

**COLLECTIVE BARGAINING
AGREEMENT BETWEEN
LOGISTICS SERVICES INC.
AND THE
INTERNATIONAL UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL
IMPLEMENTATION
WORKERS OF AMERICA
LOCAL 659**



K# 9210

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AGREEMENT

This Agreement is entered into between Logistics Services Inc. (LSI) and International Union, United Automobile Aerospace and Agricultural Implement Workers of America for and on behalf of U.A.W. Local 659 ("Union").

ARTICLE 1 RECOGNITION

Section 1.

Logistics Services Inc., located at 4405 Continental Drive, Flint, MI 48507, and the UAW agree that this contract is a local Agreement, which will cover and apply to the operations of Logistics Services Inc. which currently supplies automotive assemblies and sequenced commodities to GM Truck and Bus Flint Assembly. The bargaining unit includes forklift operators, warehouse members and excludes salary and office, clerical, quality coordinators, material coordinators, maintenance personnel and managers.

Section 2.

As a condition of employment, all employees covered by this Agreement will, on or after the ninety-first (91st) calendar day following their date of hire or ratification of this Agreement, become members of the Union and must remain members during the life of this Agreement.

ARTICLE 2 JOINT COMMITMENT

The parties recognize that many unforeseen concerns and problems may arise during the term of this agreement. The parties also recognize that the potential exists for rapid growth, which could lead to concerns, which might affect the employer-employee relationship in the administration of the provisions of this agreement. With these realizations in mind, the parties

agree that it is imperative that they address such challenges as they arise in a team spirit of cooperation.

ARTICLE 3 MANAGEMENT RIGHTS

Section 1.

The broad right of Logistics Services Inc., to manage is recognized. Logistics Services Inc., in the exercise of the customary functions of Management, may make such reasonable rules consistent with the terms of this Agreement relating to its operation and shall not violate any rights of this Agreement. The right to hire, promote, discharge or discipline for just cause, and to assign work to maintain efficiency of employees, is recognized by both the UAW and Logistics Services Inc., as the proper responsibility and prerogative of Management, except that Union members shall not be discriminated against as such.

Section 2.

If an employee or the UAW believes that an exercise of Management Rights violates one or more provisions of this Agreement, the matter shall be subject to the grievance procedure.

Section 3.

Supervisory employees shall not be permitted to perform work on any hourly-rated job except in the following types of situations: (1) in emergencies arising out of unforeseen circumstances which call for immediate action to avoid interruption of operations; (2) in the instruction or training of employees, including demonstrating the proper method to accomplish the task assigned. Complaints of repeated violations of this paragraph will be handled under the grievance procedure. If either party at a particular location believes that the provisions of this Agreement are being administered in a manner

inconsistent with orderly collective bargaining relations, the circumstances will be discussed between local Management and the Union Committee in an effort to resolve the problem. *If the problem is not resolved locally, it will be reviewed by appropriate representatives of Logistics Services Inc., and the International Union.*

ARTICLE 4 DISTRIBUTION OF AGREEMENT TO EMPLOYEES

Copies of the Agreement will be printed and distributed to the employees in booklet form. New employees will receive a copy of the Agreement during orientation. Each employee is expected to sign a form acknowledging receipt of his/her copy of the Agreement.

Logistics Services Inc., will be responsible for the printing and distribution of the Agreement, and will bear all printing and distribution costs.

ARTICLE 5 PERFORMANCE OF BARGAINING UNIT WORK

Section 1.

Logistics Services Inc., recognizes the International Union, UAW, Local 659 and any representatives that the International Union may assign to assist in *the handling of matters affecting the relations of the parties; subject, however, to the provisions of Section 9(a) of the Labor Management Relations Acts of 1947.*

Section 2.

When new employees are hired, the UAW will be notified of the employee's name, home address and social security number and seniority date. The company will introduce new employees to Local Union Representatives during orientation.

Section 3.

There shall be no discrimination against any employee because of membership or activity in the Union.

Section 4.

The following language will only be applicable to operation(s) commenced under this agreement when such operation(s) warrants the addition of committee person(s).

The Committeeperson or his/her designated alternate shall be permitted reasonable time to investigate, present and process grievances on Logistics Services Inc., property without loss of time or pay during regular working hours; and where mutually agreed to by the Local Union and the Plant Manager, off the property, other than during his/her regular scheduled working hours without loss of time or pay. Such time spent in handling grievances during the Committeeperson's or designated alternate's regular working hours shall be considered working hours in computing daily and/or weekly overtime. It is anticipated that in no event shall the duties enumerated herein require more than four hours time during any given shift. The parties recognize that occasionally unique situations may arise requiring that more time be spent on Union matters than is specified in this agreement. The remainder of such person's time shall be spent performing bargaining unit work.

Section 5.

Logistics Services Inc. will provide an office for Union business. Logistics Services Inc. and the Union will mutually agree upon a suitable location for a work center. This office will contain a computer, desk, filing cabinet, chairs, and telephone for local calls only.

ARTICLE 6 REPRESENTATION

Section 1.

It is agreed that as Logistics Services Inc.'s business develops, the ratio of Committee Body to employees will be reviewed and adjusted accordingly to maintain adequate representation for the employees.

Section 2.

The Committee Chairperson will be allowed reasonable time to conduct normal union business as required. The Chairperson will keep the Shift Manager and/or Plant Manager informed to issues that need his attention and the approximate time required to handle open issues. The amount of time will be mutually agreed to prior to the activity and will be coded appropriately on time sheet.

Section 3.

Bargaining committee (not including alternates) shall head the seniority list on their crew (shift) during the term of their office for recall and layoff purposes.

ARTICLE 7 INTRODUCTORY PERIOD

Section 1.

A new employee will serve an introductory period for his/her first 90 calendar days. When seniority dates are the same, the highest last three digits of each new employee's social security number will be the determining factor; 9 being highest.

Section 2.

During a new employee's introductory period he/she is not entitled to any benefits provided for under this agreement with the sole exception of his specified wage rate. Access to the grievance and arbitration procedure will be available to an introductory employee after 30 days of employment.

Section 3.

Upon completing his/her introductory period, his/her seniority date will be recorded as his/her first day worked.

ARTICLE 8 SAFETY AND HOUSEKEEPING

Logistics Services, Inc., and the Union are committed to providing a safe, sanitary and pleasant environment in which to work, but the ultimate responsibility for safety lies with each employee. Logistics Services Inc., is certainly not a hazardous business, as long as every employee is mindful of safety and takes safety precautions. Employees must use safety devices and equipment provided, abide by all safety policies and practices, and use good common sense to safely carry out their job assignments. If you observe a condition in **ANY** work area that might cause harm to you or to a co-worker, it must be **REPORTED IMMEDIATELY** to your manager.

Logistics Services, Inc., will provide systematic safety inspections, safety devices, and safety programs to minimize accidents and health hazards within all operations. Employees are required to observe established safety rules and regulations. Should an employee feel an unsafe condition exists, he/she must call the matter to the attention of their Supervisor or the Environmental Health and Safety Coordinator and in addition, may contact his/her Hourly Safety Representative or Committee Person. If the matter is still not resolved, it may be taken up in the grievance procedure. Nothing in this paragraph or Agreement is intended in any way to modify or amend the rights and

responsibilities of Employees, the Union, or Logistics Services Inc., under applicable State or Federal statutes. At no time will an employee be disciplined for refusing a direct order if obeying the order would subject the employee to unreasonable risk of significant bodily harm.

ARTICLE 9 ACCIDENTS OR INJURIES

Section 1. Worker Compensation Insurance

You are covered by Workers' Compensation insurance for medical expenses resulting from work-related injury or illness. Accuracy and promptness in completing accident reports are essential to the correct processing of workers' compensation claims.

When an employee is off work, as the result of a work related injury or illness, Workers' Compensation Disability Insurance Benefits provide a continuation of a portion of the employee's regular wages in accordance with state laws and regulations.

Section 2. Reporting

It is your responsibility to report immediately any work-related injury or illness to your manager, no matter how minor the injury or illness may seem, and completely fill out an injury report form. First-aid supplies are available in-house for the treatment of minor cuts and bruises. You will be sent or taken to a doctor's office, clinic or hospital if immediate medical attention is needed.

In order to insure that any job related accident or injury is not related to your own use of drugs or alcohol, you will be tested for any indication that drugs and alcohol are in your system. You will be tested if you are injured or if you are responsible for another person's injury while you are on the job.

