

COLLECTIVE BARGAINING AGREEMENT

M7 AEROSPACE, LLC

**LIFE CYCLE CONTRACT SUPPORT
(LCCS)**

AND

**INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS, AFL-CIO, DISTRICT LODGE 4,
110, 161, 725**

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September 1, 2014 through August 30, 2017

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PURPOSE OF AGREEMENT

This Agreement, entered into by and between **M7 Aerospace LLC** (hereinafter called "the Company"), and the International Association of Machinists and Aerospace Workers, AFLCIO, District Lodge No. **4, 110, 161 and 725** (hereinafter called "the Union"), a non-profit organization, evidences the desire of the parties hereto to promote and maintain harmonious relations between the Company and its employees, as they are defined in Article I, Section 2, of this Agreement, and the Union as their Representatives.

The purpose of this Agreement is to provide for wages, benefits, terms and conditions of employment for employees in the bargaining unit, and to ensure industrial peace. To this end, it is recognized that there must be mutual understanding, harmony and cooperation among employees and between employees and the Company, and the Union and the Company; that operations must 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; and that the business of the Company must be operated with economy and efficiency with due regard to competitive conditions. It is recognized by the Agreement to be the duty of the Company, the Union, and the employees to cooperate fully, both individually and collectively, for the advancement of said conditions.

It is agreed that the parties desire to enter into this Agreement to establish wages, hours, and working conditions specific to and consistent with the Company's Life Cycle Contract Support contract with the U. S. Navy and U.S Marines for this location only and to provide for the peaceful settlement of disputes and grievances that may arise affecting the employees covered hereby. NOW, THEREFORE, the parties agree as follows:

ARTICLE I

GENERAL CONDITIONS OF CONTRACT

Section 1- General Provisions

(A) In reaching this Agreement, the parties hereto have fully exercised and complied with any and all obligations to bargain and have fully considered and explored all subjects and matters in any way material to the relationship between the parties. In negotiating and agreeing to this contract, all matters concerning which parties could contract have been considered and disposed of.

(B) Any practice of the company in the past not specifically set out herein is expressly eliminated as a subject for bargaining, and, during the life of this Agreement, may not be raised for further bargaining or negotiations.

(C) It is understood wherever in this Agreement employees or jobs are referred to in the male or female gender it shall be recognized as referring to both males and females

(D) This Agreement can be changed or modified only by a document in writing signed on behalf of both parties hereto by their duly authorized representatives, provided, however, that such changes or modifications are ratified by the membership of the Union. Written agreements regarding interpretations or understandings may be made between the Company and the Business Representative and the Negotiating Committee that do not change or modify the Agreement and shall not require the ratification of the membership.

(E) The waiver of any conditions or breach of this Agreement by either party shall not constitute a precedent for any further waiver of such condition or breach.

(F) Either party hereto shall be entitled to require specific performance of the provisions of the Agreement. It shall be the duty of the Company and its representatives and the Union and its representatives to comply with and abide by all of the provisions of this Agreement. .

(G) It is understood that the wages, benefits, terms and conditions of employment contained in this Agreement are based on the peculiar nature of the working arrangements and government requirements specific to this contract and neither party hereto shall be entitled to present this Agreement as representative of possible or pending wages, benefits, terms and conditions of employment for any other site on this or another government contract.

Section 2 - Recognition and Exclusive Representation

(A) Definition of Bargaining Unit and Employees Covered by this Agreement.

The Company recognizes the Union as the exclusive representative and bargaining agent with respect to rates of pay, wages, hours and other conditions of employment for the bargaining unit comprised of all regular and temporary full-time aircraft maintenance employees employed by M7 Aerospace LLC, LCCS Program located at Site's; Andrews AFB, NLRB Case # 5-RC-15767; Belle Chase, NLRB Case # 15-RC-8539; Cherry Point, NLRB Case # 11-RC-6613; Miramar, NLRB Case # 21-RC-20906. The word "employee" or "employees", as used in this Agreement, means all employees of the Company employed at the aforementioned sites in job classifications listed in Appendix A of this Agreement and those provided for in Article VIII of this Agreement:

(B) Employees Excluded from the Bargaining Unit

Excluded are all office clerical employees, professional employees, guards and supervisors as defined by the Act.

(C) Non-Bargaining Unit Personnel

It is understood and agreed that there are times when non-bargaining unit employees may be required to perform work customarily performed by bargaining unit employees. It is also understood that Supervisors and others will be required to work with tools only to meet requirements under the conditions described in section two (2C) of this article. Therefore, the Company shall have the right to utilize non-bargaining unit employees under one or more of the following conditions:

- (1) To assist in working a malfunction/discrepancy on a scheduled aircraft that must be corrected expeditiously in order to successfully launch the aircraft, when bargaining unit employees with the necessary skills are not immediately available.
- (2) In limited circumstances where the satisfaction of the Company's obligations and responsibilities as a contractor may be jeopardized, when bargaining unit employees with the necessary skills are not immediately available.
- (3) For instruction and training purposes.
- (4) For test and/or experimentation purposes.
- (5) In emergencies.
- (6) When an employee fails to report to work and other qualified employees are not immediately available. It is agreed that the Company will make a reasonable effort to locate and assign qualified bargaining unit employees to perform the work.

Section 3 - Period of Agreement and Ratification

(A) This agreement shall be effective **September 1, 2014**, and shall remain in full force and effect up to and including **August 30, 2017**, and thereafter from year to year unless written notice to modify, amend, or terminate the Agreement is served by either party upon the other at least sixty (60) days prior to the expiration date of this Agreement.

* Where not otherwise specified, any reference to "days" in this Agreement shall mean calendar days.

(B) Any notice given under this section shall be deemed to be served by the Union when mailed postage prepaid, registered mail, return receipt requested, or delivered in hand, to the Company's Maintenance Director for service upon the Company, and such notice shall be deemed to be served by the Company when similarly mailed, or delivered in hand, to the assigned Business Representative's, District Lodge's 4, 110, 161, and 725, for service upon the Union. The date of mailing shown on the registered mail return receipt or the date of written receipt of personal service shall be the controlling date for purposes of Section 3 (A) of this Agreement.

(C) After the Company and Union negotiation committees have concluded negotiations of amendments and modifications to the Agreement, all such amendments and modifications must be accepted or rejected as a whole (without acceptance or rejection of parts thereof) by the Company and the Union.

Section 4 -Successors and Assigns

(A) This Agreement shall be binding upon and inure to the benefit of any successor or assignee of all or substantially all of the Company's business or assets unless prohibited by law or regulation; however, this Agreement is not otherwise assignable without the mutual consent of the parties.

