

AGREEMENT

BETWEEN

***L-3 COMMUNICATIONS VERTEX
AEROSPACE, LLC***

AND

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

**CUSTOMS AND BORDER PROTECTION
March A RB, Riverside, California**

July 16, 2008 to April 23, 2011

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PREAMBLE

This Agreement is made and entered into upon ratification by and between L-3 Communications Vertex Aerospace LLC, (hereinafter referred to as the Company) and the International Association of Machinists and Aerospace Workers, and District Lodge 725, Area 1, Local Lodge 1125 (hereafter referred to as the Union) with respect to work performed at the Customs and Border Protection, March ARB, Riverside, California.

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

ARTICLE 1.00 INTENT AND PURPOSE

- 1.01** It is the intent of the parties to provide for the efficiency of 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. The intent is 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.
- 1.02** 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, to perform faithfully the obligations imposed by this Agreement, and the Union undertakes to cooperate with the Company in such a manner consistent with the provisions of this Agreement.
- 1.03** There shall be no discrimination by the Company or the Union against any employee because of race, sex, creed, religion, national origin, age, disability, veteran status or other status protected by applicable federal, state or local law or regulations.
- 1.04** There shall be no discrimination, interference, restraint, or coercion, by the Company or any of its agents against any employee because of Union membership or because of acting as an officer of or in any other bona fide activity on behalf of the Union.

ARTICLE 2.00 MANAGEMENT RIGHTS

- 2.01** Except as otherwise specifically provided in this Agreement, the Union recognizes and agrees that the management and control of the Company's business, operations, work force and facilities are exclusively vested in the management of the Company. The Company has the right to plan, direct and control the Company's business, methods, operations and work force; to hire, promote, transfer, and layoff employees and for just cause to demote, discipline, suspend or discharge employees; and the right to determine the work to be performed, schedules of work and all services, processes and standards required by the customer or other Government agencies; and the right to make reasonable rules not in conflict with this agreement. It is not intended by the above recitation to limit any of the usual functions of management or to define all such functions. All matters which are not specifically covered by this agreement are solely functions and responsibilities of management.
- 2.02** The Union and the employees shall be notified prior to enforcement of new rules or changes in existing work rules. The Union reserves the right to pursue through the Grievance and Arbitration procedure, as spelled out in this agreement, rules which it believes to be unreasonable.

ARTICLE 3.00 UNION RECOGNITION

- 3.01** The Company recognizes the Union certified by the National Labor Relations Board in case no. (21-RC-20888) as the exclusive representative of all Production and Maintenance employees as follows:
- a.** Included: All full-time and regular part-time Aircraft Mechanics, Avionics Technicians. Chief Quality Control Inspectors employed by the Company under its contract with U.S. Customs at its facility located at March Air Force Base, Riverside, California per the NLRB certification.
 - b.** Excluded: All office clerical employees, Supervisors, clerical and professional employees as defined by the National Labor Relations Act.
- 3.02** The Company acknowledges the Union's rights specifically designated by the terms of this Agreement, as the employee's 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.
- 3.03 Union Bulletin Boards.** The Company will provide one (1) Union bulletin board (or part of a bulletin 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.
- 3.04** Additions to the work force, in accordance with Article 03.01, (to include new or revised classifications) will become bargaining unit employees.

ARTICLE 4.00 REPRESENTATION/STEWARDS

- 4.01** 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 for each work shift. 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 Steward is agreed to by the parties, the Union shall designate one (1) of the existing Shop Stewards as the Chief Shop Steward.
- 4.02** 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.
- 4.03** 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.
- 4.04** 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 supervision.

- 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.
 - 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.
- 4.05** 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.
- 4.06** It is agreed that the Company shall not be required to pay an employee for any time taken away from work to serve the Union in any official capacity or to serve on any Union committee, except as provided in the Agreement.
- 4.07** 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. Such settlements shall be non-precedent setting.