Section 3. Injured Person's Responsibilities

1. Report all injuries no matter how minor.
2. Receive appropriate emergency medical treatment.
3. Fill out accident report with as much information as possible, to help eliminate potential future injury to others.
4. Follow all doctor restrictions, prescribed actions, and attend all requested follow-up appointments and physical therapy sessions to help expedite the healing process; and learn if, or how, the injury could be prevented.

If you have questions about workers' compensation issues, please contact the Insurance Department.

Section 4. Work Related Injury or Occupational Illness Pay Policy

Work time missed as the result of an injury or occupational illness that requires medical attention is treated as paid time for the remainder of the day of the injury or illness, including overtime worked by the shift that day.

Subsequent full or partial workdays missed that are related to the initial injury or illnesses, including time off for medical treatment, are non-paid until such time that the absence qualifies for Workers Compensation Disability. Logistics Services Inc. will work to schedule medical appointments outside the injured employee's normally scheduled work hours.

Section 5. Flexible Hours

An employee may request a flexible work schedule when a medical appointment cannot be made outside normal work hours so the employee can earn a full day's pay including the same overtime earned by their shift. An employee can choose not to work the flexible hours without adverse effect to their attendance status. When an employee self schedules approved flexible hours, they are required to meet all attendance requirements and expectations for those hours.

Note: Any absences that are the result of a work related injury or occupational illnesses are not counted against available sick days or tardiness. However, the employee may elect to use vacation time to be paid for work related injury or illness time off. Because state laws require the coordination of Workers' Compensation benefits with compensation received by the employee, choosing to take paid vacation time may result in compensation payments being reduced or eliminated from the insurance carrier during the same time period.

Section 6. Light Duty Program

Logistics Services Inc., where feasible, may institute a light duty program for employees who have sustained a work related injury. This will not be a "make work" program and will only be implemented where a need for such a light duty service actually exists.

ARTICLE 10 DRUG FREE WORK ENVIRONMENT

Section 1.

Logistics Services Inc. feels very strongly that it is in the best interests of the company and its employees to work free from the impairing effects of alcohol, drugs or illegal substances. Use of these substances can lead to excessive absenteeism, tardiness, reduced productivity, safety problems, excess stress and personal problems. Logistics Services Inc. wants to maintain a safe, healthy, drug-free working environment. In order to accomplish this, the following Drug-Free Work Environment Policy has been adopted:

1. All employees are prohibited from being under the influence of alcohol during work hours. An employee shall be conclusively presumed to be under the influence of intoxicating alcohol if chemical analysis of their breath or blood establishes that they have a blood alcohol content in excess of .08% by weight of alcohol.

2. All employees are prohibited from reporting to work or working with illegal substances in their systems.
3. The sale, possession, transfer, purchase, or distribution of illegal drugs on Logistics Services Inc. property or while performing Logistics Services Inc. business is strictly prohibited.
4. Alcoholic beverages are not permitted to be brought or consumed on Logistics Services Inc.'s premises.
5. Prescription drugs brought on Logistics Services Inc.'s premises are for the exclusive use of the one for whom it is prescribed. Such drugs will only be used in the manner, combination, and quantity prescribed.

Section 2. Definition

For the purposes of this Drug Free Work Environment Policy, "drug" means any substance capable of altering an individual's mood, perception, pain level, or judgment. A prescribed drug is any substance prescribed for individual consumption by a licensed medical practitioner. An illegal drug is any drug or controlled substance the sale or use of which is illegal.

Section 3. Testing

Logistics Services Inc. reserves the right to require an employee to take blood, breath, or urine tests to determine the presence of alcohol or drugs in the Employee's system. The circumstances under which a employee may be tested include (but are not limited to):

1. Prior to or during introductory period assignment to Logistics Services Inc.
2. He/she is injured in a work-related accident.
3. He/she is involved in a work-related accident, whether or not personal injury resulted.
4. He/she has been observed using a prohibited substance on the job or appears to be under the influence of such a substance.

Section 4. Investigation

To enforce this policy, Logistics Services Inc. also reserves the right to search, with a committee person present, company owned desks, cabinets, toolboxes, lockers, or Logistics Services Inc. vehicles on their property. Such searches may be initiated without prior announcement and will be conducted at such times and places as deemed appropriate.

Section 5. Pre-employment Testing

Under no circumstances will a job offer be made or an individual assigned to work at Logistics Services Inc. without proof of a successful completion of a drug test.

Section 6. Benefits of Policy

Establishing and maintaining a drug-free work environment at Logistics Services Inc. will help:

1. Maintain a safe, healthy working environment for all employees.
2. Ensure the reputation of Logistics Services Inc. and its Employees within the community and industry at large.
3. Reduce the number of accidental injuries to person or property.

Any violation of these rules, including refusal to cooperate with or submit to required testing, will result in disciplinary action, up to and including immediate dismissal.

ARTICLE 11 CORRECTIVE DISCIPLINE

Section 1.

Logistics Services Inc. may impose corrective discipline with just cause.

Section 2.

The employee acknowledging receipt with a copy being given to the Employee and Union must sign written reprimands and warnings. This action does not prohibit the Employee and/or Employees from grieving through the grievance procedure. Employee(s) shall have the right to Union representation in any interview or hearing that could lead to disciplinary action. A form will be provided, if an Employee(s) refuses Union representation, and the form must be signed by the Employee(s) in the Union's presence and provided to the Union immediately.

Section 3.

Logistics Services Inc. shall have the right to establish, maintain and enforce reasonable work rules and regulations subject to the grievance procedure. If the parties cannot reach agreement on an issue and new or amended basic rules of conduct are created, new or amended rules and regulations will be subject to the grievance procedure.

Section 4.

Logistics Services Inc. and the UAW recognize and agree to the following principles:

1. Disciplinary action is intended to be corrective rather than punitive. It is understood that violations of certain rules may be subject to discharge for the first offense.
2. Rules and Regulations are posted on company bulletin boards. All Employees will be given a copy of the Rules and Regulations and will be expected to sign for said copy.

Any discipline imposed under these Rules and Regulations is subject to the grievance procedure.

Section 5.

The UAW will be notified in writing of all discipline involving time off. In cases of discipline short of discharge or suspensions pending investigation, Employees shall be afforded the opportunity to fully discuss the matter with a Union representative prior to being disciplined.

Section 6.

Progressive discipline penalties will be imposed as follows:

1. Verbal warnings and written warnings will remain in effect and in the record for 9 months unless successfully overturned in the grievance process. Discipline involving time off will remain in effect and on the record for 15 months unless successfully overturned in the grievance process.
2. Disciplinary action taken will be cleared from a Employee's record either 9 months or 15 months as specified above after the date it was effective. Evidence of offenses more than 9 months or fifteen months as specified above will not be used by Logistics Services Inc. to support additional discipline or subsequent arbitration unless:
 - a) The discipline is part of the progression that led to the discipline at issue.
 - b) An Employee attempts to persuade an arbitrator to reduce a disciplinary penalty by introducing evidence of his/her past work record. In such case, Logistics Services Inc. may respond by introducing evidence of disciplinary action imposed on the Employee during the equivalent period of time.

Section 7.

Offenses for which an Employee may be subject to discharge for the first offense are:

1. Major preventable accident determined after full investigation.
2. Physical assault while in the service of Logistics Services

- Inc. or on Logistics Services Inc. property (not including self-defense).
3. Theft of property owned by Logistics Services Inc., employee, supplier, or customer.
 4. Leaving the scene of an accident, (fork truck and hot shot drivers.)
 5. Intentional falsification of documents required by Logistics Services Inc.
 6. Possession of firearms while in the service of Logistics Services Inc. or on Logistics Services Inc. property.
 7. Fraud, including theft of time.
 8. Tampering with safety-related equipment or devices.
 9. Under the influence of alcohol and/or illegal drugs.

ARTICLE 12 GRIEVANCE PROCEDURE

Section 1. Definition

A grievance is defined as any disagreement between Logistics Services Inc. and the UAW or a represented employee regarding the interpretation or application of any provision of this agreement.

Section 2. Grievance Procedure

A grievance shall be filed within ten (10) days of the event, giving rise to the grievance. If an employee chooses to participate in the grievance procedure at any level, he/she will be encouraged to do so. Grievances shall be resolved in the following manner:

Step 1. Any employee having a grievance, or one designated member of a group having a grievance, should first take the grievance up with the Supervisor/Operations Manger who will attempt to adjust it as quickly as possible.

Step 2. If the grievance is not resolved in Step 1, then the employee

may request the Committee Person to handle a specified grievance with the Supervisor/Operations Manager. The Supervisor/Operations Manager will place a call for the Committee Person without undue delay and without further discussion of the grievance. The Supervisor/Operations Manager and the Committee Person shall make the necessary arrangements to permit the employee to participate in the grievance process in an attempt to resolve his complaint.

