for earned but unused vacation leave. Subject to any applicable rules of the Public Employees Retirement System (PERS) at that time, an eligible employee may utilize accumulated vacation leave to increase the length of his public service. The Commission will withhold the appropriate employee's share and will submit it and the Commission's employer share to

2. COMPUTATION OF SEVERANCE ANTICIPATION COMPENSATION PAYMENTS (continued)

c) continued

PERS to accomplish such an increase in service credit.

3. RATE OF PAYMENT UNDER PARAGRAPH 2a) HEREINBEFORE

One week's pay for an hourly employee shall be calculated by multiplying the employee's regular straight-time hourly wage in effect on February 1, 1977, times the number of hours in the employee's normal work week to a maximum of forty hours.

One week's pay for a salaried employee shall be one-half the employee's normal bi-weekly salary at the rate in effect on February 1, 1977. In the event the qualifying employee was not employed by the Ohio Turnpike Commission on February 1, 1977, the calculation shall be based upon the rate of the position which the employee would have occupied had he been employed in February of 1977.

Payment under paragraph 2b) and c) shall be based upon the employee's then straight-time hourly wage or the employee's salary rate in effect during the month prior to termination.

4. PAYMENT PROCEDURE

The Commission will elect from one of the following methods for the payment to each eligible employee:

- a) A continuation of the bi-weekly payroll schedule, with payments of two weeks' pay, or a fraction thereof, until payment is made

4. PAYMENT PROCEDURE (continued)

a) continued

in full.

b) In a lump sum, payable the second week after the week in which employment is terminated.

c) In a lump sum, payable in the first week of the calendar year following the year in which employment is terminated. (It is anticipated that this election would be made only if termination occurred within the last four months of a year).

5. FINAL PAYMENT

The payment of severance anticipation compensation by the Commission to an eligible employee hereunder will be considered final compensation for the accrued continuous service of the employee with the Commission from and after the adoption of the plan and will be in lieu of any other payments to the employee by the Commission therefor or in anticipation of such for loss of service or termination of employment with the exception of the rights that the employee may have under the Public Employees Retirement System of Ohio or under State Unemployment Compensation Laws.

6. FUNDING

In order to assure the availability of funds with which to carry out this plan, the Commission will establish an accruing severance anticipation compensation account and will pay, monthly, into such account such amount as it from time to time determines is reasonably required in order to carry out such plan. The

6. FUNDING (continued)

monthly amounts may be increased or decreased at the Commission's discretion, and all income of the account shall be retained in the account to be used for the purpose of this plan.

7. AMENDMENT OR TERMINATION

The Commission reserves the right to amend or terminate the provisions of this plan at any time.