ARTICLE 5.00 UNION SECURITY / AGENCY SHOP

- 5.01** All employees in the bargaining unit who are members in good standing on the effective date of this Agreement shall be required, as a condition of continued employment with the Company, to maintain membership in the Union to the extent of current monthly dues and initiation fees and reinstatement fees, if any, commencing not later than the thirty-first (31st) day following the effective date of the Agreement.
- a.** Any employee hired on or after the effective date of the Agreement shall become a member of the Union not later than thirty-one (31) days after his date of employment. Such an employee, as a condition of continued employment, shall maintain his membership in the Union to the extent of current monthly dues, fees and reinstatement fees, if any.
 - b.** Any present employee who, on the effective date of this Agreement, is not a member of the Union, shall not be required to become a member of the Union as a condition of continued employment. Any such employee, however, who thereafter joins the Union, must maintain his membership thereafter as provided in Section 5.01
- 5.02** 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.
- 5.03** Deductions provided in Section 05.02 shall be remitted to 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 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.
- 5.04** 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.

5.05 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 6.00 NON-BARGAINING UNIT PERSONNEL

- 6.00** Non-bargaining unit personnel shall not normally perform the work of or with unit employees, but may perform bargaining unit work 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.** 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 7.00 SENIORITY

- 7.01** Seniority, on the date of contract ratification, will be established as the employee's date of hire as agreed to by the parties. Any employee hired after ratification of this agreement will have their seniority date established as their date of hire at the Customs and Border Protection, March ARB, Riverside, California. 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 will establish their seniority date, for all other purposes, as their date of hire at the Customs and Border Protection, March ARB, Riverside, California.
- 7.02** The Company will apply seniority and qualifications in its everyday operation relating to promotion, transfer, bidding, overtime, layoff and recall and other terms and conditions of employment of the bargaining unit.
- 7.03** Employees assigned to 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 (including crew chiefs) will be paid the highest wage rate for time worked in the higher classification.
- 7.04** A new employee shall be in a probationary status until he has 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.
- 7.05** 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 via certified mail within forty eight (48) hours after the receipt of such
 - g.** Failure by the employee to notify the Company of the employee's intention to return to work in response to a recall notification via certified mail 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;

- h.** Transfer or promotion out of the bargaining unit in excess of ninety (90) calendar days;
- i.** Absence from work for three (3) consecutive working days with no contact with the Company, unless excused by the Company;
- j.** Acceptance of employment with another employer while on an approved leave of absence.

7.06 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.

7.07 When reducing the workforce, the Company will layoff in reverse order of seniority by classification. The most junior is laid off first. The last employee laid off will be the first recalled. Employees who have held a lateral or lesser job classification will have the right to displace a less senior employee.

7.08 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.

ARTICLE 8.00 PROMOTIONS, BIDDING / TRANSFERS

- 8.01** When a bargaining unit job vacancy occurs within the Company at the Customs and Border Protection, March ARB, Riverside, California, 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.
- 8.02** Bids must be in writing and sent to the Branch Manager's office, which will affix the date and time to validate a timely filing. Bids received after the closing date will not be considered.
- 8.03** 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.
- 8.04** Both the Company and the Union recognize that some employees, due to domestic reasons, health, extended service on a shift, length of service with the Company or for other reasons, may desire transfer to another shift. Any employee on a shift for four (4) months may submit a shift change request to another shift provided that employee is qualified to perform the available work.
- a. When such change is desired, the employee shall direct a signed and dated written request to his/her supervisor. The request will be accommodated as soon as practicable, but no later than thirty (30) days from the date of the request, maintenance requirements permitting.
 - b. An employee displaced through such action will be selected within classification as a result of the following order:
 1. Volunteering for such shift change.,
 2. The least senior person on the shift not having been on the other shift.
 3. The person on the shift having been on the shift the longest period of time.
 - c. Probationary employees and employees receiving training shall be exempted from displacement under this section.

- d. Employees may transfer or remain on a shift if there are extraordinary circumstances beyond their control, providing there is mutual agreement by the Company and the Union in writing which briefly describes the reason and duration and work is available in their classification on the shift requested.

ARTICLE 9.00 LEAVES OF ABSENCE

- 9.01** 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 Article 9.01.
 - 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 month's insurance coverage.
- 9.02** 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.
- 9.03** Leave of absence for legitimate personal health reasons supported by sufficient medical verification will be granted to an employee for a period 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.** Health insurance and employee benefits will continue for the duration of the leave of absence as described in Article 9.03. The Company will abide by the provisions outlined under the Family Medical Leave Act (FMLA).

- 9.04** 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.
- 9.05** Leaves of absence without pay for Union business not to exceed two (2) weeks, will be granted to Bargaining Unit employees of the Company, 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.
- 9.06** 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.
- 9.07** An employee who has completed his/her probationary period, 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 fifteen (15) 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.

