

AGREEMENT

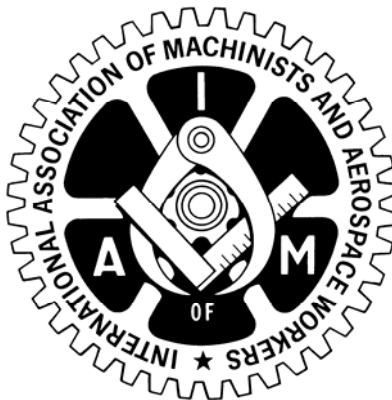
BETWEEN

L-3 Vertex Aerospace

AND

**INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS AFL-CIO
DISTRICT LODGE 725
LOCAL LODGE 1125**

**NORTH ISLAND NAVAL AIR STATION
SAN DIEGO, CALIFORNIA**



C-12 Program

Effective May 13, 2006 to May 13, 2009

C-12 PROGRAM TABLE OF CONTENTS

PREAMBLE		Page
ARTICLE 1	- Intent & Purpose	3
ARTICLE 2	- Management Rights	4
ARTICLE 3	- Union Recognition	5
ARTICLE 4	- Shop Stewards	6
ARTICLE 5	- Union Security/Agency Shop	8
ARTICLE 6	- Non-Bargaining Unit Personnel	11
ARTICLE 7	- Seniority	12
ARTICLE 8	- Promotions, Bidding/Transfers	14
ARTICLE 9	- Leaves of Absence	15
ARTICLE 10	- Holidays	18
ARTICLE 11	- Vacation	19
ARTICLE 12	- Overtime	21
ARTICLE 13	- Absence from work	23
ARTICLE 14	- Hours of work	24
ARTICLE 15	- Government Security	25
ARTICLE 16	- No Strike No Lockout	26
ARTICLE 17	- Group Insurance	28
ARTICLE 18	- Retirement	31
ARTICLE 19	- Uniforms	32
ARTICLE 20	- Off Site Detachment	33
ARTICLE 21	- Disciplinary Action	43
ARTICLE 22	- Grievance & Arbitration	35
ARTICLE 23	- Sick Leave	38
ARTICLE 24	- Installation of New and Revised Job Classification	39
ARTICLE 25	- Bereavement Leave/Jury Duty	40
ARTICLE 26	- Wage Rules	41
ARTICLE 27	- Safety/Safety Equipment	42
ARTICLE 28	- Temporary Alternate Work	43
ARTICLE 29	- General	44
ARTICLE 30	- Duration	45
APPENDIX A	- Wages	46
	- Memorandum of Understanding	47-49

PREAMBLE

This Agreement is made and entered into this **13th** day of **May 13, 2006** by and between **L-3 Vertex Aerospace**, (hereinafter referred to as the Company) and the International Association of Machinists and Aerospace Workers, District Lodge # 725, Area 1, Local Lodge 1125 (hereafter referred to as the Union).

It is understood wherever in this Agreement the masculine gender is used, it shall be recognized as referring to both males and females.

Article 01.00 Intent and Purpose

- 01.01** It is the intent and purpose of the Company and the Union to set forth herein the entire Agreement with respect to wages, hours, and working conditions as relates to the government contract covered by this Agreement.
- 01.02** It is the intent of the parties to provide for the efficiency of the operations and maximum production of the employees under methods, which further the safety of all affected parties, the efficiency and economy of operations and the continued employment under conditions of reasonable hours, compensation and working conditions as contained herein so that operations will be uninterrupted and duties faithfully performed in order for the Company and its employees to fulfill their mutual and vital responsibilities to both the public and to the Government with due regard to competitive conditions.
- 01.03** It is recognized by the Agreement to be the duty of the Company, the Union and the employees to cooperate fully, both individually and collectively, for the advancement of said conditions; and to provide a grievance procedure for the settlement of the employee's grievances; and to provide that there shall be no interruptions and/or impeding of operations during the term of this Agreement.
- 01.04** The Union recognizes that the Company is a contractor to the U.S. NAVY and that the Company is required at all times to meet its contractual obligations. Nothing in this Agreement will prevent the Company from meeting its obligations and responsibilities as a Government contractor. The Union and the Company agree to comply with the requirements that the U.S. NAVY may impose on the Company and its employees to the degree necessary, subject to rebuttal by either or both parties through the grievance and arbitration procedures and/or the courts, if deemed necessary.

02.00 Management Rights

- 02.01** The Company shall retain the exclusive authority, rights and powers to manage its business and direct the workforce. Such authority, rights and powers include, but not limited to, the right to hire, assign, transfer, promote, reclassify, layoff, discipline for cause (including suspension and discharge); determine work schedules, the qualifications of employees; to establish and modify rules and regulations not in conflict with the terms of this Agreement; to close down, curtail, or move the business or any part thereof, to discontinue its business in whole or in part; to sell or dispose of any part of the business, to introduce new or changed methods; to determine the means of service or production; and to otherwise manage the operations and direct the workforce.
- 02.02** Except as expressly modified by a specific provision of this Agreement or except as such rights are specialty relinquished herein, all rights, powers or authority, which the Company had prior to the signing of this Agreement are retained by it. No relationship between the parties shall be construed to create any implied limitation on the Company's authority, rights or powers.

Article 03.00 Union Recognition

03.01 The Company recognizes the Union certified by the National Labor Relations Board in case no. 21-RC-20223 as the exclusive representative of all Production and Maintenance employees as follows:

a. Included: All **Lead employees**, A/C Mechanics, Avionics Technicians, and Quality Assurance Representatives employed by the Company.

b. Excluded: All office clerical employees, Supervisors and other employees as defined by the Act.

03.02 The Company acknowledges the Union's rights specially designated by the terms of this Agreement, as the employees representative, the Union recognizes its duty to cooperate in any reasonable manner with the Company to support its efforts to assure a fair days work by each employee, to cooperate in combating any practices, which decrease efficiency and to maintain standards of quality and service.

03.03 Union Bulletin Boards. The Company will provide one (1) Union bulletin (or part of a bulletin board) board for the Union to post official business of the Union. Legitimate Union notices are defined as:

a. Meeting notices

b. Official Union election results

c. Notices of Union appointments

d. Union social events

e. All notices not listed above must be approved by Management.

03.04 Additions to the work force, in accordance with Article 03.01, (to include new or revised classifications) will become bargaining unit employees.

Article 04.00 Shop Stewards

- 04.01** The Company agrees and it is hereby understood that the Union shall designate and the Company shall recognize one (1) Shop Steward and one (1) alternate Shop Steward. The Union shall notify the Company in writing on Union letterhead of the individuals so selected. The alternate Shop Steward shall act in the capacity of the Shop Steward in the event the Shop Steward is absent from the facility. If more than one location or shift is established, the Union is entitled to one (1) additional Shop Steward. If more than one Steward is agreed to by the parties, the Union shall designate one (1) of the existing Shop Stewards as the Chief Shop Steward.
- 04.02** Subject to other provisions of this Agreement, reasonable and necessary time off from work during straight time work hours shall be authorized without loss of pay or benefits to permit the Steward to carry out his responsibilities under the grievance procedure to employees in their area of representation, providing the carrying out of these responsibilities will not unreasonably interfere with the assigned work duties of the Steward or the employee involved. The Union will ensure that the Steward engages only in those activities, which are authorized by this Agreement. Instances of alleged abuse or misuse of time by the Steward, shall be brought to the attention of the Union, who shall take the action necessary to correct the problem.
- 04.03** Recognizing the mutual benefit of resolving problems at the lowest level, an employee who has an alleged grievance may discuss the matter with the employee's Steward. The necessary time away from the Steward's official work assignment shall be arranged in a manner to minimize interruption of work flow. When the Steward finds it necessary to discuss a problem or labor-management disagreement with a unit employee and/or management official, the Steward shall request permission to leave his/her work assignment from his/her supervisor. The supervisor's permission will be granted unless he determines compelling work commitments dictate otherwise. If permission is initially denied, the supervisor shall establish an alternate time, which shall be no later than the end of the employee's next work day, at which time the Steward can contact the employee.
- 04.04** The scope of the Steward's activities on Company time shall be limited to the following:
- a.** To consult with an employee regarding an alleged grievance or the presentation of a grievance for which the employee desires the Steward to be present.