Step 3. If the grievance is not resolved in Step 2, the Union Chairman and Logistics Services Inc.'s Manager shall meet and attempt to resolve the grievance. It is the stated purpose of the parties to resolve all unsettled grievances at this level.

Step 4. If the grievance is not resolved in Step 3, the Manager or designee and the International Union Representative may agree to meet and try to resolve the matter. The International Union Representative may involve the Committee Person.

Step 5. If the grievance is not resolved in Step 4, the union must within fifteen (15) calendar days after the Logistics Services Inc.'s answer at Step Three, by written notice, submit the grievance to the Federal Mediation and Conciliation Service for mediation. Both parties may mutually agree to waive Step 5.

Step 6. If the grievance is not resolved in Step 5, then as a last resort, the Union Chairman and/or the Vice President of Industrial Relations shall have the ability to refer the matter to an independent arbitrator who will be selected by the parties to serve a one-year period (which may be renewable for a similar period by the agreement of both the UAW and Logistics Services Inc.). During the arbitrator's one year term, he/she shall resolve all grievances that are not resolved in Step 5. The losing party shall pay for the costs of the arbitration.

- a) The arbitrator is requested to render a decision in each case immediately or in no event beyond fifteen (15) days after the hearing is closed.
- b) The arbitrator may attempt to mediate any dispute by mutual agreement of the parties.
- c) The arbitrator has no power or authority to modify, change, add to or subtract from the terms and conditions of this Agreement.
- d) The decision of the arbitrator or the resolution of a grievance at any stage in the grievance process is final and binding upon the parties.

ARTICLE 13 COMPENSATION

Section 1. Logistics Services Inc. Hourly Rate Define

Base pay for employees hired before June 1, 2005:

\$12.88 upon ratification

\$13.00 Jan. 1, 2006

+ 2.5% June 1, 2006

+ 3% June 1, 2007

+ 3% June 1, 2008

Employees hired after June 1, 2005 start at 75% of employee base pay.

After 8 months 85% of employee base pay

After 16 months 95% of employee base pay

After 24 months 100% of base pay

Section 2. Bonus

\$500 Ratification bonus

\$250 December 1, 2006

\$250 December 1, 2007

\$250 December 1, 2008

Section 3.

- These rate schedules are for all warehouse associates
- Selected Team Leaders will be paid an additional \$1.00 per hour above base pay.
- There will be no shift premiums above base pay

ARTICLE 14 SAVINGS PLAN 401K

Section 1. Eligibility

An employee becomes eligible to enroll in Logistics Services Inc.'s plan on the first day of the month following the completion of their introductory period.

Section 2. Formula

Step 1. Logistics Services Inc. Matching Contribution; if the Employee chooses to contribute from his paycheck, the company will match fifty percent of the Employee's contribution up to a total company matching contribution of \$750.00 per year.

Step 2. Contribution Maximum; an Employee may contribute a maximum of 20% of his income each year up to the maximum allowable by law.

Step 3. Forfeiture: In the event a employee terminates for any reason during the first three (3) years of employment, he shall forfeit all Logistics Services Inc. contributions (including interest), which were made to his account. In the event a employee terminates after three (3) years of employment, he will receive 50% of the dollars contributed by Logistics Services Inc.; after four (4) years 75%; and after five (5) years 100%.

ARTICLE 15 PAID HOLIDAYS

Section 1. Paid Holidays

The paid holidays are as follows:

Paid Holiday	05	06	07	08	09
M.L. King, Jr.		Jan. 16	Jan. 15	Jan. 21	Jan. 19
Good Friday		April 14	April 6	March 21	April 10
Easter Monday		April 17	April 9	March 24	April 13
Memorial Day		May 29	May 28	May 26	May 25
Labor Day	Sept. 5	Sept. 4	Sept. 3	Sept. 1	
Elec. Day	Nov. 8	Nov. 7	Nov. 6	Nov. 4	
Veterans Day	Nov. 14	Nov. 13	Nov. 12	Nov. 11	
Thanksgiving Day	Nov. 24	Nov. 23	Nov. 22	Nov. 27	
Day after Thanksgiving	Nov. 25	Nov. 24	Nov. 23	Nov. 28	
Christmas Period	40 hours	40 hours	40 hours	40 hours	

Section 2. Holiday Pay Eligibility

The employee must have worked the first scheduled workday prior to and the next scheduled workday after each specified holiday within the employees scheduled workweek. Exceptions are vacations, jury duty leave, funeral leave, military leave, or leave for Union business.

Section 2. Holiday Pay Eligibility

The employee must have worked the first scheduled workday prior to and the next scheduled workday after each specified holiday within the employees scheduled workweek. Exceptions are vacations, jury duty leave, funeral leave, military leave, or leave for Union business.

Employees absent the last scheduled workday prior to the first scheduled workday following the Christmas Holiday shutdown period will be penalized one (1) day holiday pay for each day absent.

An employee who is absent from work on the day before or the day after the holiday may receive pay for the holiday, provided he/she furnished satisfactory proof that such absence was for reasonable cause.

In addition, employees who worked the last scheduled day prior to a holiday and who commence STD (Short-Term Disability) leave the first day following a holiday, will receive holiday pay. Also, employees whose STD/LTD (Long-Term Disability) leave ends the last scheduled work day before the holiday and return the scheduled work day after the holiday will be paid holiday pay.

Section 3. Employees on Four-Day Work Week

If you are on a four-day workweek and the holiday falls on your regularly scheduled workday, you will receive ten (10) hours Holiday pay. If the Holiday falls on an unscheduled workday, you will receive eight (8) hours Holiday pay.

Section 4. Scheduled Holiday Work

Customer service obligations may require that employees be scheduled to work on holidays. Employees will be scheduled based on the timing of customer requirements and the structure of the bids as outlined in the equalization article. If an employee works on a holiday, he/she will receive both holiday pay and double time for the work performed.

Section 5. Holiday/Vacation Pay

If a holiday falls during an employee's vacation, the employee will be paid holiday pay for the holiday in addition to his/her vacation pay or the employee, at his/her option, may extend their vacation an additional day.

ARTICLE 16 VACATION

Section 1. Earned Vacation

An active regular, full-time employee accrues paid vacation according to the following schedule:

Number of Years of Service Completed at Employee's Anniversary Date	Annual Earned Vacation During Upcoming Year
1	1 week
2 - 5	2 weeks
6 - 14	3 weeks
15 or more	4 weeks

QUALIFICATION

At his/her anniversary date, an employee must have worked 50% of the total workdays during the prior twelve month period in order to receive the vacation entitlement.

Time off work due to a work-related injury or illness counts as time worked; time off work due to a non-work related injury or illness does not count as time worked. Time off work due to a leave of absence does not count as time worked.

COMPENSATION

An eligible employee shall be entitled to a percentage of the full vacation pay allowance at his/her anniversary date, in accordance with the following:

Pay Periods Worked	% of Full Vacation
26	100%
25	96%
24	92%
23	88%
22	84%
21	80%
20	76%
19	73%
18	69%
17	65%
16	61%
15	57%
14	53%
13	50%

DEFINITION : A pay period constitutes one (1) day worked.

Section 2: Vacation Scheduling

Each vacation week is to be scheduled during a regular workweek or in conjunction with the employee's bid assignment, if appropriate.

An employee may schedule vacation at any time during the year, subject to (a) no more than 10% of the workforce on vacation at any one time and (b) extraordinary customer service obligations.

An employee may schedule two weeks of vacation in one-day increments.

Between January 1-15 each year, the Company will post and maintain a vacation sign up schedule. An employee entitled to more than one week's vacation will submit the week(s) requested for vacation. If more than 10% of the workforce requests a particular week, seniority governs.

A written vacation schedule will be posted after it is finalized but in no event shall it be posted later than January 31 of each contract year. Subsequent

changes will be made on a first come, first served basis; senior employees cannot displace junior employees after January 15.

If a holiday falls during an employee's vacation, the employee will be paid holiday pay for the holiday in addition to his/her vacation pay or the employee, at his/her option, may extend their vacation an additional day.

Vacation cannot be carried from year to year, if an employee fails to take vacation during the year in which it is due, he will be compensated for time not taken. All unpaid vacation compensation shall be payable before the last pay period prior to the Christmas holiday.

Section 3. Vacations during shutdown

In the event of reduced transportation requirements precipitated by the customer (GM summer shutdown); the Company will communicate with the workforce in advance of the shutdown to obtain each employee's preferences regarding the following options:

1. Take vacation week if entitled during the shutdown.
2. Accept work assignments during the shutdown, if available, based on seniority.