- 9.08** 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.
- 9.09** When an employee fails to return to work at the expiration of an approved leave of absence, that employee may be disciplined up to and including discharge at the option of the Company.
- 9.10** 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 four (4) year period and with the opportunity to request extensions. Employees on such leave shall continue to accrue 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.
- 9.11** 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.
- 9.12** The granting or disallowance of Personal/Medical Leaves of Absence for employees within the probationary period will be at the discretion of the Company.
- 9.13** An employee whose leave(s) of absence exceed(s) ninety (90) regular working days in a benefit year or whose leave of absence continues from one benefit year to another shall have their benefit date adjusted to the number of work days he/she was absent in excess of the ninety (90) regular work days, except for leaves resulting from occupational illness, injury and leaves for Union activities. Benefits and seniority will continue during authorized Leave of Absence.

ARTICLE 10.00 HOLIDAYS

10.01 Holiday pay is eight (8) hours pay, which is payable at the employee's working 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 workday before and the first scheduled workday after the holiday (unless excused by Management) shall be eligible for pay for such holiday. The following ten (10) holidays will be observed each calendar year:

New Year's Day
Martin Luther King's Birthday
President's Day
Memorial Day
Independence Day
Labor Day
Veterans Day
Columbus Day
Thanksgiving Day
Christmas Day

- 10.02** Any employee required to work on any of the above holidays will be paid for all hours worked at one and one-half times (1 1/2) his working rate of pay plus eight (8) hours holiday pay.
- 10.03** An employee who works a holiday may choose to take a compensating day off, paid at eight (8) hours straight time pay, in lieu of receiving the holiday pay. The compensating time off must be used within one hundred eighty (180) days and must be taken within the calendar year of the holiday. Employees choosing this option must provide three (3) working days advance notice of the day they intend to use as the compensating day off.
- 10.04** Any additional holiday designated by Federal Government mandate or Presidential Executive Order that is observed by the Customs and Border Protection, March ARB, Riverside, California will be observed in addition to the above as determined by operational requirements.
- 10.05** Any observed holiday stated above that falls on a Saturday or Sunday, will be observed under the same schedule observed by the Customs and Border Protection, March ARB, Riverside, California.
- 10.06** Any holiday pay shall be considered time worked for the purpose of computing vacation.

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 at Customs and Border Protection, March ARB, Riverside, California 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 (80 hours) of vacation per year.
 - 2.** Employees with five (5) years of continuous service shall be entitled to three (3) weeks (120 hours) of vacation per year.
 - 3.** Employees with fifteen (15) years of continuous and above service shall be entitled to four (4) weeks (160 hours) 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 working 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 weeks advance 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 should 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 work day.
- b. Vacation periods of one (1) work day or less 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 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.

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 overtime pay.

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 Notice for mandatory scheduled overtime will be given as soon as practical after site management deems that overtime work will be required.

12.02 Available overtime shall be rotated among qualified volunteers. If no volunteers are available to work the necessary overtime, it will become mandatory and assignment shall be made by shift among qualified employees.

a. The parties recognize two (2) different overtime situations for the purpose of determining who to ask. The two (2) types are: holdover time and scheduled overtime. Holdover time is defined as overtime for work in progress that is overtime of a time sensitive nature arising from unforeseen circumstances, unplanned problems and/or to support unscheduled customer requirements. Scheduled overtime is defined as additional work requirements known at least four (4) hours in advance of the shift.

b. Overtime in a holdover situation will be offered to those qualified employees already on the clock and performing the work. Scheduled overtime will be offered to those qualified employees, regardless of shift, by seniority provided such employees possess the necessary skills, qualifications and/or certifications to perform the work in question, i.e. A&P License, Engine Run Up Card; Taxi License, APU Run Card, etc.

12.03 Section 1: The overtime rate will be one and one half (1 1/2) times the employee's working rate of pay for any work in excess of ten (10) 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 working 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 two (2) times the employee's working rate of pay.

Section 4: The overtime rate will be one and one-half (1 1/2) times the employee's working rate for the first twelve (12) hours on the fifth (5th) consecutive day of work in any one workweek. The overtime rate will be two (2) times the employee's working rate for all hours paid in excess of twelve (12) hours on the fifth (5th) consecutive day of work in any one workweek.

Section 5: The overtime rate will be two (2) times the employee's working rate for all hours paid on the sixth (6th) consecutive day of work in any one workweek.