- b. To investigate an alleged grievance or a grievance of record before presentation to his supervisor.
- c. To present a complaint or a grievance to the employee's supervisor in an attempt to settle the matter for the employee or group of employees who may be similarly affected.
- d. To meet with the supervisor or other designated representative of the Company when necessary to adjust grievances in accordance with the grievance procedure of this Agreement.
- e. During an investigation in which it is determined by supervision that an employee may be subject to discipline, said employee shall be advised of his right to Union representation. If requested, his Steward shall be provided.

04.05 Subject to existing security regulations, the Business Representative or other authorized Representatives of the Union shall have access to the Company's work areas during working hours for the purpose of investigating grievances that have arisen, attending meetings in accordance with the grievance procedure, and ascertaining whether or not this Agreement is being observed. Before doing so, he/she shall report to the Supervisor or other authorized Company Representative, who shall permit said Representative to enter the Company's premises, provided that such rights shall be exercised reasonably and will not interfere with the normal conduct of the Company's operations. Authorized Representatives of the Union may be escorted by a Company Representative at all times they are on Company premises.

04.06 It is agreed that the Company shall not be required to pay an employee for any time that he/she is taken away from his/her work to serve the Union in any official capacity or to serve on any Union committee, except as provided in the Agreement.

04.07 The Shop Steward shall be empowered to adjust employee grievances occurring under his/her jurisdiction as provided for in the grievance procedure, so long as such adjustments are not in conflict with the provisions of this Agreement.

Article 05.00 Union Security/Agency Shop

- 05.01 All employees in the bargaining unit must, as a condition of continued employment, be either a member of the Union and pay union dues or pay an agency fee to the Union, but not both.
- 05.02 All employees within the bargaining unit on the effective date of this agreement who are not Union members must, as a condition of continued employment, pay to the Union while on the active payroll, an agency fee equal to the amount of monthly membership dues, beginning with the month following the month in which they accumulate thirty (30) days continuous service in the bargaining unit since their last date of hire or rehire. Employees entering the bargaining unit or employees who are rehired with seniority or transferred with seniority into the bargaining unit after the effective date of this Agreement who do not become Union members, or having become do not remain Union members, must, as a condition of employment, while on the active payroll, pay such fee to the Union commencing a month following the month in which they accumulate thirty (30) days continuous service in the bargaining unit if such entry is prior to the fifteenth (15th) day of that month or commencing with the month following the month of such entry into the bargaining unit if such entry is on or after the fifteenth (15th) day of that month.
- 05.03 Employees who are Union members on the effective date of the Agreement shall continue to pay membership dues to the Union as a condition of continued employment while in the bargaining unit and on the active payroll as long as they remain members of the Union. Employees within the bargaining unit who after the effective date of this Agreement become members of the Union shall pay, while on the active payroll, an original initiation fee and membership dues to the Union, as a condition of continued employment while in the bargaining unit and while remaining a Union member; provided that in no event shall the initiation fee and membership dues exceed the amount specified in the Constitution and/or By-Laws of the Union, but not both.
- 05.04 Upon receipt of a signed authorization from the employee involved, the Company shall deduct from the employee's pay an amount necessary to satisfy the financial obligation to the Union for dues or agency fees during the period provided for in said authorization. Deductions shall be made from the first pay of the employee after receipt of the authorization and monthly thereafter from the first pay of the employee in each month.

- 05.05 Deductions provided in Section 05.04 shall be remitted to the District Lodge #725 no later than the tenth (10th) day of the month following the month in which the deduction was made and shall include all deductions made in the previous month. The Company shall furnish District Lodge #725 monthly, with a record **indicating payroll ending date and names** of those for whom deductions have been made and the amounts of the deduction, and the names of those employees from whom deductions were not made and the reasons they were not made.
- 05.06 The Union shall indemnify and hold harmless the Company from any and all claims, demands, suits, or forms of liability that shall arise out of or by reason of action taken, or not taken, by the Company for the purpose of complying with any provisions of this article.
- 05.07 The parties agree that check-off authorization shall be in the following form:

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, AFL-CIO
MEMBERSHIP APPLICATION AND/OR CHECK OFF AUTHORIZATION**

Name _____ Date _____ Card No. _____

Address _____ M ___ F ___ Date of birth _____

City _____ State _____ ZIP _____ Phone _____ Birthplace _____

SS No. _____ Employer _____ Hourly Wage _____

Hire Date _____ Class of work _____ Years experience _____ Shift: 1 ___ 2 ___ 3 ___

Membership Application. Check here: ___ To the Officers and Members of Lodge No. _____ (the "Lodge" or "Union"), I hereby tender my application for membership in the International Association of Machinist and Aerospace Workers, AFL-CIO (IAM). I understand that while I may be required to tender monthly fees to the Union, I am not required to sign a membership application as a condition of employment and that this application for membership is voluntary. I agree to obey the laws of the IAM and to support the principles of trade unionism, and I authorize the IAM and/or its designated affiliate to act as my representative for collective bargaining.

If former member of IAM: Card No. _____ Lodge No. _____ Location _____ Last dues paid _____

Check-Off Authorization. Check here: ___ I authorize my Employer to deduct from my wages and forward to the Union: (1) monthly membership dues or an equivalent service fee; and (2) any required initiation or reinstatement fee as set forth in the collective bargaining agreement between the Employer and the Union and the by-laws of the Lodge. This authorization shall be irrevocable for one (1) year or until the termination of the collective bargaining agreement between my Employer and Union not more than twenty (20) and not less than five (5) days prior to the expiration of the appropriate yearly period or contract term. I expressly agree that this authorization is independent of, and not a quid pro quo for, union membership, but recognizes the value of the services provided to me by the Union. It shall continue in full force and effect even if I resign my Union membership, except if properly revoked in the manner prescribed above.

The following information is strictly voluntary and is requested for the sole purpose of providing improved services to our membership:

I am ___Caucasian ___ African American ___ Asian ___Hispanic ___Pacific Islander ___Native American ___Other.

Important Notice. I have examined and acknowledge receipt of the attached "Notice to Employees subject to Union Security Clauses" (on back of pink sheet). I also understand that IAM members have certain rights and privileges as set forth in the IAM Constitution and in various Federal laws, like the Labor Management Reporting and Disclosure Act (LMRDA). Copies of the IAM Constitution and the LMRDA may be obtained by contacting the IAM General Secretary-Treasurer, 9000 Machinists Place, Upper Marlboro, MD 20772. Union membership dues and agency fees are not deductible as charitable contributions for Federal income tax purposes. Dues and agency fees, however, may be deductible in limited circumstances subject to various restrictions imposed by the Internal Revenue Code.

YOUR SIGNATURE

DATE

Article 06.00 Non-Bargaining Unit Personnel

06.01 Non bargaining unit personnel may temporarily perform the work of or with unit employees, provided such work does not result in layoff, reduction of hours or earning opportunities or benefits. Such temporary work may be performed under the following conditions:

- a. For the purpose of instructing and training employees.
- b. Under emergency conditions. The term "emergency" as used in this provision is defined to mean any unforeseen combination of circumstances, which would require immediate action.
- c. Up to two (2) hours on any shift when an employee fails to report to work, and other qualified employees are not available in the classification.
- d. Supervisor may perform Bargaining Unit work when a temporary increase in workload or employee absences may cause the work schedule to be delayed, causing operational problems.
- e. Lack of necessary skills required to complete a specific task.