The Company will determine the number of workers needed to perform any available work during a shutdown.

1. Work will first be assigned to employees who have expressed a preference to work, in order of seniority.
2. Any employee who does not take vacation, and who is not needed to perform the available work, will enter layoff status and will be recalled effective his/her first day of bid assignment after the shutdown.

Section 4. Compensation

For each week of paid vacation, an employee will be paid based on his normal hourly rate times 40 hours.

If more than one week's notice of an employee's intention to take vacation is given, vacation pay will be paid on the payday before the vacation begins. Such a request must be in writing.

If an employee has at least one week of vacation, the employee may elect to receive vacation pay in lieu of time off. If an employee elects to "sell" a weeks vacation, he shall notify his supervisor in writing and will receive payment for his sold week in the next regularly scheduled paycheck or 10 days whichever is greater. *This shall be limited to two weeks.*

Section 5.

In the event of termination of employment, the employee shall be paid for any earned accumulated vacation hours. A terminated employee will be compensated at the appropriate percentages as defined in Article 16, Section 1.

ARTICLE 17 - PERSONAL TIME OFF (PTO)

Section 1. Eligibility

Active employees hired before June 1, 2005, are given credit for four (4) days of earned personal time (PTO) at the beginning of each calendar year. Active employees hired after June 1, 2005, who have successfully completed their introductory period are given credit for Personal time off based on a prorated basis of when hired during that calendar year.

Credit for three (3) PTO days will be given at the beginning of each calendar year. After 2 years seniority said employees will be given credit for four (4) PTO days at the beginning of each calendar year.

PTO days are to be used in case of sickness, personal business or whatever reason the employee deems necessary to be absent from work. Logistics Services Inc will not differentiate as to the reason an employee may use a PTO day.

Section 2. Scheduling of PTO days

Other than in the case of sickness or emergency, the employee must provide at least 24 hours advance notice to his/her supervisor requesting the use of a PTO day. A PTO day will be granted by Logistics Services Inc., if it does not disrupt operations. If a response to the request is not returned within 24 hours, the request is assumed approved. In the case of emergency or sickness, it will be the responsibility of the employee to provide at least three (3) hours advance notice to his/her supervisor, this shall be limited to two (2) emergency PTO days.

Section 3. Payment for PTO days

An employee shall be paid for PTO days at the rate of 10 hours times their straight time rate or 8 hours if applicable.

Section 4. Reimbursement for unused PTO days

At the end of each calendar year, unused PTO days are paid at the straight time rate. PTO days may not be carried over to the next year, and will be paid on the last pay date prior to the Christmas holiday.

Section 5. Conditions on use of PTO days

A PTO day cannot be taken on an employee's last scheduled workday before a holiday or first scheduled workday after a holiday.

ARTICLE 18 EMPLOYEE MEDICAL/DENTAL AND INSURANCE BENEFITS

Section 1. Eligibility

An employee is eligible for the benefits covered in this article effective the first day of the month following the employee's sixtieth (60th) day of continuous full-time employment.

An employee who waives in writing his/her entitlement to the Healthcare program offered by the company and the benefits thereunder, will receive \$.50 an hour adjustment in his/her hourly wage. In the event such person should later retract such election a corresponding reduction of \$.50 per hour will be made automatically by the company in such persons hourly wage.

Section 2. Continuation of Benefits

Benefits will be continued during periods of absence from work as follows:

- 1. Short-term disability:** Short-term disability benefits shall be available to employees who qualify for coverage. These benefits shall be paid for the duration of the employee's disability or 20 weeks, whichever is less. Weekly payments shall be the employee's average salary or \$250.00 per week, whichever is less. Health care benefits as specified will be continued for the period of the short-term disability language.
- 2. Long-term disability:** Medical benefits for the individual employee remain in effect for the earlier of one (1) year or until Medicare benefits take effect, whichever occurs first. COBRA medical and dental benefits are available for the employee's dependents.
- 3. Work-related injury:** Benefits will remain in effect for the duration of the injury or six (6) months whichever is less.
- 4. Unpaid leave:** Benefits remain in effect during any unpaid leave or three (3) months whichever is less.

Section 3. Medical Plans

Medical coverage will be provided by a Medical Plan or if such a plan is not available, coverage will be provided through an indemnity plan. These plans provided to eligible employees as of the effective date of this Agreement, under the following terms and conditions:

- a. The plans available to an employee depend on the zip code of his/her residence.
- b. After consultation with the Union, the Company may change administrators in event that the new administrator offers coverage equivalent to the coverage already in place.
- c. The Company may make changes in optional coverage plans during the term of this Agreement so long as these changes are uniform across the Company.

Section 4: Dental Plan

The Company will offer dental coverage under the same terms and conditions that dental coverage is offered to other Company employees under the Plan.

Section 5. Vision Coverage

The Company will offer vision coverage under the same terms and conditions that vision coverage is offered to other Company employees under the Plan.

Section 6. Prescription Drug Plan

The Company will offer a Prescription Drug Plan under the same terms and conditions that Prescription Drug coverage is offered to the other Company employees under the Plan.

Section 7. Mental Health

In addition to providing an Employee Assistance Program, the Company will offer Mental Health coverage as offered to the other Company employees under the Plan.

Section 8. Life Insurance

The Company will provide \$10,000 in life insurance to each eligible employee. The Company will offer the opportunity to purchase supplemental employee and dependent life insurance under the same terms and conditions that the opportunity is offered to other Company employees under the Plan.

Section 9. Accidental Death and Dismemberment Insurance

The Company will provide \$10,000 in accidental death and dismemberment insurance to each eligible employee. The Company will offer the opportunity to purchase supplemental employee and dependent accidental death and dismemberment insurance under the same terms and conditions that the opportunity is offered to other Company employees under the Plan.

Section 10. Long-term Disability

The Company will offer the employees the opportunity to purchase a long-term disability benefit plan. This benefit plan option is for employees who are unable to work for more than 26 weeks as the result of injury or illness, and is provided under the same terms and conditions that long-term disability benefits are offered to other Company employees under the Plan. Medical, Dental and Life Insurance coverage specified under this agreement shall continue at no cost to the employee for the length of an employee's disability or one year, whichever comes first. COBRA benefits will be available after one year.

ARTICLE 19 BEREAVEMENT LEAVE

Section 1.

In the event of absence from work due to the death of an immediate family member, you are granted a paid leave of absence of three (3) consecutive scheduled ten-hour work days or 8 if applicable.

The Company and Union agree that to be eligible for the two (2) extra unpaid days, the employee must notify the Company and get approval prior to the start of the leave or while on Leave prior to the expiration of the three (3) days review the reason for the additional time with Management.

Your immediate family is defined as your spouse, biological parent, adoptive parent, stepparent or one who has stood in the place of a parent, or your children, step children, grandchildren, brother, sister, step brother, step sister, half-brother, half sister, grandparent, great grandparent; current spouses parent, step parent, grandparent, or great grandparent.

Section 2.

Unpaid funeral leave for non-family members may be permitted at the discretion of your operations manager. You may submit a request for unpaid excused time off to your Operations Manager. Additional time off may be acquired through the personal leave of absence policy.

Section 3.

To be eligible for paid funeral leave, the employee must attend the funeral or memorial service and is to furnish proof of the family relationship and the attendance at the funeral or memorial service upon the employee's return to work.

Section 4.

Funeral leave will be paid at the rate of 10 hours straight time or 8 hours if applicable and will be counted as hours worked.

Section 5.

Funeral leave is not compensable when an employee is on a leave of absence.

Section 6.

An employee is expected to give as much notice of his/her need for funeral leave upon learning of the necessity for such leave.

ARTICLE 20 LEAVES OF ABSENCE

Section 1. Personal Leave of Absence

Upon written application, a personal leave of absence (not to exceed thirty (30) days, without pay) for a specified purpose may be granted to Employees at the discretion of Logistics Services Inc. However, Logistics Services Inc. agrees to grant a leave of absence whenever feasible. No leave of absence shall be granted for the purpose of working elsewhere or for self-employment. Leaves of absence shall not be renewed unless by mutual agreement between the Company, the Employee and the Union; and seniority shall accumulate during the leave.

During a leave of absence, an Employee shall maintain his/her bid position.

Section 2. Military Leave

Logistics Services Inc. recognizes that it is subject to federal and state laws requiring that Employees be provided with leaves of absence to serve on active or training duty in the Armed Forces, the Reserves or the National Guard.

An Employee on such leave will receive the difference between his/her military pay and the Employee's weekly guarantee pay under the following terms and conditions.