Section 6: All other overtime payments will be in accordance with applicable Federal and State Law.

- 12.04** Nothing in this Agreement shall be construed as to require the payment of overtime on overtime or compounding of overtime as a result of computing hours in accordance with this Article.
- 12.0** Paid personal time, vacation pay and holiday pay will be counted as time worked toward the computation of overtime pay.
- 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** 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 Supervisor that the probationary employee is qualified to carry out the responsibilities to be assigned to the overtime.

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** Ten (10) consecutive hours, exclusive of an unpaid 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 Sunday and running through the following Saturday.
- 14.04** The normal work schedule shall be four consecutive days (Monday through Friday) with three (3) consecutive days off. The Odd Work Week (OWW) work schedule(s) shall be Sunday through Wednesday and Wednesday through Saturday.
- 14.05** 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.
- 14.06** In the event any employee is required to work beyond any ten (10) 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.
- 14.07** 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 9:00 a.m.
Second Shift: Beginning at or after 12:00 p.m. (noon) but before 5:00 p.m.
Third Shift: Beginning at or after 10:00 p.m. but before 2:00 a.m.
- 14.08** Shift Premium: Hourly paid employees covered by this agreement assigned to the second shift shall receive a shift differential of thirty-five cents (\$0.35) per hour for all hours paid. Hourly paid employees assigned to third shift shall receive a shift differential of forty-five (\$0.45) cents per hour for all hours paid.
- 14.09** Odd Work Week Premium: Hourly paid employees covered by this agreement assigned to the Sunday through Wednesday Odd Work Week (OWW) schedule or the Wednesday through Saturday Odd Work Week shall receive a premium of thirty cents (\$0.30) per hour for all hours paid.

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 that 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 prohibited acts.
- e.** The Company agrees that it will not engage in any lockout of employees during the term of the Agreement.
- f.** Bargaining unit employees will not be requested or required to cross a sanctioned IAM picket line at any other L-3 Communications facility. If an employee encounters a picket line, the employee should contact their supervisor.

ARTICLE 17.00 GROUP INSURANCE

17.01 Group insurance applies to full time employees covered hereby, which provides benefits as specified in this Article.

- a.** Employees may purchase optional life insurance/accidental death and dismemberment insurance (AD&D) (provided the coverage is available). Employees may purchase dependent life by payroll deduction. Proof of insurability and approval by the insurance carrier is required prior to purchasing any optional life insurance/AD&D and dependent life insurance.
- b.** The Company will make available for employee purchase via payroll deduction optional short-term disability insurance (STD) as defined in the Summary Plan Description for employees. The STD insurance provides a combined benefit of sixty percent (60%) of the employee's monthly compensation (to a maximum of \$450 per week) for up to twenty-six (26) weeks (provided coverage is available).
- c.** The Company will continue to withhold State Disability Insurance in accordance with California statutes.
- d.** The Company will provide life insurance in the amount of \$10,000 for each bargaining unit employee at no cost to the employee.

17.02 Group Medical & Dental - The current insurance plans will remain in effect until December 31, 2006.

- a.** The Company will, during the life of the bargaining agreement, maintain and contribute to the cost of health care insurance for non-probationary bargaining unit personnel. It is agreed that the Company may change vendors of health care, dental care, life insurance during the life of this Agreement. The reason or reasons for such change will be explained by the Company. Any such benefit change will provide the same coverage and design as the incumbent plan. Should there be a significant change in the plan benefits or rise in the rates, the Company and Union will meet to resolve any of the resulting issues.
- b.** Effective January 1, 2007, the Company will make available a Group Medical Plan provided through Union Heritage Trust Fund and known as the Kaiser \$10.00 Plan or the Blue Shield \$10.00 Plan.
- c.** Dental insurance will be provided by Liberty Dental under the plan known as CA-10.
- d.** Vision insurance will be provided under the MES Vision \$5.00 Plan.

e. The Company will continue to offer TriCare to qualified employees.

f. The above coverage is subject to meeting minimum employee enrollment requirements established by the Providers.

17.03 Health care, dental care, vision care and prescription coverage for employees and insured dependents are described in the Plan Summary Booklets (provided coverage is available).