Section 5 - Right to Manage

(A) The Company has, and will retain, the sole and exclusive right, except as expressly and specifically modified by one or more specific provisions of this Agreement, to manage the business and direct the workforce, including, but not limited to, the right to plan, direct and control all business and work operations, discipline, suspend or discharge for just cause, to hire, promote, demote, classify, reclassify, reassign, transfer and layoff. Any of the rights, powers and authority not specifically abridged by the Agreement are retained by the Company. Any claim that the Company has exercised such right and authority contrary to the provisions of this Agreement may be taken up as a grievance.

Section 6 - Severability

(A) Should any part hereof or any provisions herein contained be rendered or declared invalid by reason of any existing or subsequently enacted legislation or a decree of a court of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions hereof and they shall remain in full force and effect.

(B) The Company and the Union shall, within thirty (30) days, negotiate the provision of the Agreement affected by such legislation or court decree and the Union shall retain the right to strike over such negotiated issues. Any modification or changes to this agreement brought about by the above negotiations shall be in writing and signed by the parties hereto.

Section 7 - Strikes and Lockouts

(A) The Union, (its officers, agents and members) agrees that for the duration of this Agreement it shall not cause, engage or condone any strike (including sympathy strike) slowdown or stoppage of work or any acts of any nature which would interfere with the Company's ability to provide uninterrupted service to the United States Government. If the Company believes a violation of this Section has occurred the Company shall notify the Union of the alleged violation. In the event the Union has not sanctioned any strike actions it shall notify employees that no strike activity has been sanctioned by the Union. After employees are notified by the Union that a strike has not been sanctioned by the Union the Company may discipline any employee(s) who fail to comply with the provisions of this Article. The Company agrees that it will not cause or engage in any lockout for the duration of this Agreement.

(B) In the event of a violation of this section, the Union, (its officers, agents and members) collectively agree that it will use its best efforts to end such prohibited conduct.

(C) In the event of a breach by the Union of the provisions of this section of the Agreement, the Company may abrogate this entire Agreement. Any action by a Union Steward which is not authorized, concurred in, or supported by the Union, will not constitute a breach of this Agreement on the part of the Union for purposes of this paragraph.

Section 8 - Security Regulations

(A) The parties to this Agreement hereby recognize the Company's obligations in its contracts with the Government pertaining to security, security clearances, and access to Government-managed property, and agree that nothing contained in this Agreement is intended to place the Company in violation of its contracts and/or security agreements with the Government.

(B) In the event that the U.S. Military Service or other Government Agency duly concerned with security regulations or operations on Government-managed property, advises the Company that any employee in the Union bargaining unit is restricted from access to Government--managed property, or restricted from work on or access to classified information and material, the Union agrees that such action as the Company may take pursuant to its contractual and/or security obligations to the Government will not be contested, nor will such action be a subject of the grievance procedure contained in Article III of this Agreement.

(C) In the event that such Government Agency following the taking of such action advises the Company within thirty (30) days that such an employee is no longer restricted from access to Government-managed property or restricted from work on or access to classified information and material, the Company shall promptly reinstate the employee with seniority, to the same job classification held at the time such action was taken, subject to the applicable seniority provisions of the Agreement, if he/she promptly applies for such reinstatement. At such employee's request, the Company will join such employee and/or the Union in applying to the appropriate government agency for restoration by the Government of lost pay.

Section 9 - Nondiscrimination

(A) it is the intent of the Company and the Union to provide employees with a working environment that is free from all forms of discrimination which is or which may become unlawful during the period of this Agreement. To this end, the parties agree to comply with all applicable laws, statutes and regulations concerning nondiscrimination in employment.

Section 10 -Union Security (Agency Shop and Check Off)

(A) All employees in the bargaining unit must as a condition of continued employment be either a member of the Union and pay union dues or pay an agency fee to the Union, but not both.

(B) All employees within the bargaining unit on the effective date of this agreement who are not union members must, as a condition of continued employment, pay to the Union while on the active payroll, an agency fee equal in amount to monthly membership dues, beginning with the month following the month in which they accumulate thirty (30) days' continuous service in the bargaining unit since their last date of hire or rehire. Employees entering the bargaining unit or employees who are rehired with seniority or transferred with seniority into the bargaining unit after the effective date of this Agreement who do not become union members, or having become do not remain union members, must, as a condition of employment, while on the active payroll, pay such fee to the Union commencing the month following the month in which they accumulate thirty (30) days' continuous service in the bargaining unit if such entry is prior to the fifteenth (15th) day of that month or commencing with the month following the month of such entry into the bargaining unit if such entry is on or after the fifteenth (15th) day of that month.

(C) Employees who are union members on the effective date of the Agreement shall continue to pay membership dues to the Union as a condition of continued employment while in the bargaining unit and on the active payroll as long as they remain members of the Union; employees within the bargaining unit who after the effective date of this Agreement become members of the Union shall pay, while on the active payroll, an original initiation fee and membership dues to the Union, as a condition of continued employment while in the bargaining unit and while remaining a Union member; provided that in no event shall the initiation fee and membership dues exceed the amount specified in the Constitution and/or By-Laws of the Union.

(D) Any employee required to pay an agency fee, membership dues, or initiation or reinstatement fee as a condition of continued employment who fails to tender the agency fee or initiation, reinstatement, or periodic dues uniformly required, shall be notified in writing of his delinquency. A copy of such communication shall be mailed to the Company not later than fifteen (15) days prior to such request that the Company take final action on a delinquency. The Company will within ten (10) workdays, after receipt of notice from the Union, discharge any employee who is not in good standing in the Union or fails to pay applicable agency fees as required by paragraphs A - D of this Article. Any employee so discharged shall be deemed to be discharged for "just cause". "Good standing" is defined as in compliance with standards permitted by NLRB and court decisions relating to Union shop requirements.

(E) The Company agrees to deduct from an employee's payroll check, Union dues, initiation fees, assessments, or agency fees for all employees covered by this Agreement, provided that the Union or the employee delivers to the Company a written authorization to make such deductions, signed by the employee, irrevocable for one year or the expiration date of this agreement, whichever shall occur sooner. The Company shall make deductions for each member or agency fee payer from the first pay of such member or agency fee payer each month.

(F) Such payroll deductions referred to in paragraph (E) of this Article shall be remitted to the Secretary Treasurer of the Union the week immediately following the payroll deductions are made. The Company shall furnish to the Secretary Treasurer of the Union monthly, a record of those from whom deductions have been made and the amounts of the deductions. The company shall provide to the Secretary Treasurer of the Union with a listing, on a monthly basis, of all newly hired or laid-off employees.

(G) Should an employee be promoted or transferred to a managerial/salaried classification not covered by this Agreement, the Company shall cease deducting applicable service fees or dues from such employee. When ceasing to deduct applicable service fees or dues for reasons cited in this section, the Company shall submit the names of such employees, and the reasons for no deduction to the Financial Secretary's of each District or Local Lodge.

(H) Nothing contained in this Article shall be construed to require the Company to violate any applicable law. It is understood and agreed that the Union will defend, save, hold harmless and indemnify the Company from any and all claims, demands, suits or any other forms of liability that shall arise out of the execution, placing in effect or carrying out of the terms of this Article by the Company.