1. Maximum of seventeen (17) days each calendar year for annual reserve training. The Employee must request leave at least two weeks prior to the start of the training period.
2. Maximum of thirty (30) days each calendar year for a Employee called to active duty. The Employee must notify Logistics Services Inc. as soon as possible, but in no event later than the first scheduled workday the Employee misses on active duty
3. The employee must provide information confirming the amount of military pay received.

Section 3. Jury Duty

Logistics Services Inc. will comply with the obligations of state law in the states in which Employees reside for all Employees summoned to jury duty, including Logistics Services Inc.'s obligation to grant time off and the company's financial obligations. In no case, however, shall an Employee receive less than 10 hours times the applicable straight rate for each day of jury duty, which includes compensation that the Employee receives from the Court, excluding travel and meal allowance.

In order for an Employee who receives a jury duty summons to receive the compensation to which he/she is entitled for day(s) spent on jury duty, the Employee must either:

1. Present his/her jury duty summons to his/her manager, if time permits prior to the start of the Employee's duty; or
2. If time does not permit, the Employee will notify his/her supervisor and present a copy of the jury duty summons to his/her manager upon his/her return to work.

Any Employee who is called for jury service or is called to and reports for an interview or an examination to qualify him/her for selection to a jury shall

be considered to have performed jury duty and shall qualify for jury duty pay if otherwise eligible as provided herein. On B and C crew when working afternoons, employees have the option to work + of their shift and leave early to be rested.

Section 4. Union Leave

Any employee elected or appointed as a Union Representative shall be granted a leave of absence when requested by the International Union, Local Union President or Local Union Chairperson, provided such request is made at least twenty-four (24) hours in advance of the start of the leave. Union agrees to provide seven (7) calendar days notice to Logistics Services Inc. if the leave is for a week or longer, except in the case of an emergency. All Union leaves will be without pay. Seniority will continue during leave.

Appropriate requested leaves will be granted for a minimum of two (2) hours or a Employee's shift, and shall not exceed one year.

ARTICLE 21 FAMILY MEDICAL AND LEAVE ACT OF 1993 (FMLA)

The Family and Medical Leave Act (FMLA) became effective on August 5, 1993 and entitles eligible Employees to take up to twelve (12) weeks of unpaid job-protected leave in a rolling twelve (12) -month period for specified family and medical reasons. The following is an explanation of Logistics Services Inc.'s Employee's rights and duties under the FMLA. Any questions about this policy or the Employee's rights and responsibilities under the FMLA should be referred to Logistics Services Inc. Administrator.

Section 1. General Eligibility

1. Employees are eligible for FMLA leave if they have worked:
 - a) For Logistics Services Inc. for at least twelve (12) months; and
 - b) For at least 1,250 hours during the twelve (12) month period immediately preceding the start of the leave.
2. An eligible employee is entitled to up to twelve (12) weeks of unpaid FMLA leave in a twelve (12) month period for any of the following four reasons:
 - a) Birth and care of a newborn child of the Employee;
 - b) For placement with the Employee of a child for foster care or adoption.
 - c) To care for the Employee's immediate family member (spouse, child, or parent) with a serious health condition; or
 - d) To take medical leave when the Employee is unable to perform the functions of the Employee's job because of a serious health condition.
3. For purposes of FMLA, Employees are entitled to twelve (12) weeks of leave in a calendar twelve (12) month period. In other words, anytime a Employee requests FMLA leave, his or her entitlement would be any remaining balance of the twelve (12) weeks that had not been used during the current twelve (12) months.
4. Each eligible Employee is limited to a maximum of twelve (12) weeks of FMLA leave during the time period described above in ©.
5. Eligible spouses both employed by Logistics Services Inc. are only entitled to a combined total of twelve (12) weeks of FMLA leave (calculated as described in ©. above) for the birth and care of a newborn child, for placement of a child for adoption or foster care, or to care for a parent with a serious health condition. If either spouse or his or her child suffers from a serious health condition, both spouses are entitled to twelve (12) weeks of unpaid FMLA leave (calculated on a rolling twelve (12) month period measured backward).
6. An eligible Employee may take an intermittent leave to care for an immediate family member with a serious health condition or that Employee's own serious health condition.
 - a) Eligible Employees seeking to take intermittent leave must give Logistics Services Inc. as much advance notice as practicable of the need for the leave.

- b) When an eligible Employee is taking intermittent leave in order to undergo treatment or to care for an immediate family member undergoing treatment, he or she must make a reasonable effort to schedule the treatment so as not to unduly disrupt Logistics Services Inc. operations.
 - c) Logistics Services Inc. may require that an eligible Employee taking intermittent leave transfer temporarily to an alternate position or a part-time schedule, with the same pay and benefits, which better accommodates the Employee's recurring periods of absence.
 - d) Logistics Services Inc. will not permit an eligible Employee to take intermittent leave for the birth and care of a newborn or the placement of a child for adoption or foster care.
7. FMLA leave for childbirth, newborn care or adoption or foster care placement, must be concluded within twelve (12) months from the birth or placement of the eligible Employee's child.

Section 2. DEFINITIONS

- 1. A serious health condition is defined as an illness, injury, impairment or physical or mental condition that involves:
 - a) Inpatient care (an overnight stay) in a hospital, hospice or residential care facility, including any period of incapacity, or any subsequent treatment in connection with that inpatient care.
 - b) A period of incapacity of more than three (3) consecutive calendar days (including any subsequent treatment relating to the same condition) that also involves either (a) treatment two (2) or more times by a health care provider; or (b) treatment by a health care provider on at least one (1) occasion which results in a regimen of continuing treatment.
 - c) Any period of incapacity due to pregnancy or prenatal care.
 - d) A chronic condition which (a) requires periodic visits for treatment by a health care provider; (b) continues over an extended period of time; and (c) may cause episodic rather than a continuing period of incapacity (i.e., asthma, diabetes, epilepsy).
 - e) A period of incapacity, which is permanent or long-term due to a condition for which treatment may not be effective (i.e., Alzheimer's, a

- severe stroke, terminal stages of a disease).
- f) Any period of absence to receive multiple treatment (and recovery there from) by a health care provider either for restorative surgery after an accident or injury, or for a condition that would likely result in a period of incapacity of more than three (3) consecutive calendar days in the absence of medical intervention (i.e., cancer, severe arthritis, kidney disease).
2. Immediate Family Member:
- a) An eligible Employee's husband or wife.
 - b) An eligible Employee's biological parent, adoptive parent, stepparent or one who has stood in the place of a parent. The definition does not include a parent-in-law.
 - c) An eligible Employee's biological, adopted or foster child, stepchild or legal ward, under the age of eighteen (18) or over the age of eighteen (18) who is incapable of self-care due to physical or mental disability.
3. "Health Care Provider" is defined as any doctor of medicine or osteopathy, podiatrist, dentist, clinical psychologist, optometrist, chiropractor, nurse practitioner, nurse-midwife, clinical social worker, and Christian Science practitioner authorized to practice in the State.

Section 3. PROCEDURES FOR REQUESTING LEAVE

1. All eligible Employees must notify their Shift Manager and the Administrator in writing of the need for FMLA leave and the anticipated timing and duration of the leave.
 - a) If the leave is anticipated, an eligible Employee must provide, where practicable, a thirty (30) day advance notice.
 - b) If the need for FMLA is not anticipated, an Employee must notify Logistics Services Inc. as soon as practicable.
 - c) An Employee planning medical treatment should consult with his or her manager and make every reasonable effort to schedule such treatment as to not interrupt Logistics Services Inc.'s schedule unduly.
 - d) If an eligible Employee fails to give thirty (30) days notice for foreseeable leave and provides no reasonable excuse for the delay, Logistics Services

- Inc. may delay the taking of the FMLA leave until at least thirty (30) days after the date the Employee provided notice of the need for leave.
- e) Logistics Services Inc. will provide written notification to those Employees requesting an FMLA leave.
 - f) Logistics Services Inc. will count the requested and approved FMLA leave against the annual twelve (12) week leave entitlement (as calculated pursuant to I(C) above).
2. Medical certification
- a) Logistics Services Inc. may require that an eligible Employee's request for FMLA leave to care for a seriously ill family member or his or her own serious health condition be supported by a certification issued by the health care provider of the Employee or the Employee's ill family member.
 - b) Logistics Services Inc. will provide an Employee written notification of the need for initial medical care certification. Logistics Services Inc. may request subsequent medical certification orally.
 - c) Logistics Services Inc. will supply an Employee with a form to use to obtain medical certification. Information required to complete the form includes: a statement describing the serious health condition, the date the serious health condition commenced and its probable duration, and whether the Employee will have to take intermittent leave.
 - d) Logistics Services Inc. has the option of retaining a second and third opinion from a health care provider at Logistics Services Inc.'s expense if it has reason to doubt the validity of the medical certification.
 - e) Logistics Services Inc. may also request re-certification throughout the FMLA leave in thirty (30) day intervals. If Logistics Services Inc. requests re-certification, the Employee must respond within fifteen (15) days of the request. The re-certification is at the Employee's expense.
 - f) An Employee seeking to return from an FMLA leave prompted by his or her own serious health condition that made the Employee unable to perform his or her job will be required to provide Logistics Services Inc. with medical certification that he or she is able to return to work.