Article 07.00 Seniority

- 07.01** Seniority, on the date of contract ratification, will be established as the employee's date of hire that is continuous service with the Company working on the C-12 program in the bargaining unit. Any employee hired after ratification of this agreement will have their seniority date established as their date of hire on the C-12 Program at NAS North Island, CA. Employees transferring into this contract and into the bargaining unit from another Company location, will retain their Company service date of hire for vacation and fringe benefits, but would establish their seniority date, for all other purposes, as their date of hire on the C-12 Program at NAS North Island, CA.
- 07.02** The Company will apply qualifications and seniority in its everyday operation relating to promotion, transfer, bidding, overtime, layoff and recall and other terms and conditions of employment of the bargaining unit.
- 07.03** Employees, who work in a lower rated classification on a temporary basis, will continue to be compensated at the wage rate of their higher rated classification. Employees, who perform work in a higher classification for any portion of the shift, will be paid the highest wage rate for time worked in the higher classification.
- 07.04** A new employee shall be in a probationary status until they have completed ninety (90) days from the last date of hire. During the first ninety (90) day period, the Company may transfer, layoff or discharge such employee at will and such action shall not be reviewable through the grievance procedure. After ninety (90) days, the employee will be placed on the seniority roster and his seniority date will revert to the hire date referenced above. Seniority order for employees with common hire dates will be determined by the social security number with the highest last four digits being the most senior.
- 07.05** Loss of seniority will result under the following:
- a. Resignation or quit;
 - b. Retirement;
 - c. Discharge for cause;
 - d. Failure to return from leave granted with a Leave of Absence;
 - e. Layoff in excess of twelve (12) months;
 - f. Failure by the employee to notify the Company of the employee's intention to return to work in response to a recall notification within forty eight (48) hours after the receipt of such recall notice, and of the employee's return

- to work within fourteen (14) calendar days following the receipt of such notice;
- g. Transferred or promoted out of the bargaining unit in excess of ninety (90) calendar days;
 - h. Absence from work for three (3) consecutive working days with no contact with the Company, unless excused by the Company;
 - i. Acceptance of employment with another employer while on an approved leave of absence;
 - j. Employees absent from work due to a workers compensation claim in excess of twelve (12) months.
- 07.06** The Company will post a seniority list at least once every twelve (12) months (once a year). The list will show each employee's name, hire date and classification. Any protest must be filed within ten (10) days of such posting. This provision will not prohibit the Union from requesting seniority lists more frequently than once per year.
- 07.07** When reducing the workforce, the Company will layoff in reverse order of seniority. The most junior is laid off first. The last employee laid off will be the first recalled.
- 07.08** The Company will notify the Union and the employees affected of pending layoffs at least five (5) work days prior to layoff, if possible to do so. Affected employees will be given a layoff notice and will be responsible for notifying the Company of their current address or any address change.
- 07.09** The Company and Union may mutually agree on seniority dates for individual employees because of unique and special circumstances.

Article 08.00 Promotions, Bidding / Transfers

- 08.01** A bargaining unit employee who bids and is promoted or transferred and such employee fails to satisfactorily perform the duties of the new job within a period of up to thirty (30) work days, unless extended by mutual written agreement of the parties, the employee will be returned to the classification last held prior to the award of such promotion, provided the classification has not been abolished.
- 08.02** When a bargaining unit job vacancy occurs within the Company at the C-12 Program at NAS North Island, CA. the vacancy shall be posted for three (3) work days. The notice will contain:
1. Job title and wage rate.
 2. Qualifications required.
 3. Date and time after which bids will no longer be accepted.
 4. Work schedule.
 5. Effective date.
- 08.03** Bids must be in writing and sent to the Area Manager's office, who will affix the date and time to validate a timely filing. Bids received after the closing date will not be considered.
- a. Due to the nature of the contractual work to be performed, if available, employees may be brought in from other locations to perform specific short-term assignments at NAS North Island, CA, as the need arises, not to exceed forty-five (45) calendar days, so long as there are no employees in the classification on layoff who are qualified to perform the assignments. Such actions shall not cause the layoff of any employee within the classification in the bargaining unit who are qualified to perform the work. The Company will meet with the Union and inform them of the reasons such actions are necessary. If the Union disagrees, the issue may be submitted by the Union to the grievance and arbitration procedure, providing there are qualified employees in the classification on layoff.
- 08.04** The employee awarded the bid will be notified and will report for work on the new bid as of the effective date stated by the Company. The most qualified and senior employee who bid will be awarded the bid. Bids will be awarded within five (5) work days of the bid closing.

Article 09.00 Leaves of Absence

09.01 Limited unpaid personal leaves of absence may be granted by the Company upon request of employees who have completed their probationary period. Such leaves shall be for not less than five (5) work days and not more than thirty (30) calendar days. Requests for unpaid personal leave of absence must be made in writing and must receive approval by the Company. Accrued vacation must be used before any leave will be approved. A maximum of two (2) extensions may be approved by the Company. However, if the employee does not return to work after the personal leave of absence, the employee shall be terminated.

- a. Vacation credits are not earned while on a leave of absence under the provisions of this article.
- b. Health insurance may continue for a maximum of sixty (60) days provided the employee pays his/her portion of the premium at least ten (10) days prior to the next months insurance coverage.

09.02 Seniority shall continue to accumulate during the approved leave of absence. When an employee has been granted a leave of absence for a specified period of time, it will be the employee's responsibility to request an extension of such leave prior to expiration if additional time is required. All such extensions must have prior Company approval.

09.03 Leave of absence for legitimate personal health reasons supported by sufficient medical verification will be granted to an employee for a period of not to exceed ninety (90) days and will be extended when supported by sufficient medical verification supplied by the employee from a licensed physician. Leaves of absence for personal health reasons will not exceed six (6) months. An employee will be laid off after six (6) months. In the event the employee is released within six (6) months of the date of such layoff and the employee has notified the Company, in writing, of their ability to return to work, the employee will be returned to the classification he/she held at the time such leave was taken providing their classification has not been abolished. If not released to return to work within six (6) months after the date of the layoff, the employee shall be terminated.

- a. The Company will abide by the provisions outlined under the Family Medical Leave Act (FMLA).

09.04 An employee on leave of absence for personal health reasons may return to work prior to or at expiration of such leave upon the written release of a licensed physician provided the employee is able to perform his/her assigned duties safely. Should the Company question the employee's

capability to perform the assigned duties safely, the Company may have the employee examined by another physician, prior to returning the employee to work. If the physician selected by the Company and the employee's physician disagree, then the employee shall be examined by a third (3rd) mutually acceptable physician and that physician's decision shall decide the employee's capability. Any such additional examination costs shall be incurred by the Company.

- a. While on leave of absence for personal health reasons, the employee shall notify the Company as to his/her potential of returning to work on a biweekly basis, except in those cases where the employee's physician has provided an expected date of return.
- b. An employee may be returned to restricted duty at the discretion of the Company, provided the Company is able to accommodate said restrictions.

09.05 Leaves of absence without pay for Union business will be granted to Bargaining Unit employees of the Company, not to exceed two (2) weeks, who are elected or appointed by the Union, to attend such functions as conferences, conventions, and union educational courses, provided at least five (5) work days advance notice is given in writing to the Company, if possible to do so. However, not more than one (1) employee may be on such leave at any time.

09.06 Leaves of absence without pay in workers' compensation injury and legal occupational disease cases will be granted automatically for the full period of legal temporary disability, and seniority will accumulate for the full period of such leave.