ARTICLE II

UNION - COMPANY RELATIONS

Section 1- Union Stewards

(A) Upon execution of this Agreement, the Union shall promptly furnish the Director of Maintenance or designee, in writing, the name(s) of the Union Steward(s). Thereafter, the Union shall promptly advise the Director of Maintenance or designee, in writing, of any change in Stewards. No Steward will be recognized as such by the Company prior to receipt of written notice of notification.

(B) The scope of the Stewards activities on Company time shall be limited to the following:

- 1) To consult with an employee regarding the presentation of a request or clarification concerning this Agreement, complaint, or grievance which the employee desires the Steward to be present.
- 2) To investigate a complaint or grievance of record before presentation.
- 3) To present a request concerning this Agreement, complaint, or grievance to an employee's Director of Maintenance or designee in an attempt to settle the matter for the employee or group of employees who may be similarly affected.
- 4) To meet by appointment with the Director of Maintenance or other designated representative of the Company, when necessary to adjust grievances in accordance with the grievance procedure of this Agreement.
- 5) To report safety hazards or make safety recommendations to the management of his (her) area.

(C) It is agreed that a Steward may receive, but not solicit, grievances from employees. For purpose of this agreement, the term "solicit" means the steward will receive grievances from employees and not petition for grievances. However, this does not limit the Steward from notifying the employee(s) that he/she has been grieved due to a breach or violation of this agreement. The Union recognizes and agrees that a Steward will carry out his/her duties with a minimum of interference with the orderly progress of Company work.

(D) Steward(s) will be designated for each site covered by this agreement.

(E) It is agreed that since the Steward has a regular work assignment to be performed, that contacts involving union business with other employees or Stewards, or the Business Representative of the Union will be no more frequent and no longer than the matter for

discussions reasonably requires. Where necessary, the Steward's work schedule or assignment will be adjusted where practical, to allow for time to conduct Company-Union business as specified below:

- 1) For discussions with Stewards or the authorized Business Representative of the Union on employee complaints or grievances or on matters arising out of the application of this Agreement. The parties agree that Stewards shall not jointly attend grievance meetings unless mutually agreed to by the parties. It is also agreed that the investigation of grievances is the primary role of the Steward.
- 2) To represent the local Union at Step 1 and Step II of the grievance procedure as provided in Article III of the grievance procedure.

(F) The number and locations of Stewards may be adjusted by mutual agreement to compensate for facility and population changes.

(G) The Steward shall secure permission of his/her supervisor or assigned alternate before leaving his/her work station, reporting back to his/her supervisor or assigned alternate upon return to his/her work station. Permission will be granted unless operation activities are affected. The Company will not unreasonably deny or delay access to the Steward.

(H) The Company recognizes limitations upon the authority of the Steward and shall not hold the Union liable for any unauthorized acts, subject to the provisions of the. No Strike-No Lockout Article of the Agreement. The Company in so recognizing such limitations shall have the authority to impose proper discipline, including discharge, in the event a Steward has taken unauthorized strike action, slowdown, work stoppage, or other actions in violation of this Agreement.

(I) It is agreed the Company will pay employees for time away from the performance of their normal jobs while acting in their Steward capacity as defined in this Article. It is agreed that time away from normal work activities will be reviewed and monitored and may be addressed by mutual agreement during the period of this agreement.

Section 2 - Business Representatives and Union Officials

(A) Full time representatives of the Union shall have access to the Company's operations for the purpose of contacting Stewards regarding employee complaints or grievances or matters arising out of the application of this Agreement. Such visits shall be subject to such regulations as may be made from time to time by the Company, the U.S. Military Services, and other government agencies. It is agreed that the Company will not impose regulations which will render ineffective the intent of this provision. Prior to entering the Company's operations, the Business Representative shall notify the Director of Maintenance or designee to agree on the date and time he/she will be on the facility.

(B) A full-time Union Official or Business Representative may discuss any problems with employees (other than Stewards) on the employee's own free time. If further discussion of a complaint or grievance is necessary, the Union Representative may meet with any single individual providing that he first notifies the Director of Maintenance or designee. The contacts on Company time, which are provided for in this Section, will be no more frequent and no longer than the matter for discussion reasonably requires. No discussions will be held with supervision of any section unless the Director of Maintenance or designee has been notified and given an opportunity to be present.

Section 3 - Bulletin Boards and Posting Notices

(A) It is agreed that the Union will be permitted to post on bulletin boards provided by the Company:

- 1) Notices of Union recreational affairs.
- 2) Notices of Union elections and election results.
- 3) Notices of Union appointments.
- 4) Notices of Union meetings.
- 5) Such other notices as may be mutually agreed upon by the Union and Company.

(B) The Company will afford the Union a bulletin board clearly identified as "Union Business" where only Union notices will be displayed. The Union shall not distribute or post, nor authorize its members to distribute or post, any material anywhere on the Company's property other than herein provided or permitted by applicable State or Federal law.

Section 4 - Information Provided to the Union

(A) The Company will furnish to the Union Business Representative information, as provided by law.

Section 5 - Official Union Business

(A) It is agreed that the Company shall not be required to pay an employee for any time that he/she is taken away from his/her work to serve the Union in any official capacity or to serve on any Union Committee, except as provided in the Agreement. Union officers, committeemen and stewards will be allowed authorized absence, without pay, to attend one (1) scheduled Union meeting each month, on a date and during the hours certified by the Business Representative of the Union.

ARTICLE III

GRIEVANCE PROCEDURE AND ARBITRATION

Section 1 - Definition of Grievance

(A) The term grievance (other than "Union grievance") as used in this Agreement is a written claim involving the interpretation, application or claim of breach or violation of applicable provision(s) of this Agreement which the employee has not been able to adjust with his supervisor. The grievance must identify the applicable provision(s) of the Agreement that the Company is claimed to have breached or violated.

Section 2 - Grievance Procedure

(A) The parties agree that all complaints and grievances should be resolved, whenever possible, with the immediate supervisor and the employee involved. It is the intent and purpose of the parties to provide a fair and equitable procedure for the orderly settlement of all grievances. Any employee with a complaint or issue should contact the appropriate supervisor in order to discuss and resolve the issue. Both parties will make every effort to resolve the issue. The employee may have their Steward present if desired, however no grievance shall be settled without the presence of the Steward.

(B) The following procedures apply in attempting to settle grievances that are not resolved by the employee and supervisor.