For coverage, full time employees will be required to pay per month as follows:

Group Medical Plan

	Effective 1/1/09	Effective 1/1/10	Effective 1/1/11
Employee Only	\$ 00.00	Prior year amount + 20% of increase	Prior year amount + 20% of increase
Employee + One Dependent	\$111.00	Prior year amount + 20% of increase	Prior year amount + 20% of increase
Employee + Family	\$147.80	Prior year amount + 20% of increase	Prior year amount + 20% of increase

It is also agreed that the Company share of the cost for health care at the Riverside facility will not exceed the Company cost (net of employee contributions) of the Company-wide plan which is being replaced at Riverside by the above coverage. The parties understand compliance with the above may require a revision or re-bid of the Plans which would be subject to negotiations between the parties. All changes are to be made by mutual agreement.

17.04 Fringe Benefit Rate: The fringe benefit rate is defined as the minimum Employer Contributions towards providing Group Health Insurance, Life Insurance, Accidental Death and Dismemberment Insurance, California State Disability Insurance (SDI), Short Term Disability Insurance, Personal Paid Time, Military Duty Pay, Jury Duty Pay, Bereavement Leave Pay, and Retirement Benefit Plan(s). The costing of such fringe benefits is an average rate per hour computed on the basis of total hours paid less overtime (2080 man-hours per year) by service CBA employees employed on this contract.

<u>Effective Dates</u>	<u>Rate</u>
Current	\$3.78
October 1, 2008	\$4.54
October 1, 2009	\$5.08
October 1, 2010	\$5.69

17.05 Bargaining unit employees will be eligible to participate in the Company's Employee Stock Purchase Plan.

17.06 Should the Company's actual annual cost per hour be less than the amount listed above in a calendar year, the Company will pay a sum equal to the difference, in to each employee's 401K plan, for those employees actively on the payroll at year- end. This payment will be made within the first (90) days of the following year. The Company will notify the Union of annual results of fringe benefit costs.

ARTICLE 18.00 RETIREMENT PLAN

- 18.01** The Company will provide all full-time seniority employees covered by this Agreement with an IRS approved pension plan and in accordance with the Plan document. The contribution shall be 1.75% of the gross wages to a maximum of \$500.00 per calendar year paid by the Company. Such plan is considered a 401(k) Plan.
- 18.02** Benefits, terms and conditions as set forth in the summary plan document shall apply.
- 18.03** The employee may elect to contribute up to the maximum allowable amount under federal law from his/her gross annual earnings into the IRS approved 401(k) savings plan.
- a.** The Company will match voluntary employee 401(k) savings plan contributions at the rate of 50% of the contribution, up to a maximum of \$500.00 per calendar year.
- 18.04** The Company will be responsible for all administrative fees for the Plan.

ARTICLE 19.00 UNIFORMS

- 19.01** Each employee will be required to wear the uniforms designated by the Company. The cost shall be reimbursed per Section 19.02 and 19.03 below.
- 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 Company will notify employees of the designated vendor(s) where employees may purchase uniforms. Uniforms purchased from vendors not designated by the Company will require appropriate documentation to show the purchase was for acceptable items. Reimbursement for safety shoes will require appropriate documentation to show the purchase was for acceptable items.
- 19.03** Reimbursement will be as follows:
- Effective 10/1/08 - \$309.00
 - Effective 10/1/09 - \$309.00
 - Effective 10/1/10 - \$309.00.
- 19.04** Any unused portion of the uniform allowance may be applied toward prescription safety glasses by presentation of an invoice for the glasses. Unused portions may not be carried forward to the next year.
- 19.05** An 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 Company logo shall appear on the left breast side of the shirt.

ARTICLE 20.00 DEPLOYMENT

20.01 Bargaining unit employees on Temporary Duty Deployment (TDY) assignment performing bargaining unit work retain their rights under the Collective Bargaining Agreement as if working at the Customs and Border Protection, March ARB, Riverside, CA.

- a.** A Temporary Duty Deployment (TDY) is considered as any duty or function, away from the Customs and Border Protection, March ARB, Riverside, CA requiring a period of time longer than twenty-four (24) hours. A TDY roster of all qualified personnel will be maintained and used in the selection process by the Company for off site TDY assignments, except when the customer dictates in writing, or provides short notice, or critical skills are required. Such roster will be posted listing employees by seniority and qualifications.
- b.** To be considered as qualified, the individual must be appropriately licensed for the aircraft or services required, i.e., A&P, daily and turnaround inspections, engine run card, taxi license, APU run card, etc.
- c.** When selecting TDY assignments, the top listed name will be given first opportunity to accept or decline, and so on down the list. If all persons listed decline the assignment, then the least senior person will be required to accept the assignment.
- d.** The following employees will be considered exempt from TDY assignments: employees on approved leave and/or vacation; persons already on TDY status; persons enrolled in a Company training program of more than eight (8) hours; other approved situations.