09.07 An employee who has completed his/her probationary, who is called to and performs short term active duty of thirty (30) days or less, including active duty training as a member of the United States Armed Forces Reserves or National Guard, shall be paid the difference between the employee's military rate and the employee's straight time hourly rate of pay for a period of up to ten (10) scheduled working days per calendar year. The employee must present a copy of the employee's order to the Company as soon as they are received by the employee. Upon return from active short term duty, the employee must present pay vouchers so that the calculation of the difference in pay may be computed. The employee will be given a leave of absence for, and will accumulate seniority during such period of service. Employees required to report for military training in excess of thirty (30) consecutive days or those called to active duty shall be reinstated in accordance with the Uniformed Service Employment and Reemployment Rights Act. The parties to this Agreement shall comply

with current applicable state and federal legislation regarding military service.

- 09.08** When leaves of absence are granted, the employee, upon return to active employment, will be returned to his/her classification based upon seniority and qualifications.
- 09.09** When an employee fails to return to work at the expiration of an approved leave of absence, or accepts gainful employment during a leave of absence without the approval of the Company, that employee shall be disciplined up to and including discharge at the option of the Company.
- 09.10** Any member of the Union elected or appointed to a full time Union position shall, upon written request by the Union, be granted a leave of absence for Union activities up to a two (2) year period and with the opportunity to request extensions. Employees on such leave shall retain seniority. Not more than one employee shall be on such leave at any one time. If the employee's group insurance through the Company is to be continued, the Union or the employee shall be required to pay the full monthly insurance premium.
- a. When the activities for which such leaves of absence are granted shall cease, the Union shall immediately notify the Company in writing, and if application is made therefore within fifteen (15) days thereafter, such Union member will be given re-employment in a similar position, if same still exists, or a comparable position in accordance with his/her qualifications and seniority privileges, and applicable wage rate at the time of return to the active payroll.
- 09.11** Any member of the Bargaining Unit shall, upon written request, be granted a leave of absence to pursue and serve in a local, state or federal elective political office. Such leave of absence will be limited to a maximum of two (2) years. During such periods of unpaid leave, the employee shall retain but not accrue seniority.
- 09.12** The granting or disallowance of Personal/Medical Leaves of Absence for employees within the probationary period will be at the discretion of the Company.

Article 10.00 Holidays

10.01 Holiday pay is eight (8) hours pay, which is payable at the employee's straight time rate of pay. The eight (8) hours pay will be considered as time worked for all purposes of this Agreement. To qualify for holiday pay, an employee must work the last scheduled work day before and the first scheduled work day after the holiday unless excused by Management shall be eligible for pay for such holiday. The following holidays will be observed:

New Year's Day

***Martin Luther King's Birthday**

President's Day

Memorial Day

Independence Day

Labor Day

***Veteran's Day**

Thanksgiving Day and the day after Thanksgiving

Christmas Day and the day before Christmas

*** Beginning January 1, 2007 Veteran's day will be observed as a holiday replacing Martin Luther King's Birthday.**

10.02 Any additional holidays celebrated by the U.S. NAVY at NAS North Island, CA. will be recognized as unpaid holidays. Employees may take a paid vacation day, or a day without pay, work load permitting.

10.03 Any observed holiday stated above that falls on a Saturday or Sunday, will be observed under the same schedule observed by the U.S. NAVY at NAS North Island.

10.04 Any employee required to work on any of the above holidays will be paid for hours worked at one and one half times (1 1/2) his normal straight time rate plus eight (8) hours straight time for the holiday.

Article 11.00 Vacation

11.01 Each employee covered hereby shall accrue vacation credits as follows:

- A. For vacation purposes, all employees will be entitled to paid vacation which will be based upon years of service on C-12 Contract at NAS North Island, CA or with the Company, whichever is earlier and each anniversary date thereafter, shall be the reference point for accrual of vacation. Paid vacation entitlement will be as follows:
 - 1. Employees with one (1) year of continuous service shall be entitled to two weeks of vacation per year.
 - 2. Employees with five (5) years of continuous service shall be entitled to three (3) weeks of vacation per year.
 - 3. Employees with fifteen (15) years of continuous and above service shall be entitled to four (4) weeks of vacation per year.

11.02 For the purpose of determining eligibility for accrued vacation credits, vesting shall be defined as follows:

- A. The employee must complete one (1) year of service before becoming eligible for vacation. Vacation is accrued on a twelve (12) month basis.
- B. The individual employee's anniversary date, as established under 11.01 and each continuous service anniversary date thereafter shall be the reference date for rate of accruing vacation.
- C. Vacation taken by the employee is deducted from the employee's unused vacation until such vacation is exhausted.

11.03 Vacation pay shall be computed at the employee's straight-time hourly rate at the time of vacation.

11.04 Employees who are terminated from employment, are laid off or who voluntarily terminate employment after submitting a two (2) week advanced written notice are eligible to receive pay in lieu of vacation for all unused vacation.

- A. Employees who are temporarily laid off, may at their discretion retain their accrued unused vacation for a period of up to, but not to exceed thirty (30) days. At any time during the thirty (30) day period the employee may request in writing and be paid for his/her vacation pay. At the expiration of the thirty (30) day period the

employee will be paid for any vacation time that is owed to the employee at the time of layoff.

- B. Employees who leave the payroll for the following reasons will be paid pro rata vacation pay at the rate of the appropriate vacation benefit as established in this Article for each completed month of credited service: Disability, retirement, entry into the armed forces or death.

11.05 Vacation must be requested no less than fourteen (14) days in advance and will, insofar as practical, be granted as requested by eligible employees. When conflicts in requested vacation periods arise, the employees having the greater seniority shall be given the preference. However, an employee who has requested and had scheduled vacation approved, will not be displaced by a more senior employee within sixty (60) calendar days of the scheduled start of the approved vacation.

- A. Vacation may only be scheduled on the employee's regularly scheduled work days and only for the amount of hours regularly scheduled on that day to a maximum of eight (8) hours per day.
- B. Vacation period of eight (8) hours must be requested a minimum of one (1) day in advance and must be approved.
- C. Employee's request for vacation leave must be approved by the employee's Lead/Supervisor before such leave is taken. Employees failing to secure such approval, who subsequently fail to report to work as scheduled, will be subject to appropriate disciplinary action for unexcused absence.
- D. The maximum allowable length of vacation will be the amount of the employee's unused vacation at the end of the payroll period immediately preceding the vacation period requested.
- E. Employees may carry over up to **three weeks 120 hrs.** of unused vested vacation.

11.06 It is understood and agreed that employees transferring to the Contract after the date of ratification of the Agreement, shall retain their original date of hire with the Company for the purpose of accrual of vacation credits.

11.07 Paid days of vacation shall be considered as time worked for the purpose of computing pay of overtime.

11.08 For the purposes of establishing service, employees transferred from the Bargaining Unit who return to the Bargaining Unit shall receive service credit for such time outside the Bargaining Unit.

Article 12.00 Overtime

12.01 Section 1: It is understood and agreed that the Company reserves the right to require employees covered by this Agreement to perform overtime work. When such overtime is required, employees involved will be given as much advance notice as practical, but at least thirty (30) minutes notice prior to commencement of the overtime.

Section 2: In the event overtime is required on the employee's scheduled days off, the Company will give the employee four (4) hours notice prior to the end of their previous shift, if possible.

12.02 When the Company determines that overtime work is required, it shall be first offered to the most senior qualified employee at work. Should the employee decline, the next senior employee is offered the overtime. It is understood that this method of asking employees to work overtime is only to start the process. After each employee has worked or been asked to work overtime, then the process allows the Company to draft the most junior employee who is qualified to perform the overtime work.

12.03 An employee who has not completed his/her probationary period, will not be assigned any overtime, unless all qualified senior employees have had an opportunity to work the overtime, and it is determined by the Lead/Supervisor if the probationary employee is qualified to carry out the responsibilities to be assigned to the overtime.

12.04 Section 1: The overtime rate will be one and one half (1 1/2) times the standard straight time rate of pay for any work in excess of eight (8) hours in one workday but less than twelve (12) hours.