1) STEP ONE - Any employee believing they have been aggrieved as defined in section (1) of this Article, must confer with the Director of Maintenance or designee and present a written grievance, with or without their Steward. The grievance must be reduced to writing by the Steward on a form mutually agreed to by the parties. Such written grievance shall set forth the complaint and remedy sought, the facts on which it is based, the date(s) of occurrence, the applicable Article(s) of the Agreement which is claimed to be the basis for the filing of the grievance, and this, together with any accompanying statement, shall be dated and signed by the grievant and the Steward. The written grievance must be presented to the Director of Maintenance or designee within five (5) working days from the date the employee became aware of the incident that gave rise to the grievance. If the employee or steward fails to present the written grievance within this time limit, the grievance shall be considered settled and no further action can be taken thereon. Both parties will make every effort to resolve the issue. The Director of Maintenance or designee shall render his/her written decision to the Steward and the employee within five (5) working days after being presented the grievance. The employee, Steward or representatives of the Union may amend the grievance at any time prior to receiving the Company's written Step answer and the grievance may be

amended after receipt of the Company's Step 2 answer by mutual agreement of the parties. If a settlement is reached it will be reduced to written form on the grievance form and the matter shall then be considered closed. If the Director of Maintenance or designee fails to provide his/her written response within this time limit, the grievance shall be advanced to the next step. Any grievance settlement at Step One of the grievance process, whether by concession, withdrawal, settlement agreement or actions occurring due to the failure of either party to abide by the time limits of this section, shall not constitute a precedent binding upon the Company or the Union for future grievances.

2) STEP TWO - If not satisfactorily settled as outlined in Step one (1) above, the written grievance may then be presented to the Program Manager or his designated representative no later than ten (10) working days after receipt by the Steward of the decision rendered in (1) hereof. Otherwise, such decision shall be final and the employee shall have no further recourse. The Program Manager and designated company representative shall meet with the Business Representative or his/her designee and the Steward or his/her designee, in an attempt to resolve the matter and render a written decision thereon within fifteen (15) working days after receipt of such appeal. If a settlement is reached it will be reduced to written form on the grievance form and the matter shall then be considered closed. If the Program Manager fails to provide a written decision within this time limit, the grievance remedy is granted. Any grievance settlements at Step Two of the grievance process, whether by concession, withdrawal, settlement agreement or resolution actions occurring due to a failure of either party to abide by the time limits of this section, shall not constitute a precedent binding upon the Company or the Union, unless the parties agree, in writing that such settlement shall set a precedent binding on future grievances.

(C) It is understood that the time limits specified herein may be extended by mutual written agreement of the parties.

(D) The Company and the Union may mutually agree to combine the grievance of an employee and other similarly affected employees in order to eliminate the need for multiple filings of grievances.

(E) The Company and the Union may mutually agree in writing to waive any prior step of the grievance procedure and proceed directly to Step Two of the grievance procedure as it is described in (B) (2) of this section.

(F) Grievances arising out of a discharge or suspension without pay shall be submitted directly to Step Two described in (B) (2) herein. Should the Union elect to pursue such a grievance, the written grievance signed by the employee must be submitted to the Program Manager within ten (10) working days of the effective date of the action. If a written grievance is not submitted to the Program Manager within ten (10) working days of the effective date of the action, the right of the employee or Union to grieve the action is waived and no further action can be taken thereon. Such failure to act timely shall not set a precedent binding upon the Union or the Company for future grievances.

(G) The Union shall have authority, with respect to any employee covered by this Agreement, to decline to process a grievance, complaint, or dispute if in the judgment of the Union such grievance or dispute lacks merit or justification under the terms and conditions of this Agreement, or has been adjusted or justified under the terms of the Agreement to the satisfaction of the Union.

(H) It is mutually agreed that should an employee be unavailable to sign a grievance form and deliver it to the Company within the time limits specified in an appropriate step of the grievance procedure, the Union may forward the grievance unsigned. Requests for additional time due to circumstances of the unavailability of the employee to sign will not be unreasonably denied. The Union must secure the employee signature prior to the grievance form proceeding through the next step of the grievance procedure. The Company will incur no liability, if any, as a result of the delay incurred for the Union to secure the employee's signature.

Section 3 - Arbitration

(A) A grievance which either party desires to contest further, and which involves the interpretation or application of the terms of this Agreement, shall be submitted to arbitration as provided in this Article, but only if the Union gives written notice to the company of its desire to arbitrate the grievance within thirty (30) days of the receipt of the decision provided in Step Two described in Article III, Section 2 (B) (2) or the grievance shall be deemed waived. Such waiver shall not constitute a precedent binding upon the Company or the Union for future grievances.

(B) A full-time representative of the Union and the Company's representative shall have authority to discuss between themselves the possible settlement and/or compromise of the grievance, but in any event must move to request an FMCS arbitrator as provided herein within ten (10) days after the Union's appeal to arbitration if no settlement has been reached by that time. This time limit may be extended by mutual consent of both the Union and the Company.

(C) If the two parties' representatives are unable to reach a settlement; they shall immediately jointly request a list of qualified arbitrators from the United States Federal Mediation and Conciliation Service. The request shall be for a list of seven (7) qualified arbitrators who are members of the National Academy of Arbitrators. The Union and the Company shall alternately strike one name from such list (the right to strike the first name having been determined by lot) until only one name remains and that person shall be the arbitrator.

(D) The parties' representatives shall make the necessary arrangements to arbitrate the grievance, including the preparation and signing of a submission agreement which states the issue. In the event the parties' representatives are unable to agree upon the issue, the arbitrator shall determine the issue.

(E) The arbitrator shall have the authority to determine, the rules of evidence and procedure and to adjourn or continue the hearing from time to time. All expenses incurred by the arbitrator including the fee and expenses which he authorized in connection with the arbitration, shall be

shared equally by the parties. Costs incurred by the respective parties for their witness(es) shall be borne by the respective party.

(F) This Agreement constitutes a contract between the parties which shall be interpreted and applied by the parties and by the arbitrator in the same manner as any other contract under the laws of the land. The function and purpose of the arbitrator is to determine disputed interpretation of terms actually found in the Agreement, or to determine disputed facts upon which the application of the Agreement depends. The arbitrator shall have the authority to interpret and apply the provisions of this agreement. The arbitrator shall not have the authority to amend or modify this Agreement or to establish new terms and conditions of this Agreement. The decision of the arbitrator shall be in writing and shall not be made until both parties have had reasonable opportunity to present their case, together with arguments and briefs as desired. Said decision shall be given not later than thirty (30) days after the submission of the final briefs. It is understood and agreed that a decision of the arbitrator made in accordance with the requirements hereof shall be final and binding on both parties.

(G) The parties will conduct arbitration cases at a location within twenty-five miles of the site where the grievance originated.

ARTICLE IV - SENIORITY

Section 1 - Basis of Seniority and Establishment of Seniority Rights

(A) Probationary Period

All employees shall be considered probationary employees for the first ninety (90) calendar days of active employment, unless they were an employee of a predecessor contractor prior to the Company being awarded a service contract as a successor contractor, in which case they shall be considered as a regular employee and shall not be subject to a probation period. Throughout this period, supervision will evaluate the probationary employee as to such factors as, but not limited to, work habits, willingness to accept varied work assignments and training, safety, productivity, quality of work, attendance, and ability to work with others. Upon completion of his/her probationary period, the employee will become a regular employee whose seniority will be retroactive to his/her first day of employment. Supervisory determinations as to retention, reassignment, or termination of probationary employees anytime during the ninety (90) day probationary period are not subject to the Grievance and Arbitration Articles of this Agreement.