Section 4. BENEFITS

1. During an Employee's FMLA leave, the Employee will continue to be covered by Logistics Services Inc.'s health care benefits under the same terms and conditions in effect the day before the leave begins. The health care benefits available to Employees on FMLA leave will be subject to the same terms and conditions as other Employees of Logistics Services Inc.. During FMLA leave, an Employee remains responsible for any co-payments under the health insurance plan.
2. Logistics Services Inc. will seek to recover the cost it paid for an Employee's health care benefits during an FMLA leave if the Employee does not return to work following the leave, except in the case where a Employee is prevented from returning to work due to the serious health condition or other circumstances beyond the Employee's control.
3. Logistics Services Inc. will permit a Employee on FMLA leave to continue his or her LTD benefits at his or her cost. Employees must make arrangement for reimbursing Logistics Services Inc. for the cost of continuing these benefits during FMLA leave.

Section 5. REINSTATEMENT

1. An Employee returning to work from an FMLA leave shall be placed in his or her former job or an equivalent position, with equivalent pay, benefits and duties. Taking FMLA leave will not result in the loss of any fringe benefits otherwise available to Logistics Services Inc. Employees or any benefit that had accrued to the Employee prior to taking FMLA leave.
2. Logistics Services Inc., at its option and expense, may require that a physician or physicians of its choosing examine a Employee seeking to return from an FMLA leave to determine that Employee's fitness to return to work.

ARTICLE 22 HOURS OF WORK

Section 1. Work Week

The normal workweek is forty (40) hours, consisting of four (4) ten-hour workdays or five (5) eight-hour days. Logistics Services Inc. schedules the beginning and ending times for each shift to meet operating schedules and customer demands. Logistics Services Inc. will also have the right to schedule overtime whenever, in its opinion, it is necessary or advisable to do so. Logistics Services Inc. will review customer requirements with the work force to determine a mutually agreed upon starting time.

Section 2. Overtime

Overtime of time and one half the regular hourly rate will be paid for hours worked on the fifth day of employment which are in excess of forty (40) hours per week, and double time will be paid for hours worked on the sixth and seventh day of employment for a four (4) ten-hour day workweek.

Paid vacation days, PTO days, and paid holidays count as hours worked in determining overtime.

Overtime for five (5) eight-hour day workweek shall be paid for the following time worked:

1. For work performed in excess of (8) hours in any workday.
2. For work performed in excess of forty (40) hours in any workweek
3. If a day is missed due to unexcused absence, overtime is in excess of forty (40) hours only.

Double time for five (5) eight-hour day workweek shall be paid for the following time worked:

1. For all hours worked on the seventh day of employment.
2. For all hours worked on a holiday which sum shall be in addition to the holiday pay the employee may be eligible to receive.

Section 3. Breaks

Employees are provided the following breaks throughout the workday:

One 15 minute paid break prior to lunch

One 15 minute paid break after lunch

One 30 minute unpaid lunch

Eight (8) hour shift - two (2) 15 minute breaks

Employees accumulate three (3) minutes per hour break-time for each hour worked after the first eight (8) hours. Break times will be determined based on the need to meet the customer's expectations.

Section 4. Call in Pay

An employee called to work or permitted to come to work without having been notified by Logistics Services Inc. that there will be no work, shall receive a minimum of four hours pay at the regular hourly rate, except in cases of labor disputes, or other conditions beyond the control of Logistics Services Inc. In the event an employee is sent home after four hours of work, he/she will be paid for the time worked.

Section 5. Unforeseen Circumstances

It is agreed that the parties cannot foresee every conceivable wage question, which may arise in the future. It is agreed that the parties shall meet and agree on any wage question, which is not addressed in this agreement as such questions may arise.

ARTICLE 23 TIME KEEPING

Section 1.

Each employee must clock his/her own time card, badge, etc. Time worked other than the regular shift must be pre-approved and initialed by the Shift Manager.

Section 2.

When an employee is tardy for work, he/she shall report to his/her immediate supervisor for assignment. There is a 5-minute grace period when tardy, in calculating the starting time for payroll. Time is rounded to the nearest 15-minute interval in calculating time for payroll.

Section 3.

An employee may not enter the plant or remain on the premises unless he/she is on duty or scheduled for work. Employees can clock in up to 30 minutes prior to their starting time (pay will not start until scheduled start time) and shall clock out immediately when their shift is complete.

ARTICLE 24 PAYROLL

Section 1. Payment Procedure

Checks are distributed weekly, on Thursdays; see your Manager for check release dates and times.

If an employee does not pick up his/her paycheck when first distributed, his/her paycheck may be obtained anytime thereafter, during normal working hours. Employees, who find it necessary to send a representative to obtain their paycheck, must provide written authorization.

Section 2. Pay Period

Employees are paid for the hours worked or earned on a Monday through Sunday basis. Should an Employee experience an error in pay, he/she should report it to his/her Shift Manager who will insure that it is brought to Logistics Services Inc.'s attention. Logistics Services Inc. will make any required corrections or adjustments as quickly as possible, but no later than the next regular paycheck.

Section 3. Payroll Deductions

FEDERAL AND STATE INCOME TAX - Logistics Services Inc. is required by law to withhold income tax for the state and the U.S. Government. It is also a requirement that Logistics Services Inc. has current W-4 forms on file. Changes must be made in writing through the use of this form.

SOCIAL SECURITY - Logistics Services Inc. is also required by law to withhold FICA tax. This tax is divided between Social Security and Medicare.

ARTICLE 25 - OVERTIME

Section 1.

Overtime worked will be determined by seniority order by group. Guidelines to this Article will be built prior to Summer shutdown 2005, and will go into effect following the shutdown.

ARTICLE 26 TEAM LEADER: JOINT INTERVIEW AND SELECTION PROCESS

The Team Leader will play a critical role in insuring that team effort is properly coordinated and focused in terms of achieving world-class quality standards on a continuous basis. A Team Leader will receive an additional \$1.00 per hour in compensation. It is critical that any Employee elected as Team Leader must possess the necessary leadership skills, job knowledge, and the ability to effectively interface with others. A person selected for the team leader position must have the ability to perform all work content in area of responsibility and possess recognized leadership ability and interpersonal skills.

The process for selecting a Team Leader is:

1. The team leader opening is posted for application.
2. The effected team will determine Team Leader by voting process. When results through voting process are the same, seniority will prevail.
3. The Company can remove Team Leader for sufficient cause subject to grievance procedure.

ARTICLE 27 REDUCTION OF WORKFORCE

Section 1.

In the event that the workforce must be reduced for 31 days or more, Logistics Services Inc. will lay off Employees in order of seniority, lowest first. In the event that the workforce must be reduced on a temporary layoff (30 days or less), Logistics Services Inc. will lay off Employees in voluntary inverse order of location seniority.

Section 2.

Laid off Employees will be recalled in reverse order of layoff. Logistics Services Inc. will contact the laid off Employees by registered mail and phone at his last known address or hand deliver signed for by the Employee. Laid off Employees will be given the first opportunity to return to work, by order of seniority. The Employee will have 7 days to return to work after notification of recall. Employees should make themselves available sooner than 7 days if they are able.

Section 3.

Logistics Services Inc. will notify the UAW of any workforce reduction as soon as possible after Logistics Services Inc. is notified of the event that makes the reduction necessary. Such notice will be at least seven (7) calendar days, except where Logistics Services Inc. receives less than 7 days notice of layoff.

During the period of recall, which will not exceed 7 days, Logistics Services Inc. will not be held liable for work performed by outside vendors, or temporary Employees in the event all available bargaining unit Employees have been afforded the opportunity to work.

Section 4.

If the parties should encounter any unforeseen circumstances, they shall meet and resolve such difficulties as quickly as possible.

ARTICLE 28 TEMPORARY SHIFT CHANGE

Employees with pressing home problems or illness who temporarily need a shift other than the one of their choice, may upon written request and approval of the supervisor trade shifts with another employee on another shift for up to (30) days provided he/she can find another qualified employee on the opposite shift agreeable to such trade. If requested, the employee will furnish documentation to support the necessity for a temporary shift change.