Section 2: The overtime rate will be one and one-half (1 1/2) times the employee's standard straight time rate of pay for any work in excess of forty (40) hours in any one workweek.

Section 3: All hours worked in excess of twelve (12) per day will be paid at double times the standard straight time rate of pay.

Section 4: If less than forty (40) hours are made available during the employee's regularly scheduled five (5) days workweek, then hours worked on the 6th and/or 7th day will be at one and one-half (1 1/2) times the straight time hourly rate.

All other overtime payments will be in accordance with applicable Federal and State Law.

- 12.05** Paid Sick Leave and/or vacation will be counted toward computing the forty (40) hour workweek and eight (8) hour workday for overtime.
- 12.06** The Company will attempt to schedule overtime so that employees shall not be required to work more than two consecutive Saturdays or Sundays in a row.
- 12.07** No provision of the Article shall be construed as a guarantee of any specific hours or overtime hours per week.

Article 13.00 Absence from Work

- 13.01** Employees shall not leave work prior to the completion of their scheduled hours without prior permission from their supervisor.
- 13.02** Employees shall not be absent from work without prior permission from their Supervisor, except in cases of illness, injury or reasons beyond the control of the employee. Giving a false reason for an absence shall be cause for disciplinary action up to and including discharge.
- 13.03** It is the duty of every employee who, for any reason, will be absent from work on a scheduled workday, or who expects to report for work late, to notify the Company of the reasons therefore, in accordance with the procedures outlined by the Company. Such notice shall be at least thirty (30) minutes prior to the start of the shift.
- 13.04** Should an employee not have proper cause for failing to report for work or failing to report on time or for failing to report the reason, therefore as provided herein, such failure shall be considered cause for disciplinary action.

Article 14.00 Hours of Work

- 14.01** No provision of this Agreement shall be considered as a guarantee of any specified number of hours of work, either per day or per week.
- 14.02** Eight (8) consecutive hours, exclusive of a meal period of thirty (30) minutes, shall constitute a normal work shift.
- 14.03** The work week for payroll purposes shall consist of seven (7) consecutive calendar days beginning on Saturday and running through the following Friday. The normal work schedule shall be Monday through Friday with two (2) consecutive days off. It is understood that Monday shall be designated as the first day of a work week, Saturday shall be designated as the sixth day of a work week and Sunday shall be designated as the seventh day of a work week.
- 14.04** All employees will receive two (2) uninterrupted paid fifteen (15) minute breaks per day. One (1) to be taken during the first half of their work day and one (1) to be taken during the second half of their work day.
- 14.05** In the event any employee is required to work beyond any eight (8) hour work day, the affected employee will receive an additional paid fifteen (15) minute break prior to commencing additional work and during each four (4) hour period of additional work.
- 14.06** Determination of starting time shall be agreed to by the parties and such starting times shall not be changed without mutual agreement. The starting time of the existing shifts will be as follows:
- First Shift: Beginning at or after 4:00 a.m. but before 11:59 a.m.
Second Shift: Beginning at or after 12:00 p.m. (noon) but before 6:00 p.m.
- 14.07** Shift Premium: Hourly paid employees assigned to the second shift, covered by this agreement, shall receive a shift differential of thirty (\$0.30) cents per hour.
- 14.08** **Employees reporting for their regular scheduled work shift shall be provided a minimum of four (4) hours work or pay at their regular rate of pay except in cases where work is unavailable due to acts of God, national emergency or circumstances beyond the control of the Company. If an employee reports and requests to leave work prior to completing the available four (4) hours of work and the supervisor approves such request, the employee will be paid for only for hours actually worked.**

Article 15.00 Government Security / Responsibility

- 15.01** The Company and all representatives of the Union having access to the premises and all employees are required to comply with applicable Government security regulations when performing work for the Government. The Company and the Union agree that security information will be revealed only to persons properly cleared and required by the Government to have the information.
- 15.02** The Union and the Company recognize that employees covered hereby are performing services for the U.S. Government in U.S. Government facilities and by use of U.S. Government equipment. The Company is not authorized to maintain, modify or repair such government facilities and equipment, except as contractually directed.
- 15.03** Each employee shall be responsible for the reasonable care of the customer and/or Company furnished property or material and will notify the Company of any sabotage, or willful damage to Company, customer or employee property or material.

Article 16.00 No Strike - No Lockout

16.01 It is expressly understood and agreed that the business of the Company is directly related to the important and vital work of the United States Government and that efficient and uninterrupted services must be furnished by those agencies who have need of and make use of the capabilities of the Company. Therefore, the parties agree that during the term of this Agreement:

- a. The procedure provided for herein, for the settlement of grievances arising under this Agreement, may serve as the means for the settlement of disputes that may arise between the Parties. However, nothing in this section, or any other section of this Agreement, limits the Company's or the Union's right to seek and receive legal and equitable relief in the event of the breach of the no strike - no lockout provision, including but not limited to, injunctive relief prohibiting any lockout, strike, sympathy strike, sit down, work stoppage, stay in, slow down, refusal to work, picketing, or any other action which would interfere with any of the operations of the Company.
- b. The Union (its officers, and/or agents and/or members) shall not authorize, encourage, sanction, or take part in any strike, sympathy strike, sit down, work stoppage, stay in, slow down, refusal to work, picketing or any other action which deliberately interferes with any of the operations of the Company.
- c. Any employee or employees, individually or collectively, who shall cause, encourage, or take part in any violation of this article, or any activities prohibited by this article, may be immediately discharged, or subject to other disciplinary actions as the Company may unilaterally consider appropriate. Any such disciplinary action shall be subject to the grievance procedure and arbitration procedure as defined herein. If it is determined under the established grievance/arbitration procedure that such an employee(s) did participate in such an action, in violation of this provision, the disciplinary action taken shall not be altered. If the decision under the grievance and arbitration procedure is that such an employee or employees did not participate in such acts, the redress shall be as determined by the grievance/arbitration procedure and limited to "making whole" the individual employee involved, if warranted.
- d. In the event of a violation of this article, the Union (its officers, agents and members) individually and collectively agree that it will

use its best efforts and end such prohibited conduct, taking actions including:

1. Requesting through personal contact or meeting with employees that they comply with the Agreement and not take part in any such prohibited conduct.
 2. Immediately notify all employees in writing that such prohibited conduct is in violation of the Agreement,
 3. Requesting those employees violating this Agreement to return to work and/or otherwise fully comply with the terms of this Agreement.
 4. Make every other reasonable effort to have employees cease such acts as prohibited.
- e. The Company agrees that it will not engage in any lockout of employees during the term of the Agreement.

Article 17.00 Benefit Plans

17.01 The Company will make available a Group Insurance Plan to all employees covered by this Agreement. The Insurance plan will include medical, dental, vision term life insurance, accidental death and dismemberment insurance and a prescription drug program. Medical, dental and vision, insurance will be available for dependents of employees.

17.02 L-3 Vertex Aerospace and IAMAW District Lodge 725 have agreed to cover bargaining unit employees with a health and welfare plan of benefits obtained through the Union Heritage Trust Fund, referred to as the "Trust Fund." The trust fund will provide HMO Medical (Kaiser/Health Net), dental and vision coverage for each eligible employee and their eligible dependents as described in the Summary Plan booklets.

New hires will be eligible to participate in the group medical/dental program effective the first of the month following thirty (30) calendar days employment.