(B) Seniority

For purposes of this Agreement, there shall be two types of seniority and they are defined as :
Company Seniority - Company seniority begins on the date the employee was hired by the Company or predecessor contractor in any job classification provided for in this Agreement and represents all accumulated time for which the employee has served as an employee of the

Company and all predecessor contractors in the performance of similar work at any Company site.

Bargaining Unit Seniority - For employees covered by this collective bargaining agreement, effective December 1, 2004 Bargaining Unit Seniority begins on the date the employee was hired by the Company or predecessor contractor, at the specific site covered by this CBA, in any job classification provided for in this Agreement. Bargaining unit seniority represents all accumulated time for which the employee has served as an employee of the Company and all predecessor contractors in the performance of similar work at the specific Company site governed by this CBA.

For employees hired or transferred after December 1, 2004 Bargaining Unit Seniority begins upon the hire or transfer date at a site covered by this collective bargaining agreement.

When two (2) or more employees have the same seniority date the employee with the lowest last four digits of the social security number will be deemed to be the most senior.

(C) Re-entering the Bargaining Unit

1) An employee who re-enters the bargaining unit at this location from a position outside the bargaining unit may return to the last classification held, provided he/she meets the definition of fully qualified as defined in Article IV, Section 2 and has sufficient bargaining unit seniority to return. For purposes of this paragraph, bargaining unit seniority does not accumulate while outside the bargaining unit. .

2) In the event an employee transfers from a union to non-union position at the same location after the effective date of this Agreement, such employee's bargaining unit seniority for purposes of paragraph (C) (1) shall begin to decrease on a prorated (month-by-month) basis after the first continuous year in the non-union position.

(D) Seniority for vacation eligibility and benefit determination purposes will not be affected by (C) Above.

Section 2 - Layoffs

(A) When there is a temporary reduced workload the Company will make every effort to provide job security for employees in the affected classification(s) by the cross-utilization of qualified personnel within the bargaining unit. When it is determined by the Company that a reduction in force is required, the Company shall designate the number of positions to be reduced by job classification. Probationary employees shall be laid off first, and if the need to lay off other employees still exists, then the employee(s) with the least bargaining unit seniority within the designated job classification will be designated for layoff.

(B) In the event of a layoff, the employee who is designated to be laid off in accordance with (A) above shall have the right of displacement in the following order:

- (1) Displace the employee with the least bargaining unit seniority in any job classification to which the employee is determined to be fully qualified. Fully qualified for purposes of this paragraph shall be defined as meeting the minimum requirements of the job description and has the ability to perform the work.
- (2) Employees who are displaced may in turn displace another employee with the least bargaining unit seniority in accordance with (1) above.
- (3) Employees working as lead mechanics designated for a reduction in force shall have no displacement rights over other lead mechanics.

(C) When an employee designated for layoff is entitled to displace employees in more than one classification in accordance with paragraph (B) above, the affected employee shall have the option to displace an employee in the classification he elects to occupy, bargaining unit seniority permitting.

(D) Displacement rights must be exercised within two (2) working days after an employee is notified that a layoff will take place. The Company shall notify the employee of his/her displacement rights at the time of notification of layoff. Failure to indicate his/her election to exercise this displacement right within this time frame will be considered as acceptance of layoff.

(E) Exceptions to the seniority provisions specified in Section 2, (B) of this Article can be made for up to thirty (30) days in order to retain employees who possess certifications required by the U. S. Navy to perform a specific task or job to which they are assigned, provided the Company provides documentation supporting the specific reasons for which it deems the exception applies. The Company will make every reasonable effort to avoid invoking this provision so that seniority and job security are protected.

(F) The Company will give employees affected by paragraph (A) or (B) above, at least two (2) weeks notice of a reduction in force, except where circumstances beyond the Company's control prevent such timely notification.

Section 3 - Recall Rights

(A) General

An employee who is laid off or who displaces an employee in a lower paid job classification in accordance with Section (2) of this Article shall retain recall rights in accordance with their bargaining unit seniority as follows:

- (1) To the same job classification held at the time of their layoff/displacement or
- (2) To job classification to which the employee had displacement rights in accordance with Section (2) of this Article but could not exercise solely because of insufficient bargaining unit seniority.
- (3) To a job classification for which the employee is able to perform work or for which the employee was previously qualified to perform the work or to a job classification to which the employee previously held at any time prior to the time the employee was laid off and has satisfied the requirements of Section 6 (D) of this article.

Employees who have been laid off shall retain the recall rights mentioned herein for a period not to exceed twenty-four (24) consecutive months from the date of layoff. Employees demoted to a lower paid position due to a reduction in force shall retain the recall rights mentioned herein as long as they remain on the active payroll in a lower paid position.

(B) Employees who are laid off from the service of the Company due to a general layoff for a period not to exceed twenty-four (24) consecutive months shall retain and continue to accrue seniority.

(C) Recall Notification

In the event there is a recall from layoff, the Company shall mail a registered or certified (return receipt requested) notice of recall to the appropriate employee. Recalled employees must respond within seventy-two (72) hours after receipt of notification, and must report for work within ten (10) work days unless extended by the Company.

(D) Address on File

All notices required under the provisions of this Article shall be sent to the employee at the last address filed by the employee with Human Resources.

(E) Address Requirement

Each laid off employee shall keep Human Resources informed in writing of the employee's current mailing address. Notice by the Company to the employee's mailing address listed with Human Resources shall be considered as fulfilling the recall notice requirements. An employee failing to comply with the provisions of this section shall be considered as having voluntarily resigned from the service of the Company if a recall notice is mailed to the employee's last

Known address on file with Human Resources and the employee failed to notify the Company of a change of address within fifteen (15) calendars after the change of address.

(F) Layoff - Recall Listings

Layoff listings and recall notifications will be copied to the Business Representative of the Union or his designee.

Section 4 - Employees Entering Armed Forces

Employees who enter the Armed Forces of the United States shall be granted a leave of absence for the period of such service, and upon honorable discharge shall have reinstatement rights under ARTICLE VI, EMPLOYEE PRIVILEGES, Section 5 - Leaves Without Pay, paragraph (E) of this Agreement.

Section 5 - Loss of Seniority

Seniority shall be lost and employees shall have their names stricken from the seniority list under any of the following circumstances:

- 1) Discharge for just cause
- 2) Resignation.
- 3) Failure to respond to recall notification within the time frame established in this agreement.
- 4) Failure to be recalled from general layoff within twenty-four (24) months after such layoff.
- 5) Failure to report to work upon expiration of an approved leave of absence. Exceptions shall be limited to extreme circumstances beyond the employee's control.
- 6) Accepting other employment while on an approved leave of absence.
- 7) When an employee is absent from work for a period of three (3) consecutive days without providing notification to the Company of sufficient reasons to warrant the absence.