20.02 Working hours on TDY status will be set at the beginning of the assignment. If possible, the scheduled daily hours of work will be the same for a minimum of one (1) week. Overtime will be paid as stated in Article 12.00 of this Agreement when the employee is required to work his regular days off while on TDY, the Company may not change the employee's regular days off for the purpose of avoiding overtime payment except as agreed in Article 12.00.

- a.** When an employee is assigned a school the Company may not change days off to avoid payment of overtime. Employees on TDY will be eligible for a daily meal per diem allowance and daily room allowances as stated in the Joint Travel Regulations (JTR) of the U.S. Government and mileage allowances permitted by Company policy for a given location for the period of actual deployment.

- 20.03** An employee assigned TDY to a foreign country, excluding an emergency deployment, will receive the maximum per diem advance permitted by Company policy before departure for the location in question, upon request.
- 20.04** All employees on deployment will be covered by Company provided insurance to include life insurance, accidental death and dismemberment insurance and worker's compensation insurance. Such coverage is subject to any exemptions or exclusions stated in each policy listed.
- a.** Employees who are assigned to TDY and are required to travel will be compensated at their normal rate of pay including overtime and premiums for all time spent in travel.
- 20.05** No employee will be required to go TDY more than once every six (6) months unless all qualified employees have been rotated on TDY during that cycle except in cases of national emergency as determined by the Customer.
- 20.06** Employees will be provided the necessary special clothing and safety equipment required by conditions of the TDY which are equivalent to the Customer requirement for its own personnel.
- 20.07** Employees who travel on Company business more than two (2) times per year will be required to apply for and use a Company American Express Credit Card for use whenever possible for business travel expenses. The annual membership fee will be paid by the Company. Employees are responsible for compliance with all terms and conditions set forth by the credit card provider. An employee who is turned down for a corporate credit card will be provided alternate funding for travel.
- 20.08** Travel Incentive Pay will be paid to employees designated by the Branch Manager as a "frequent traveler". The travel incentive premium will be \$32.00 per day before taxes for each expensed night. To be designated a frequent traveler and qualify for Travel Incentive Pay, an employee must travel an anticipated minimum of seventy-six (76) expensed nights per calendar year. In addition, frequent travelers, if required, must obtain and possess a secret security clearance and a valid U.S. Passport, a company American Express card and must travel on short notice.

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** Copies of written disciplinary action notices shall be given to the Union and the employee. All written warnings will stay in effect for twelve (12) months, written disciplinary suspensions will stay in effect for twenty-four (24) months, except disciplinary action issued due to workplace violence. Such disciplinary action due to workplace violence shall become part of the employee's work record for a period of five (5) years. Work place violence is defined as aggressive physical contact with anyone else or verbal and/or written threats of physical violence towards another individual.
- 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 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 days 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 his 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 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 Branch 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 Branch Manager or designee shall either meet in person or by telephone within seven (7) work days. If the issue is not resolved, the Branch Manager or designee has ten (10) days to submit his/her answer, to the Steward.

Step 3. If not settled/resolved at Step 2, U.S. Customs Operations Manager the Union may submit the grievance to the Company's or designee within five (5) working days. The Company's U.S. Customs Operations 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 U.S. Customs Operations 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 Manager 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 there is more than one (1) grievance on the same issue. All time limits shall be strictly adhered to and may only be extended by mutual agreement 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 Any monetary award shall be limited to the actual loss incurred by the grievant, less such other compensation, including wages, commissions, workers' compensation and unemployment compensation, as the grievant may have received or which may be due to the grievant for the designated award period. 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.