17.03 Employee contributions for the health and welfare benefit outlined in the summary of coverage document effective 1/1/06 will be monthly and as follows:

Type of Coverage	Current	Effective 1/1/2007	Effective 1/1/2008	Effective 1/1/2009
Single	\$20.00/month	\$55.00/month	Prior year plus 20% of increase	
2-Party	\$92 .00/month	\$114.00/month	Prior year plus 20% of increase	
Family	\$115.00/month	\$150.00/month	Prior year plus 20% of increase	

TriCare Supplement	Current	Effective 1/1/2007	Effective 1/1/2008	Effective 1/1/2009
Single	\$0.00/month	\$25.00/month	Prior year plus 20% of increase	
Employee + Children	\$52.00/month	\$60.00/month	Prior year plus 20% of increase	
Employee + Spouse	\$58.00/month	\$80.00/month	Prior year plus 20% of increase	
Family	\$72.00/month	\$100.00/month	Prior year plus 20% of increase	

Effective January 1, 2008 and in successive years, in the event of an increase to the premium of the Group Medical Plan, the employee shall pay 20% of such increase per month in addition to the prior plan year's monthly contribution. If there is no increase to the premium of the Group Medical Plan the contribution will remain at the prior plan year's monthly contribution.

17.04 Life Insurance: Life Insurance for employees will be provided by the Company as follows:

- a. Life Insurance in the amount of twenty-five thousand dollars (\$25,000.00).
- b. Accidental Death and Dismemberment insurance in the amount of twenty-five thousand dollars (\$25,000.00).
- c. Supplemental Insurance: Employee may continue to purchase Supplemental life (including accidental death and dismemberment) and Dependent Life by payroll deduction. Proof of insurability and approval by the insurance carrier is required prior to purchasing and any supplemental insurance.

17.05 The Company agrees that during the life of this agreement there shall be no reduction in the level of benefits provided in this article. Part time employee are not eligible for any Group Insurance offered By the Company within this Article.

17.06 Fringe Benefit Rate: Defined as the minimum Employer Contributions towards providing Group Health Insurance, Life Insurance, Accidental Death and Dismemberment Insurance, Personal Paid Time, Military Duty Pay, Jury Duty Pay, Bereavement Leave Pay and Retirement Benefits Plan(s) under this agreement. The costing of such fringe benefits is an average rate per hour computed on the basis of total hours paid less overtime by service CBA employees employed on the contract:

The rate is as follows:

\$_____per hour effective October 1, 2006

\$_____per hour effective October 1, 2007

\$_____per hour effective October 1, 2008

Article 18.00 Retirement Plan

- 18.01** The Company will match 100% of the amount the employee contributes to the 401 (k) account, up to the first four percent (4%) of contribution.
- 18.02** The employee is immediately vested with all company contributions.
- 18.03** The employee may also contribute up to twenty (**25%**) of their earnings into the 401 (k) and take advantage of the associated income tax deferment. Such contributions will be through payroll deductions.
- 18.04** Certain employees may be eligible for a retirement savings contribution as outlined in the Memorandum of Understanding #2.
- 18.05** Full-time employees will be eligible for the Core Company Contribution Plan. The employees will receive a Company Contribution into the **L-3 Vertex Aerospace LLC** Savings and Investment Plan 401 (k) in the amount of 1/2 of one percent (1%) of their annual earnings each year.
- A. To be eligible for the contribution, the employee must be employed on July 1 and December 31 of each year.
1. The contribution will be deposited into the fund(s) the employee is currently having the 401 (k) contribution invested; or,
 2. If the employee does not participate in the 401 (k) plan, the Company contribution will default into a Company selected fund.

Article 19.00 Uniforms

- 19.01** Each employee will be required to wear the uniforms designated by the Company. The cost of the initial issue of such required uniforms, shall be incurred by the Company.
- 19.02** Each calendar year during the month of October, the Company will provide the employee with reimbursement towards the purchase of wash and wear uniforms. The employee must provide a receipt for items purchased. Reimbursement will be as follows:
- a. *Effective 10/1/06 up to \$180.00***
 - b. *Effective 10/1/07 up to \$185.00***
 - c. *Effective 10/1/08 up to \$190.00***
- 19.03** IAM&AW logo (up to two and one half inches diameter) may be added to Company uniforms on the sleeve opposite the Company provided American Flag. The Raytheon logo shall appear on the left breast side of the shirt.

Article 20.00 Off Site Detachment

- 20.01** Selection of an employee to be assigned to off-site assignment shall be done by seniority first. The most senior qualified employee is asked first and if he/she declines, the next senior qualified employee is asked, until each employee has had a chance to be asked or assigned to an off-site job.
- 20.02** Bargaining unit employees on temporary detachment assignment **CONUS** performing bargaining unit work retain their rights under the Collective Bargaining Agreement as if working at NAS North Island, CA.

When on OCONUS detachment no overtime will apply. The employee will be compensated as follows: The straight time hourly rate will be converted to a weekly rate (multiplied by 40) and the employee will be paid the weekly rate regardless of the number of hours worked in the full week. Pro rata payment will be made in the event of a partial week of detachment. No employee will be required to accept a temporary assignment outside the United States.

- 20.03** The Company will provide unit employees who are required to travel out of town (greater than 50 miles) on Company business with payment of per diem and costs, per the most current Joint Travel Regulation (JTR). The Company will provide one (1) rental car for every two (2) unit employees or less, on a direct bill basis when possible, who travel out of town on Company business. The Company will reimburse unit employees for out of pocket expenses such as, but not limited to, laundry service and one (1) telephone call home per day up to fifteen (15) minutes per call. The Company will make every effort to reimburse these expenses on a timely basis. Any disagreements, which occur based on this article, are subject to the grievance and arbitration article.

Article 21.00 Disciplinary Action

- 21.01** Disciplinary action shall be initiated by the Company only for just and sufficient cause and any penalty imposed shall be consistent with proven offenses. It is agreed and understood by the parties that the concept of disciplinary action is to first correct the offending employee and all discipline imposed shall be consistent with the offense committed. In this regard, where it is reasonable to assume that a letter of reprimand will correct the offending employee, such course of action will be followed by the Employer.
- 21.02** No disciplinary action taken more than one (1) year earlier may be used for progressive discipline or introduced into evidence in any Arbitration proceeding. It is further agreed that in order to consider that an employee has been disciplined, he and the Union shall be furnished a duplicate copy of any disciplinary matter inserted in his personnel file.
- 21.03** Prior to taking disciplinary action (letter of reprimand, suspension, or discharge) against any employee in the unit, the affected employee will be advised of his/her right to Union representation in the presence of his/her Shop Steward.
- 21.04** Disciplinary action in any form imposed by the Employer shall be subject to the grievance and arbitration procedure.

Article 22.00 Grievance and Arbitration

22.01 It is the intent of this Article to establish a means for prompt adjustment of working problems and personal grievances at the job level by conference between the immediate Lead/Supervisor and the employee involved, provided the Union Representative has been given an opportunity to be present. If not resolved at this informal level, a formal written grievance shall be filed. The grievance shall contain a full statement of the grievance and the facts upon which it is based, the Contract section alleged to have been violated and the action, remedy or adjustment sought. In grievances filed on behalf of individual employees, the grievance shall be signed, by the affected employee, prior to Step 1 of the Grievance Procedure. Grievances shall be processed according to the steps and time limits specified. These time limits may be extended upon written mutual consent of the parties.

22.02 Except for payroll adjustment, no grievances shall be filed or processed based on facts or events, or omissions within the employee's knowledge which have occurred more than ten (10) working days (thirty working day while on travel) before such grievance is filed. Both parties agree to exert an earnest effort to settle such grievance promptly through the following steps:

Step 1.

The employee involved shall first confer with the Lead/Supervisor in order to amicably settle the matter, provided the Steward has been given an opportunity to be present. Any and all grievances shall be handled during normal working hours without any unnecessary interruption of work. If the dispute is not resolved amicably then the employee or Steward must file a grievance. Within five (5) work days after receipt of grievance the Lead/Supervisor shall submit a written answer to the affected employee or Steward.

Step 2.