(8) Refusal to take a Drug Test directed by management, as required by company policy.

(9) Failure to return to active payroll for a continuous period of twenty - four (24) months due to an occupational or non-occupational physical or mental impairment.

Section 6 - Promotions.

(A) Promotions

A promotion means the advancement of an employee from one job classification to another job classification with a higher rate of pay.

(B) Job Vacancies

1) The Company and the Union clearly recognize the Company's right to determine manning levels within the Company. The Company therefore maintains the right to assign personnel within the Company and to determine when there is a permanent job vacancy. When the Company determines that a permanent job vacancy exists, the Company will post the *vacancy prior to hiring from outside the bargaining unit. The Company will post all job vacancies* within the unit provided no employee has recall rights to the open position as defined in Article IV Section (3)(A). The job vacancy will be posted for five (5) working days. The posting notice shall state the job classification, the pay rate, the location of the opening, special training, experience or certification required (if any) and the closing hour and date of the posting period. The posting notice will be posted at all bulletin boards and a copy e-mailed to the Union Business Representative. Employees who desire to bid for the posted vacancy may do so by completing a mutually agreed to form and submitting it to the Director of Maintenance or designee prior to the close of the posting period.

2) The Company and the Union clearly recognize the Company's right to periodically reallocate personnel in order to achieve the manning levels determined appropriate by the Company when excess personnel exists in an area and a need exists in another. Employees affected by such reallocations and considered qualified by the Company will be considered for reassignment in bargaining unit seniority order with the most senior being considered first. The periodic reallocation of personnel in this manner will be accomplished without the application of the job posting procedure outlined in Paragraph (B) (1) of this Section; however the Union Business Representative or his designee will be notified.

(C) Selection

(1). Within five (5) working days after the close of the posting period, the Company **Director Of Maintenance or designee** shall determine which of the bidders are qualified to perform in the posted position. The position will be awarded to the senior qualified bidder using bargaining unit seniority.

(2) The successful bidder shall be assigned to his/her new job within ten (10) working days after the job has been awarded.

(3) If there are no qualified bidders, the Company has the right to fill job vacancies by new hires or rehires. If the job vacancy is not filled within sixty (60) days after the posting is closed, the vacancy will be re-posted in accordance with (B) herein.

(D) New Job Performance

When an employee is awarded a posted job, and fails to satisfactorily perform the duties of the position within sixty (60) days after assuming the position, the employee will be returned to the position last held prior to award of such promotion. If the position has been eliminated or filled, the employee may exercise displacement rights as outlined in Article 4 Section (2) (B).

(E) Lead mechanic Vacancies

Lead mechanic positions will be awarded to a qualified employee bidding for the position. Effective September 1, 2005, during the absence of a Lead mechanic, for vacation, sickness, leave, temporary promotion, TDY assignments, etc. replacement shall be made only if the vacancy is known in advance to be 5 days or greater. Effective October 1, 2006, replacement shall be made under the foregoing conditions if the vacancy is known in advance to be one (1) week or greater. In the event the Company exercises its right to reduce the number of lead mechanics, such employees are subject to Article IV, Section 2 - Layoffs.

ARTICLE V

EMPLOYMENT CONDITIONS

Section 1 - Sanitary, Safety and Health Conditions

(A) General

The Company agrees to maintain sanitary, safe and healthful conditions in all its operations and working establishments in accordance with Federal law and the laws of the State, County and City of its place of operation.

(B) Safety Rules and Regulations

Employees shall be required to comply with all safety rules and regulations established by the Company and government agencies, and to wear such protective clothing or use such safety equipment as may be required and furnished by the Company.

(C) Clothing and Safety Equipment

As directed by the Company, protective clothing and safety equipment will be utilized by the employee during his/her performance of jobs requiring such equipment usage.

(D) Acts of Sabotage

Employees will use their best efforts to prevent any acts of sabotage or willful damage to Company property or employee property or materials. To that end, all employees will immediately report to their supervisor any acts of sabotage or willful damage to property or materials, or any threat to sabotage or willfully damaging such property.

(E) Medical Examinations

Should the Company have reason to believe an employee covered hereby is physically or mentally unable to satisfactorily perform the duties of his/her job classification, such employee shall be required to take such medical examination as may be directed by the Company. The Company shall pay for such examination. The employee will select the physician that will conduct the medical examination.

(F) Training

Training and certification for hazardous material handling will be accomplished in accordance with applicable Federal and State guidelines.

Section 2 - Drug and Alcohol Free Workplace

The Company and the Union recognize the importance of maintaining a drug and alcohol free workplace and agree that the Company can, from time to time, implement changes to its current rules and regulations designed to identify drug and alcohol use and to fix and impose penalties for the violation thereof.

(A) Random Drug Testing

Selected employees in safety sensitive positions working on DOD projects will be required to submit to drug testing on a random basis.

- 1) Selection of employees for random testing will be conducted through the use of a blind random number generator or other neutral selection process. The selection pool

will consist of all LCCS covered employees.

2) When an employee is selected for random testing, the employee shall be notified within two (2) hours after the start of his/her shift and the test shall occur before the completion of that shift.

3) An employee whose random drug test is deferred will be subject to an unannounced test within 60 days.

4) Other testing, as required by government contracts, and/or rules and regulations of federal government agencies, will be conducted under applicable terms and conditions.

5) Employees are expected to cooperate fully during a drug test. The employee will be advised that the drug test is mandatory, not voluntary. The employees will read and sign the Company's Drug Testing consent form prior to testing. The form will include the authorization to release to the Company only those results permitted by Federal and State laws.

6) During an alcohol/drug test, the employee will be required to provide biological specimens. All testing will be conducted by a DOT approved medical testing laboratory, with split sample integrity and chain-of-custody procedures in place to ensure proper specimen collection and handling security. Any test sample result that comes back positive will be retested to verify the accuracy of the results.

7) Where employees are found to have tested positive on a split sample random drug test, the employee will immediately be suspended without pay, but shall be eligible for Short Term Disability benefits if the employee agrees to enter a Company approved rehabilitation program. The employee will be given the option of attending a Company approved rehabilitation program or termination of employment.

(a) If such employee elects to participate in a Company approved rehabilitation program, the employee will be granted a thirty (30) day leave of absence without pay to attend such a program. The length of the leave may be extended up to an additional thirty (30) days upon recommendation of the rehabilitation counselor or physician. A request by a rehabilitation counselor and/or physician for an additional extension of leave without pay shall be evaluated by the Company based on its merit and will not be unreasonably denied.