ARTICLE 29 TRANSFER RIGHTS

Section 1.

Bidding will occur no less than once a year. It is agreed that when permanent openings occur, such positions shall be filled in the following manner.

Persons within a similar job group shall in order of seniority be permitted to bid to fill such positions.

If the position remains unfilled, then persons in order within non-similar job groups shall be permitted to bid for such open positions.

In the event a person is not skilled in the duties of the new position he/she shall be given thirty (30) days to become proficient. In the event such person does not become proficient, such person shall return to his/her prior position. "Proficiency" shall be determined by joint UAW and Logistics Services Inc. consultation. In the event of their failure to agree Logistics Services Inc. shall make the determination.

Section 2. Transfer Rights

Any employee inactive due to a non-work related injury or illness must be back to work 30 calendar days prior to any bidding and must not go back out due to the same previous injury or illness for 30 calendar days after said bid. Unforeseen circumstances may arise. Union and Management agree to meet and resolve.

ARTICLE 30 LOSS OF SENIORITY

Section 1. Loss of Seniority

Employee shall lose his seniority rights if:

1. He/she quits voluntarily;
2. He/she is discharged for just cause.
3. If the Employee is absent for three (3) consecutive working days without properly notifying Logistics Services Inc. unless a satisfactory reason is given.
4. After the unreported absence of three (3) working days, the company will send clear written notification to the employee's last known address as shown on the company records with copy to the Union, that his/her seniority has been broken. He/she fails to report to work upon receipt of recall notice, as provided elsewhere in the agreement.
5. He/she fails to return from a personal leave of absence at the expiration of the leave.
6. He/she is laid off in excess of thirty six (36) months for an amount of time equal to his accrued seniority, whichever is longer. The laid off Employee shall continue to maintain seniority while on lay off.
7. He/she is absent from work because of off-the-job illness or injury for:
 - a) A minimum of 18 months for new hires
 - b) A minimum of 36 months for Employees with one to three years seniority
 - c) A minimum of the amount of time equal to his seniority for Employees with greater than three years seniority or he reaches an injury settlement which is acceptable to his/her union
8. He transfers to a job outside the bargaining unit.
9. He retires.

ARTICLE 31 TEMPORARY EMPLOYEES

Section 1.

Logistics Services Inc. may utilize temporary, Employees to temporarily supplement the workforce, under the following conditions:

1. Logistics Services Inc. may use temporary Employees no longer than 30 continuous days for one specific job, to temporarily supplement seniority Employees for the temporary increases in the workload. In the event of extenuating circumstances, such as launches of new business, the International and Local Union and the Company may agree to extend the 30-day period specified herein.
2. Logistics Services Inc. will not use temporary Employees to erode the bargaining unit seniority list. No temporary Employee will displace seniority Employee's in the bargaining unit.
3. Any Employee laid off from this bargaining unit will be offered work before a temporary Employee is used. If the laid off Employee is not available or refuses work, a temporary Employee may be used, only provided the seniority list has been exhausted from the extra board list.
4. Logistics Services Inc. will not use temporary Employees to deny work opportunities to Employees; i.e., overtime, workload increases, etc. (including introductory Employees) not to circumvent regular workforce opportunities. This provision will not apply if the regular Employee is unable to perform the full work assignment performed by the temporary Employee.
5. Temporary Employees do not acquire seniority rights, do not have recourse to the Grievance Procedure and do not receive any of the benefits specified in this agreement for seniority Employees (insurance, holidays, vacation, bonuses, etc.).
6. The use of temporary Employees is allowed with the distinct and clear understanding that said use shall not be a subterfuge to avoid the hiring of regular, full-time Employees.
7. A temporary employee will receive the wage rate specified in this agreement. A temporary will not be entitled to any other benefits of any

kind, nature or description which are mentioned in this agreement. It is the intent of the Company and the Union that temporary employees are specifically precluded from enjoying such benefits.

ARTICLE 32 EQUIPMENT

It shall be the responsibility of Logistics Services Inc. to supply equipment that meets all safety standards set down by state and federal government.

ARTICLE 33 SUBCONTRACTING NOTIFICATIONS

Logistics Services Inc. will notify the Union well in advance of any possible subcontracting issue, which might present itself. This notification will contain information relative to the nature, scope and approximate dates of the work to be performed. The Union will be given ample opportunity to meet and comment relative to such information prior to any decision being made as to whether the work should be subcontracted out.

ARTICLE 34 MEDICAL WASTE MANAGEMENT PLAN

Section 1.

Logistics Services Inc. is covered by Act 368 of the Public Acts of 1978 Part 138 Medical Waste Regulatory Act. Pathological waste is the only type of Medical Waste that is generated at Logistics Services Inc. This waste is generated only in small quantities. Pathological waste includes bloody gauze, cotton, bandages and towels. These items are stored in an approved container on site. All Medical Waste is picked up and incinerated by an appropriate professional waste management service, and transported to its incinerator.

Section 2.

All Employees responsible for administering First Aid are trained to properly handle and dispose of Medical Waste. This training is repeated on a yearly basis. All Employees responsible for administering First Aid are also trained in the proper use of safety equipment, including gloves and protective eye wear. Hand washing procedures must be followed both prior to and after care is given. All sinks and treatment tables must be cleaned and disinfected after use. All gauze bandages and contaminated items must be collected and disposed of in appropriate containers labeled MEDICAL WASTE. Medical Waste must not be compacted to prevent airborne contaminants. Safe First Aid and infection control practices must always be followed.

Necessary instruction is given to all First Aid providers in the safe practice of First Aid and proper collection and disposal of Medical Waste, by the designated primary care givers. All records of training are maintained and kept on file by instructors.

ARTICLE 35 GENERAL PROVISION

Section 1.

Employees must keep Logistics Services Inc. and the UAW advised of their correct mailing address. Notice of such address or any change thereof must be given to Logistics Services Inc. in writing, and Logistics Services Inc. shall be entitled to rely upon the addresses shown in its records.

Section 2.

The Company will allow the placement of ballot boxes in the cafeteria for the purpose of Union voting. It is the responsibility of the Union to place, man, and remove such boxes at the completion of their use.

The Union will notify the Company at least seventy two (72) hours in advance of such placement and such placement will be done so as not to interfere with the Company's daily operations.

Section 3.

The Company will not use video, audio, satellite and or electronic devices of any kind as sole evidence to discipline or discharge any employees.

ARTICLE 36 CONFLICTS WITH LAW

Section 1.

In the event that it is determined that any provision of this Agreement is in conflict with any governing law or governmental regulation, the provision or provisions so affected shall no longer be operative or binding upon the parties, until the provision is revised to amend the unlawful issue, but the remainder of the Agreement shall continue in full force and effect. The Partnership For Progress Team will meet within ten (10) days to resolve the conflict.

ARTICLE 37 NON-DISCRIMINATION

Section 1.

In accordance with Federal and state law, neither the Company nor the Union shall discriminate, nor cause, nor attempt to cause the other to discriminate against any individual with respect to such individual's compensation, terms, conditions, or privileges of employment because of such individual's race, color, religion, gender, national origin, age or disability and sexual orientation.

Section 2.

An employee with a claim of discrimination (including but not limited to issues of harassment or failure to provide requested reasonable accommodation to a disability) is expected to bring the claim to the attention of their manager and/or the Union, who will then take up the issue with the appropriate parties with the objective of a resolution satisfactory to Logistics Services Inc., the Union and the employee.

Section 3.

When reference is made to masculine gender in this contract, it refers to male or female, whichever is applicable.

ARTICLE 38 STRIKES AND LOCKOUTS

Section 1.

The UAW and its members, individually and collectively, agree that during the term of this Agreement and any extension thereof there shall be no strike (including sympathy strike), unauthorized stoppages, intentional slowdowns or suspension of work, and Logistics Services Inc. will not conduct any lockout.

Section 2.

It shall not be a violation of this Agreement and it shall not be cause for discharge, disciplinary action or permanent replacement if any employee refuses to enter any property, refuses to go through or work behind a union-authorized picket line by Employees, when said Employees are involved in a strike.

Section 3.

Logistics Services Inc., as part of the consideration of this contract, agrees that neither the UAW, its officers, agents or members, shall be liable for damage for unauthorized stoppages, strikes, intentional slowdowns, or suspensions of work, if the UAW complies with all the provisions of the following section, and in such event the sole recourse and exclusive remedies of the employer to recover damages shall be those which are specifically provided in this Agreement.

Section 4.