If the grievance is not settled in STEP 1, the **Steward** may take the written grievance and submit it to the Company's **Regional Manager** or designee within five (5) work days of receipt from 1st Step answer. The Union and the Company will attempt to settle/resolve the issue. Both the Steward and Company **Regional Manager** or designee shall either meet in person or by telephone within seven (7) work days. If the issue is not resolved, the Area Manager or designee has ten (10) days to submit his/her answer, to the Steward.

Step 3.

If not settled/resolved at 2nd Step, the Union may submit grievance to the Company's C-12 Program Manager or designee within five (5) working days. The Company's C-12 Program Manager or designee and the Union's Business Representative or designee will meet in person or by telephone conference within ten (10) work days and attempt to resolve any grievance. If unable to resolve the grievance, the C-12 Program Manager or designee shall submit a written answer to the Union within five (5) work days.

Step 4.

The Union's Business Representative may submit, within ten (10) work days following the Company's Step 3 answer, written notice to the Company **Director** of Labor Relations of its intent to arbitrate. The Union will request the Federal Mediation and Conciliation Service to submit an arbitration panel of seven (7) names to each party. The remaining arbitrator after alternating strikes will be the arbitrator. The Union will notify the Arbitrator of his selection and will coordinate schedules between the Company, Arbitrator and Union. The cost of the Arbitrator will be shared equally among the parties. The Company and the Union will continue to attempt to resolve the grievance prior to arbitration.

The arguments before the Arbitrator will be oral, written or both. The Arbitrator shall not have the authority to add to, subtract from, modify, alter or change any of the terms of this Agreement. The Arbitrator's authority is to interpret and apply provisions of this Agreement. The Arbitrator shall be bound entirely by the records presented in the form of evidence presented at the hearing and the Collective Bargaining Agreement.

The parties may file post-hearing briefs. The Arbitrator shall render his decision within thirty (30) days of the close of the hearing or receipt of the briefs. The Arbitrator's decision shall be in writing. The award shall be delivered or mailed to each party.

The decision of the Arbitrator shall be final and binding on all parties.

In cases of cancellation, the party requesting cancellation shall pay all fees and costs of the Arbitrator. In cases where the cancellation is the result of a compromise settlement, fees of costs of the Arbitrator shall be shared equally by the parties. The Arbitrator may record the proceedings or request a court reporter. Such costs, if any, shall be borne by the Arbitrator.

No more than one (1) grievance shall be submitted to the same Arbitrator, unless both parties agree otherwise prior to sending for a list of Arbitrators.

All time limits shall be strictly adhered to and may only be extended by mutual agreements of the parties. Failure of the grievant, the Union, or the Company to meet the time limits will terminate all proceedings and no further action may be taken. The determination of the grievance will be awarded to the timely party.

22.03 In no event shall the Company be penalized or in any way be liable for any monetary award or grievance settlement prior to thirty (30) days preceding the date of the filing of the grievance. Any monetary award shall be limited to the actual loss in this thirty (30) day period incurred by the grievance, less such other compensation, including wages, commissions, worker's compensation and unemployment compensation, as the grievant may have received or which may be due to the grievant for the designated award period.

Article 23.00 Sick Leave

- 23.01** Employees covered by this Agreement will be entitled to paid sick leave of twenty-four (24) hours per year after one (1) year of service; thirty-two (32) hours per year after two (2) years of service; and forty (40) hours per year after three (3) years of continuous service. An employee may accrue up to a maximum of two hundred and forty (240) hours of sick leave.
- 23.02** Employees who terminate employment or are laid off are not eligible to receive pay in lieu of sick leave for all unused leave.
- 23.03** Employees who are laid off and recalled within twelve (12) months, will upon return to work, be credited with sick leave equal to the amount accrued at the time of layoff.
- 23.04** The Company will continue its present policy in the administration of Sick Leave: Sick Leave is not authorized in increments of less than (1) hour. After one hour, an employee can record Sick Leave as taken, such as 1.6 hours or 3.4 hours.
- 23.05** In the event of hospitalization or extended illnesses when current paid absence is required to supplement California State Disability Benefits, the sick leave may be used in increments of four (4) hours only to the extent that said payment does not cause a loss of California State Disability Benefits.

Article 24.00 Installation of New and Revised Job Classifications

- 24.01** When new bargaining unit jobs are required that cannot be properly encompassed within an existing job specialty, the Company will notify the Union of the requirements and will discuss with the Union the rate of pay prior to the Company establishing the new classification, qualifications and rate of pay. The Union shall have thirty (30) days from the date of establishment in which to challenge the rate of pay. If necessary, these matters are subject to the grievance procedure up to and including arbitration.
- 24.02** The Company has the right to determine the job classifications. Copies of job classifications shall be retained in the **Regional** Manager's office and shall be made available upon request. The current job classifications shall remain in effect during the term of this Agreement.

Article 25.00 Bereavement Leave/Jury Duty

- 25.01** In case of the death of a member of the immediate family of an employee, the employee shall be granted a maximum of three (3) scheduled work days off with straight time pay to attend the funeral and tend to administrative details. Members of the immediate family shall be spouse, children, stepchildren, parents, stepparents, brothers, sisters, half-brothers and half-sisters. In the event other members of the employee's family should die, the employee will be granted a maximum of two (2) scheduled work days off with straight time pay to attend the funeral and tend to administrative details. Other members of the employees' family shall be brothers in law, sisters in law, sons in law, daughters in law, aunts, uncles, grandparents, grandchildren and spouse's parents. Pay for all such time shall be at the employees' base straight time rate. The Company may require reasonable proof of death under this Article.
- 25.02** The Company shall grant up to five (5) additional work days off, without pay, in the event of the death of members of the employee's immediate family as defined in Section 1, at the employee's request, or the employee may use vacation for which they are eligible.
- 25.03** When an employee is summoned for jury duty, he will notify the Company as soon as possible and will not be required to work and will be excused for the entire day(s) he is required to report and be available. The employee shall be granted pay for his regular work shift; less any fee or other compensation paid to the employee by the court. Pay for such time lost shall be up to eight (8) hours per day and forty (40) hours per week. Payment shall not be for Jury Duty on scheduled days off or holidays. An employee must present to the Company a statement from an official of the court attesting to dates served; time served and fees paid before any jury duty payment will be made.

Article 26.00 Wage Rules

26.01 The Company shall pay the scale of wages included in "Appendix A" made a part hereof.

26.02 For the purpose of this Agreement, an employee's straight time hourly rate is defined as the employee's base rate as listed in Appendix A and any other such premiums agreed to as part of this Agreement.

26.03 Employees promoted or temporarily assigned to a job classification, assigned to a higher rate, shall receive the rate of the higher job classification or continue at their present rate, whichever is greater. Temporary assignments to a job classification assigned to a higher rate will be offered to the senior qualified employee. If temporarily assigned, they shall, upon return to their prior classification, assume the rate held prior to the temporary assignment.

A. Employees temporarily assigned to a job classification, assigned a lower rate, shall continue to receive their present rate of pay.