(b) Upon completion of the rehabilitation program the employee will present the appropriate documentation signed by the program's counselor or physician indicating the employee has successfully completed the program and releasing the employee to return to work. The employee will be required to take a split sample drug test prior to return to work. Should this test be positive the employee will be terminated.

(c) An employee who has tested positive on a split sample random drug test and successfully completed a rehabilitation program and returned to work must agree to be subject to unannounced testing once during each six months of an eighteen (18) month period from his date of return to work as a condition of continued employment. If the employee tests positive in a subsequent drug test their employment will be terminated.

(B) Employee Assistance

1) Employee assistance support related to substance abuse problems will be established at work sites based on duration of the contract, number of employees assigned to the site, and the availability of local resources.

2) The company will provide an Employee Assistance Program (EAP). Their (800) number will be posted at each company work-site.

3) Contacts will be made with local substance abuse counseling agencies and related organizations. The purpose of these contacts will be to obtain assistance in establishing local sources for counseling, education and training, and rehabilitation programs.

4) Employees seeking assistance will be assured that the strictest possible confidentiality will be maintained at all times regarding their activities. Only the employee, their full-time Union representative, and those management officials who have an absolute "need-to-know" will have any knowledge of the employee's actions.

5) Employees who voluntarily admit to a drug/alcohol abuse problem will be granted leave without pay to participate in a rehabilitation program and shall be entitled to Short Term Disability Benefits during the leave period. The employee shall be returned to employment subject to Section 2 (A) (7) (c). A "Request for Leave Of Absence" form will be obtained through Management channels.

Section 3 - New Technology

The Company and the Union agree that it is to their mutual benefit and sound economic and social goals to utilize the most efficient machines, processes, systems, methods and/or materials. In this way, the Company will be able to compete effectively in the marketplace, and, thereby, provide economically secure jobs for its employees. It is the Company's policy when possible to assure that training is available for its employees so that they may have the opportunity to acquire the knowledge and skills required by the introduction of new technology.

In order that employees can better prepare themselves for the skill requirements of the future and in its fulfillment of its obligation to provide information to the Union, the Company will provide notification to the Union full-time Business Representative or his designee of the Company's plans for the introduction of new technology which may affect the employees. This

Notification will inform the Union of anticipated schedules of introduction of new technology, and will identify areas of skill impacts and any training programs associated with those impacts. The Union, and its representatives, will protect the confidentiality of Company sensitive and proprietary information disclosed in the notification. The Company will provide employees in the affected classification(s) in the bargaining unit the opportunity to volunteer for the training. The Company will select senior qualified employees utilizing bargaining unit seniority.

ARTICLE VI

EMPLOYEE PRIVILEGES

Section 1 -Vacations

(A) Definitions

- 1) The term "seniority" as used in this Section, shall be the company seniority to which an employee is entitled under the provisions of Article IV Section 1 of this Agreement.
- 2) Pay for each week of vacation for a full-time employee means pay for forty (40) hours at the employee's base rate of pay as defined in Article VII, Section 1. A "full-time" employee means an employee who is regularly scheduled to work five (5) or more standard daily shifts per week.
- 3) Earned vacation credits as used in this Article shall vest as they are accrued bi-weekly.

(B) Vacation Benefits for bargaining unit employees on the Active Payroll of the company are as follows:

- 1) An employee with less than five (5) years seniority on his vacation eligibility date and who is on the active payroll on his vacation eligibility date shall be entitled to two (2) weeks vacation with pay.
- 2) An employee with five (5) years or more seniority but less than ten (10) years seniority on his vacation eligibility date, and who is on the active payroll on his vacation eligibility date, shall be entitled to three (3) weeks vacation with pay.
- 3) An employee with ten (10) years or more seniority but less than twenty-five (25) years on his vacation eligibility date, and who is on the active payroll on his vacation eligibility date, shall be entitled to four (4) weeks vacation with pay.
- 4) An employee with twenty-five (25) years of seniority on his vacation eligibility date and who is on the active payroll on his vacation eligibility date, shall be entitled to five (5) weeks vacation with pay.

5) An employee may rollover up to 240 hours of earned (accrued) vacation each year.

(C) Vacation Benefits for an Employee who Terminates or is Terminated, Laid Off, or who entered the Armed Forces Pursuant to Article IV, Section 4 of this Agreement.

1) An employee who has earned a vacation with pay which has not been used at the time he terminates, is terminated, enters the Armed Forces pursuant to Article IV, Section 4 of this Agreement, is laid off, or who dies shall receive such pay for such unused vacation as he has earned under the provisions of Subsection (A) and (B) of this Section.

(D) Scheduling of Vacation

1) Earned vacation may be taken in consecutive weeks or in one (1) week increments. In addition, with prior approval, vacations may be taken in one-day increments provided the vacation requested is approved at least twenty-four (24) hours in advance.

2) It is the policy of the Company to approve scheduled vacations when they least interfere with production. Consideration will be given to the employee's personal plans and preference for a suitable time which is acceptable and in keeping with his seniority, except that no more than one preferred vacation period or date per employee may be scheduled on the basis of seniority in any one calendar year. The Company shall endeavor to honor vacation requests as scheduled. If a conflict exists, the appropriate Supervisor shall use his best efforts to solve them.

3) Employees who have exhausted their Sick and Personal Leave entitlement may use earned vacation in one-hour increments for the same purposes as would have been approved for Sick and Personal Leave. Notification and approval of such vacation usage will be in accordance with ARTICLE VI, Section 2 - Sick and Personal Leave, Paragraph (C), Verification and Notification.

Section 2 - Sick and Personal Leave

(A) Definitions

1) The term "seniority" and "full-time employee," as used in this Section shall have the meaning defined in Subsection (A) of Section 1 of this Article.

2) Pay for one (1) day's sick and personal leave for a full-time employee means pay for eight (8) hours at the employee's base rate of pay as defined in Article VII, Section 1, for all hours paid at the time sick and personal leave is used.

3) Employee's hourly rate of pay for purposes of sick or personal leave payments shall be the employee's base rate of pay.

(B) Sick and Personal Leave Benefits for an Employee on the Active Payroll of the Company:

1) A full-time employee will accumulate sick and personal leave at the rate of 1.85 hours per pay period.

2) Each employee shall have the option for payment of sick and personal leave to which he becomes entitled under subparagraph (B) (1) above which remain unused at the end of his sick and personal leave eligibility year, or to carry over sick and personal leave from year to year. Balances in excess of ninety-six (96) hours shall be paid off at the end of the leave eligibility year. Pay for such days of unused sick and personal leave shall be at the employee's base rate of pay for all paid hours at the end of his current year of service. Sick and personal leave pay will be paid in one-tenth (0.1) hour increments.

3) Time spent by an employee during a period when he is severed from the active payroll due to termination, entry in the Armed Forces, layoff or leave of absence or while he/she is on a leave of absence in excess of thirty (30) calendar days shall not constitute service time for the purpose of acquiring sick and personal leave benefits.