The UAW agrees that as a part of the consideration of this Agreement, that it will take immediate steps to end any unauthorized stoppages, strikes, intentional slowdowns, or suspension of work, as soon as possible after a violation occurs.

The UAW shall deliver the following notice to Logistics Services Inc. who shall post on bulletin boards or otherwise furnish such notice to the Employees.

“To all members of Local 659, Dated, _____. You are advised that certain action took place today at _____. This action was unauthorized by both the Local and International Union.”

“You are directed to promptly return to your respective jobs and to cease any action which may affect operations.” The grievance(s) in dispute will be processed through the regular grievance procedures provided for in your contract.”

It is agreed that an authorized officer of Local 659 and/or the International Union shall sign the notice above referred to.

Section 5.

In the event of a strike or other activity prohibited under this Article, Logistics Services Inc. may suspend or discharge any employee who participates in, furthers or agitates such strike activity, at the discretion of Logistics Services Inc. on an equal penalty for equal misconduct basis. The employee may grieve the issue whether he participated in, furthered or agitated such activity or where Logistics Services Inc. does not apply discipline on an equal penalty for equal misconduct basis. There can be no resort by the employee(s) or the UAW as the result of such suspension or discharge to the grievance procedure contained in this agreement except with respect to the question of whether the employee(s) engaged in the prohibited conduct or where Logistics Services Inc. does not apply discipline on an equal basis.

ARTICLE 39 CHECK-OFF

Section 1.

Logistics Services Inc., on the UAW's behalf shall deduct dues from an employee's earnings at a sum equal to two (2) hours straight time pay and will be based upon the employee's hourly wage rate, but excluding all other premiums for the job classification of record held by the employee during the pay period to which the deductions apply. Additionally, Logistics Services Inc. will deduct initiation fees from the pay of each member of the Union for the UAW, the same to be levied in accordance with the Union's Constitution; provided however, that each employee shall furnish Logistics Services Inc. with written authorization to make such deduction.

Section 2.

During the life of this agreement, Logistics Services Inc. agrees to deduct from the pay of any Employees covered by this agreement voluntary contributions to UAW V-CAP, provided that such Employee executes or has executed the "Authorization for Assignment and Check-Off of Contributions to UAW V-CAP" form, and has furnished Logistics Services Inc. with the authorization.

Section 3.

When Logistics Services Inc. introduces new Employees to Local Union representatives during orientation, the Local Union representatives will be given an opportunity to distribute the authorization forms referred to above.

Section 4.

Such deductions shall be made from the second pay period of each month and remitted to the designated Union office along with a check off record (name, social security number, amount) of dues, initiation fees or contributions withheld not later than the end of that month. If Logistics Services Inc. fails

to check off dues, initiation fees or contributions, the proper deduction will be made from the Employee's check for the payroll period in which notice is given to Logistics Services Inc..

Section 5.

The UAW shall indemnify and save Logistics Services Inc. harmless from all claims, demands, suits, or any other liability arising out of or by reason of action taken or not taken by Logistics Services Inc. for the purpose of complying herein.

ARTICLE 40 BULLETIN BOARDS

Section 1. Provide Bulletin Board

Logistics Services Inc. agrees to provide a locked, enclosed bulletin board, which will be used exclusively by the UAW for posting:

- (a) Notices of Union meetings.
- (b) Notices of Union elections.
- (c) Notices of Union appointments and the results of the Union elections.
- (d) Notices of Union recreational and social affairs.
- (e) Other notices concerning bona fide Union activity.

Section 2. Bulletin Board Locks

The Union has the right to change the locks on all Union bulletin boards at the Union's expense

ARTICLE 41 VENDOR REVIEW PROCESS

The parties agreed to implement a joint UAW-LSI Vendor Review Process. The goal of this program is to identify reliable, high quality suppliers of goods and services used directly by LSI. If such suppliers are competitive with the existing suppliers based on the decision criteria specified below, they will be given a chance to bid at the earliest opportunity the existing supplier contract permits.

1. Management shall submit to the Union as soon as practical after the effective date of this agreement, a listing of its vendors and goods and services they supply to LSI. After reviewing this information, the Union shall submit to Management a list of suppliers who in the UAW's opinion are both reliable and high quality, and currently provide the same type of goods and/or services currently used by LSI.
2. For specific goods and services LSI identified by the UAW, the parties will jointly evaluate which vendors, based on cost competitiveness, quality, long-term financial stability, delivery reliability and any other pertinent cost factors, i.e. monetary penalties for breaking contract early, could be potential suppliers of services and products to LSI. Once identified, these suppliers will be given an opportunity to participate in future quotations of goods and services purchased.
3. The parties will jointly discuss all factors involved in the vendor selection in order to arrive at a mutually satisfactory decision by which to determine the most competitive supplier.
4. A Vendor-Review Committee will be established which will implement this Article. The Joint Committee will be comprised of individuals designated by the Union Chairperson and LSI's Vice President.

ARTICLE 42 SCOPE OF AGREEMENT

It is agreed that this written contract reflects the entire agreement between the parties. Amendments or clarification of this Agreement, mutually agreed upon, shall be reduced to writing, attached to, and shall become a part of this contract. The parties acknowledge that during the negotiations, which resulted in the Agreement, each has had the unrestricted right and opportunity to present demands and proposals with respect to any matter subject to collective bargaining.

The parties recognize that many unforeseen concerns and problems may arise during the implementation phase of the Logistics Services Inc. startup. The parties also recognize that the potential exists for rapid growth within Logistics Services Inc., which could lead to concerns, which might adversely impact the employer-employee relationship in the administration of the provision of this agreement.

Therefore, the parties have agreed to establish a Partnership For Progress Committee, which will be empowered to review, evaluate and mutually agree to adjust any provision of this agreement. The composition of the Partnership For Progress Committee will be determined with appropriate input from Logistics Services Inc. and the International and Local Union.

ARTICLE 43 DURATION

This Agreement shall remain in force from June 1, 2005 through June 1, 2009 and thereafter for successive periods of one year unless either party shall, on or before the 60th day prior to expiration, serve written notice by registered mail on the other party of a desire to terminate, modify, alter, negotiate, change or amend this Agreement.

ARTICLE 44 SUCCESSORS AND ASSIGNS

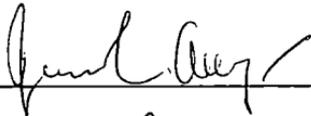
This Agreement shall be binding on the successors and assigns of the parties hereto, except to the extent modifications are agreed upon by Logistics Services Inc. and the UAW or their respective successors and assigns. Any benefits accruing to Employees as a result of agreements with preceding employers or management shall continue and be adhered to by the succeeding employers or management.

ARTICLE 45 LIVING AGREEMENT

This Addendum is a living agreement. Accordingly, as unexpected issues arise during the life of the subject Agreement, Management and Union representatives will meet, discuss, and resolve any issues.

UAW Local 659

Logistics Services Inc.

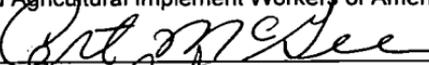
By 

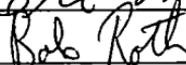
By 

Aaron Bernasch

Robert G. Weissend

International Union, United Automobile, Aerospace
and Agricultural Implement Workers of America

By 

And 

**LETTER OF UNDERSTANDING
REFERRING TO ARTICLE 32**

EQUIPMENT

The equipment used at the Logistics Services Inc. facility will be maintained to insure safe operating conditions. Equipment that has been taken out of service by Management will not be used unless repairs have been made to the equipment. Equipment taken out of service can only be used in case of emergency and only upon approval of management, and the Union chairman or committee person on duty, keeping in mind the maintenance of a safe operating environment. Equipment repair and maintenance was a major concern of the Union during the negotiations. The Company and the union are committed to having equipment properly repaired and maintained.

LETTER OF UNDERSTANDING

The Company and Union agree that the ratification bonus will be paid within 30 days of the notification to the Company of ratification.

LETTER OF UNDERSTANDING

REFERRING TO ARTICLE 8

SAFETY AND HOUSEKEEPING

Logistics Services Inc. will provide cleaning service for the break room and restroom facilities. The service will cover the weekend so the facilities are cleaned for the shifts working on the weekend.

LETTER OF UNDERSTANDING

REFERRING TO ARTICLE 21

FMLA

The Company and the Union agree that employees do not have to exhaust vacation and PTO days as a condition of taking Family Medical Leave.

LETTER OF UNDERSTANDING

REFERRING TO ARTICLE 24

The Company agrees to supply year-to-date gross information on the checks on a quarterly basis. Further, if available, the Company will supply the year-to-date information on a request basis for employees at the facility.