Article 27.00 Safety/Safety Equipment

- 27.01** It is the intent of the Company to maintain safe and healthy conditions as is necessary to protect employees from injury. It is the desire of the parties to this Agreement to maintain high standards of safety in the operations of the Company in order to eliminate, as far as possible, industrial accidents and illnesses.
- 27.02** The Company will adhere to all of the state's Workers Compensation Laws as it applies to on the job illness/injury.
- 27.03** The Company will provide an employee immediate transportation at the time of the illness/injury from the job to the nearest appropriate facility and return to the job, or the employee's home if required. The employee will receive pay at the applicable hourly rate for the balance of his workday as if the illness/injury had never happened.
- 27.04** The Company shall make available foul weather gear (raincoats and pants) to those employees who are required to perform work outdoors. Any other protective clothing or safety equipment required by the Navy or Company shall be provided also.
- 27.05** **Effective 10/1/06** the Company will provide up to **seventy-five (\$75.00)** every year for the purchase of safety shoes. The employee must provide a receipt for the purchase of safety shoes to be reimbursed. **An Employee may roll over \$75.00 to the next year for purchase of safety shoes up to \$150.00.**

Article 28.00 Temporary Alternate Work

- 28.01** The Company may provide a Temporary Alternate Work (TAW) program to Bargaining Unit employees who are unable to perform their normal work assignments due to an on-the-job illness/injury. The intent of which is to assist Bargaining Unit employees, by providing them with an opportunity to continue gainful employment under the provisions of the Collective Bargaining Agreement, but not to impede the recovery process of their illness or injuries, provided the Company has the work available and is able to accommodate the employee's medical restriction.
- 28.02** The treating physician of record may release an employee to a TAW assignment, if the Company has submitted a detailed job description of any proposed TAW assignment to the treating physician prior to commencement of a TAW assignment. The physician will consult with the employee and the Company to evaluate the TAW assignment and determine if the employee is capable of handling the assignment without further injury or impeding total recovery.
- 28.03** The TAW assignment may be Bargaining Unit or non-Bargaining Unit work. The employee will receive his standard contractual hourly wage and benefits regardless of work performed. The employee's start time will be in accordance with the Collective Bargaining Agreement. Employees on TAW will not displace other employees or adversely affect their seniority.
- 28.04** The **Regional** Manager and Supervisor will be notified of any employee's TAW status and will not take it upon themselves to alter that status, job description or work assignment. Additionally, the employee will be granted time off during working hours to continue follow-up medical treatment, therapy or doctor visits as may be required, directly related to the complete rehabilitation and recovery of the ill/injured employee.

Article 29.00 General

- 29.01** Work rules will be maintained in a place available to all employees and will not be in violation of any provision of this Agreement.
- 29.02** The Company will provide Worker's Compensation Protection for all employees and will cooperate toward the prompt disposition of employee on-the-job illness/injury claims.
- 29.03** Employees sustaining a Worker's Compensation injury/illness, will remain on the seniority list and accrue benefits and seniority for the duration of the injury/illness, subject to the provisions of Article 7, Section 5(J).
- 29.04** The provisions of this Agreement shall be binding up on the Company and its successors, assigns or future purchases.
- 29.05** Should any provision of this Agreement be found invalid by enacted legislation or decree of a court, such invalidation shall not invalidate the remaining portions hereof and said remaining portions/provisions shall remain in full force and effect.
- 29.06** The Parties acknowledge that during the negotiations, which resulted in this Agreement, each had the right and opportunity to make demands with respect to any subject or matter and the agreements arrived at by the Parties are set forth in this Agreement. Therefore, the parties agree, for the life of this Agreement, that the other shall not be obligated to bargain collectively with respect to any subject matter covered by this Agreement or subject or matter not specifically referred to covered by this Agreement, even though such subject or matter may not have been known or contemplated by any of the parties at the time this Agreement was negotiated and signed.
- 29.07** Neither party will limit, segregate or classify employees in any way to deprive any individual employee of employment opportunities or otherwise discriminate against any individual with respect to hiring, compensation, terms or conditions of employment, because of race, religion, sex, age, national origin, veteran status, union membership, color or that prohibited by state, federal or municipal law, including the American's with Disability Act (ADA) and Family Medical Leave Act (FMLA).

Article 30.00 Duration

This Agreement will be in full force and effect from **May 13, 2006** to and including **May 13, 2009**, and will continue from year to year thereafter unless written notice of desire to negotiate changes or revisions or terminate this Agreement is served by either party upon the other at least sixty (60) days prior to the date of expiration by registered mail.

In witness whereof the parties hereto have caused this Agreement to be executed by their authorized representative.

For
L-3 Vertex Aerospace

For
International Association of
Machinists & Aerospace Workers
District Lodge 725

George W Mabey
Labor Relations Consultant

Virginia C. Cobb
Area 1 Director

James D. Clark
Regional Manager

Doug McNamara
Negotiator

APPENDIX A

Wages

Classification	Current Rate	10/1/06 Equity Adjustment	10/01/2006 4.5% GWI	10/01/2007 4% GWI	10/01/2008 4% GWI
<i>Aircraft Worker</i>	\$21.82	\$1.00	\$23.85	\$24.80	\$25.79
<i>Aircraft Mechanic</i>	\$23.43	\$1.00	\$25.53	\$26.55	\$27.61
<i>Avionics Technician II</i>	\$23.75	\$1.00	\$25.86	\$26.89	\$27.97
<i>Quality Assurance Rep</i>	\$26.48	\$1.00	\$28.72	\$29.87	\$31.06

Effective 10/1/06 Leads will be paid a premium of 10% per hour worked over the base rate of the highest classification they lead including their own. An employee who is asked to act as lead in the absence of a lead for a period in excess of one day, will be paid the lead pay for the entire period for which they served as lead.

Memorandum of Understanding #1

L-3 Vertex Aerospace Base Retirement Program

The L-3 Vertex Aerospace Base Retirement Program replace the Raytheon Aircraft Holdings, Inc. Base Retirement Income Plan.

Employees in the employ of the Company on 6/27/2001 who were eligible for the L-3 Vertex Aerospace Base Retirement Program on 12/31/2001 are eligible to receive contributions into the RALLC Savings and Investment Plan at Fidelity Investments in an amount in accordance with information contained in the letter to RALLC employees dated 7/26/2001 and details in the Plan Document for this benefit.

Memorandum of Understanding #2

During the just concluded contract negotiations the subject of mandatory overtime was discussed at length. Mandatory overtime was defined as occasions when all employees are required to work.

The parties agreed that appropriate consideration would be given for employee hardships which might arise due to working required overtime with an intent to accommodate the employee.

When mandatory overtime is required the Lead/Supervisor or Regional Manager will discuss with the Union the need for the Company action and approximate duration of the mandatory situation.

Memorandum of Understanding #3

During the 2003 negotiations, the Company and the Union agreed the attached job descriptions for Aircraft Mechanic, Aircraft Worker, Avionics Technician II, Quality Representative will be in effect during the life of the agreement. The site management will properly assign work in accordance with the job descriptions, Labor Agreement and government contract requirements.

The parties agree the present Aircraft Mechanics/Avionics Technician II/**QA Rep** are performing the work described in the classification of Aircraft Worker in addition to the tasks described in the classification of Aircraft Mechanic, Avionics Technician II, **QA Rep**.

Currently the job description of Aircraft Worker is unpopulated. The Company agrees the Aircraft Worker classification will not be populated to replace Aircraft Mechanics.

Memorandum of Understanding #4

During the 2003 negotiations, the Company and the Union agreed to the following:

Within sixty (60) days of the ratification of the Labor Agreement the Union will make arrangements for an on-site safety tour of the facility with the Site Manager or designee.

Any disputes that cannot be resolved between the parties may be turned over to the appropriate Agency for resolution.

Memorandum of Understanding #5

During the 2003 negotiations, the Union expressed concern over section 29.06 that it did not want to give up the right to bargain over items which were not specifically covered by this collective bargaining agreement. Based upon this concern, it was agreed that during the term of this Agreement, if a working condition item comes up that is not specifically covered by the Agreement, the parties would meet to discuss a mutually agreeable solution.

Memorandum of Understanding #6

The Company agrees to add the classification of Lead to paragraph 3.01(a) subject to the following provision:

The Company reserves the right at its sole discretion to select the Lead employee and to remove the classification from the bargaining unit and/or the incumbent employee from the classification. Such action will only be taken after advance discussion with the Union and employee of the reason(s). Such action will not be subject to the Grievance Procedure.

The Lead employee may be returned to the bargaining unit seniority permitting to the last classification held in the bargaining unit prior to becoming a lead.