ARTICLE 23.00 PAID PERSONAL TIME

- 23.01** PPT will be accrued to the individual employee's account at the rate of .77 hours for each credited work week. PPT accrual records will be made available to employees upon request. Seniority employees may accrue PPT up to a maximum of forty (40) hours per year and bank up to a total of one hundred and sixty (160) hours.
- 23.02** PPT accruals will vest on the date the employee obtains twenty-six (26) weeks seniority as defined in Article 7.00. Thereafter, such accruals shall vest as accrued. PPT will be considered as time worked for the purpose of computing overtime.
- 23.03** Employees who are prevented from reporting for work by reason of sickness or injury shall notify their supervisor of same within one-half ($\frac{1}{2}$) hour of their scheduled shift start time giving the reason for the absence. PPT hours will not be paid in cases of unauthorized absence or tardiness or on an employee's regularly scheduled days off. Management approval will not be unreasonably withheld in the case of personal emergencies.
- 23.04** Requests for PPT for reasons other than sickness or injury must be requested for approval by the employee's supervisor at least one (1) day in advance. Such notice may be waived by the employee's supervisor.
- 23.05** Unused PPT shall not have any monetary value.
- 23.06** Employees who are laid off and recalled within twelve (12) months will upon return to work, be credited with Paid Personal Time equal to the amount accrued at the time of layoff.
- 23.07** The Company will continue its present policy in the administration of Paid Personal Time: PPT is not authorized in increments of less than (1) hour. After one hour, an employee can record PPT as taken, such as 1.6 hours or 3.4 hours.

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 Branch 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 / JURY DUTY

25.01 Employees will be granted time off with pay to attend the funeral of family members as follows:

Three (3) work days in the case of immediate family members defined as mother, father, step mother, step father or legal guardian, sister, brother, spouse, daughter, son, stepdaughter or stepson.

Three (3) work days in the case of other family members limited to grandmother, grandfather, great grand mother, great grand father, mother-in-law, father-in-law, sister-in-law, brother-in-law, step sister, step brother or grandchildren and great grandchildren.

The Company shall grant up to two (2) additional work days off without pay in the event of death of members of the employee's immediate family as defined - above at the employees request or the employee may use vacation or Paid Personal Leave for which they are eligible.

25.02 Employees absent due to jury service shall be paid at their current rate of pay less any payment received by the court exclusive of transportation and meal cost. This pay shall not exceed forty-five (45) days in any twelve (12) month period. To be eligible for jury duty pay, the employee must present a statement from a court official attesting to the dates and times of such service and the fee or compensation paid by the court less transportation and meal cost. In no event shall such pay for time lost be made for jury duty performed on the employee's regularly scheduled day off, holidays as defined herein or for hours in excess of eight (8) per regular work day or hours in excess of forty (40) per week.

Employees required to make any court appearance in behalf of the U.S. Customs Service or the Company shall be compensated for all time spent in the appearance.

Employees required to serve on jury duty will be considered to be on day shift for all days served on jury duty and will not be required to return to work on either the swing or graveyard shift.

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.

Base Rate: Base rate as used in this Agreement shall be the basic hourly wage rate of an employee excluding all other payments.

Working Rate: Working rate as used in this Agreement shall be the employee's base rate plus other applicable payments, if any, as provided in this Agreement.

26.03 Employees promoted or temporarily assigned to another job classification shall receive the rate of that job classification or continue at their present rate, whichever is greater. Temporary assignments to a higher job classification 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.

26.04 Employees reporting for their regularly 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 only for hours actually worked.

26.05 Employees called to work by management outside their normally scheduled work day shall be provided a minimum of two (2) hours work or pay at the applicable 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 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 U.S. Customs or Company shall be provided also.

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 Supervisor will be notified of any employee's TAW status and will not take it upon himself to alter that status, job description or work assignment. Additionally, the employee will be granted unpaid 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 provisions of this Agreement shall be binding upon the Company and its successors, assigns or future purchasers.
- 29.03** 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.
- 29.04** Either 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 September 1, to and including July 15, 2008 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 LLC

For:
**International Association of
Aerospace Workers**

Ken Demarko
Sr. Director, Labor Relations

Virginia C. Cobb
Director, Area 1
District Lodge 725

Jim Drabeck
Operations Manager

**APPENDIX “A”
WAGES**

Job Title	Existing Wage	Adjusted 10/01/08	4.0% 10/01/09	4.0% 10/01/10
Inspector, QC Chief*	\$27.01	\$30.83	\$32.06	\$33.34
Mechanic, A/C CC**	\$24.31	\$26.83	\$27.90	\$29.02
Mechanic, Aircraft	\$24.31	\$26.83	\$27.84	\$29.02
Tech, Avionics	\$28.27	\$29.33	\$30.50	\$31.72
* The QC Chief Inspector shall receive a differential pay of \$1.00 per hour				
** Employees designated as Crews Chief by management shall receive a differential pay of \$0.75 cents per hour.				