4) In the event the Company does not retain the contract with the Government during the term of the Labor Agreement, any accrued sick and personal time will be paid to the employee at the time of change.

(C) Verification and Notification:

1) Employees requesting sick leave should notify their Director of Maintenance or designee. Personal leaves must be requested and approved in advance of the employee's absence unless an unusual circumstance precludes such notice.

2) Paid sick and personal leave will not be permitted except in lieu of normal work shift hours.

3) An employee who voluntarily terminates and requests sick leave pay for any of the five (5) working days immediately preceding the last day worked or date of termination must submit, upon the Company's request, a written statement from his personal physician verifying treatment for such illness or injury. A request for a personal leave during this period will be approved only when special circumstances warrant such absence.

Section 3 - Military Reserve Training Leave

(A) An employee on the active payroll of the company who is required to engage annually in up to fifteen (15) days of military reserve training shall be granted a leave of absence for the period of training and shall be paid the difference between the pay received for the training

period and the amount of wages the employee would have received for his normal fifteen (15) day work schedule. Normal, for the purposes of this section shall mean an eight-hour day work schedule for each day of training at the employee's base rate of pay, for all hours paid.

Section 4 - Bereavement Leave

All employees shall be allowed time off, with pay, in the event of a death in their immediate family as follows:

(A) Three workdays in the event of the death of the employee's father, mother, spouse, domestic partner, sister, brother, children, grandchildren, mother-in-law, father-in-law, brother-in-law, sister-in-law, grandparents, and step relationships to include child, mother, father, brother or sister. "Children" includes a foster child who dies while placed in the employee's home by a State Agency.

(B) If an employee must attend services which include travel greater than 400 miles, and less than 600 miles, one (1) additional day or a total of four (4) days shall be granted.

(C) If an employee must attend services which include travel greater than 600 miles, two (2) additional days or total of (5) days shall be granted.

(D) However, if an employee travels by air, such employee shall be provided four (4) days, assuming travel is greater than 400 miles. Sub paragraphs (B) and (C) shall then not apply.

Section 5 - Leaves Without Pay

(A) Leaves of absence without pay may be granted to employees for a period not to exceed thirty (30) calendar days during the year, subject to operational requirements of the Company. A leave of absence may be extended by the Company. A request for leave must be submitted on a Request for Leave of Absence form, and approved in writing by the Director of Maintenance or designee prior to the effective date of the leave. A copy of the approved or denied request must be given to the employee. In the event an employee protests the Director of Maintenance or designee refusal to grant such a leave of absence, the matter will be referred to the Program Manager or his designee for final determination.

(B) In the case of emergency such as death, serious illness, or injury of a member of the employee's family, a Leave Request may be processed without the employee's signature and subsequent to the employee's departure; however, such emergency leave must be promptly reported, approved by the Director of Maintenance or designee and forwarded to the Human Resources Office.

(C) For good and sufficient reason the Company may extend the period of the leave. The leave of absence, properly approved, shall not in any way jeopardize the employee's standing with the Company.

(D) Employees elected or selected to full-time jobs in the local Union or the International Union, which take them from their employment with the Company shall receive leave of absence, without pay, for the period needed.

(E) Leaves of absence without pay will be granted by the Company on two weeks written request of the Union to persons designated by the Union for Official Union business or to attend conventions, educational or other functions of the Union. Seniority and benefits will accumulate during such leave.

(F) The Company will comply with all Federal posting requirements and responsibilities under the Family and Medical Leave Act. The Act allows up to 12 weeks of unpaid personal leave for certain circumstances such as birth or adoption of a child, and care of a temporarily disabled family member.

(G) Extended military leaves of absence will be administered in accordance with the Uniformed Member Employment Rights Act. Upon return from extended military leaves of absence, the employee will be reinstated.

Section 6 - Holidays

(A) Employees shall be granted the following holidays yearly during the life of the agreement:

New Year's Day
Martin Luther King Jr.'s Birthday
Floating Holiday
Memorial Day
Independence Day
Labor Day
Columbus Day
Veterans' Day
Thanksgiving Day
Christmas Day

(B) Full pay for eight (8) hours at the base rate for all hours paid shall be paid to employees for each of these holidays regardless of the day of the week upon which the holiday falls or for any day for which holiday pay is due under this Article.

(C) In order to be eligible for holiday pay, an employee must have worked or have been on a vacation or authorized paid leave on the last workday before or the first workday after the holiday; except that when the holiday falls on the day before employment or the day after termination, the employee shall not receive holiday pay.

(D) Whenever one of the above holidays falls on Sunday, the Monday immediately following shall be observed, if officially declared a legal holiday and generally observed by the Military at the respective Army site(s). Whenever one of the above holidays falls on Saturday, the Friday immediately preceding shall be observed, if officially declared a legal holiday and generally observed by the Military at the respective Navy site(s).

Said holiday falling on Saturday or Sunday, and observed on the preceding Friday or following Monday, shall be considered the regular holiday.

(E) Should a holiday fall upon the sixth or seventh day of the standard workweek of an employee assigned to an odd workweek, the preceding or the following day, respectively, shall be considered a holiday for such employee.

(F) If one or more of the above holidays occurs while an employee is on an authorized vacation, holiday pay will be substituted for a vacation day.

(G) Employees shall receive holiday pay whenever the facility is closed or operations are cancelled due to government shutdowns.

Section 7 - Rest and Lunch Periods

(A) Each employee shall be given a fifteen (15) minute rest period during each half of the standard day and night shifts at such times as are designated by the Company.

(B) In the event that overtime is worked before or after the employee's regular shift the Company will continue the fifteen (15) minute rest period with pay immediately prior to the start of or immediately after the end of their regular shift whichever is applicable provided that such overtime has or is anticipated to exceed two (2) hours. Also, employees working overtime shall be permitted to observe any regular rest periods with pay or lunch periods without pay that occur during the following shifts.

(C) Lunch periods will be established by the Company for a period of one-half (1/2) hour, at approximately the midpoints of the shifts, in keeping with sound plant practices and efficiencies.

Section 8 - Jury Duty

(A) When an employee is absent from work in order to serve as a juror or to report to the court in person in response to a jury duty summons, or to serve as a witness in a case in a court of law to which he is not a party, either directly or as a member of a class, and where such absence is in response to a legally valid subpoena, he shall be paid for those hours for which he is absent from work for such reason during his normal 8-hour work day or normal 5-day work week, less the fee or other compensation paid him with respect to such jury duty or such service as a witness. In order to receive pay under this section the employee must deliver to the Company the summons calling him for such duty within three (3) working days after it is received by him.

(B) Pay for such work time lost for jury duty and service as a witness shall in no event exceed, for any one employee, a total of twenty (20) normal 8-hour workdays in any one calendar year. Pay for such work time lost shall be computed at the employee's rate of pay at the time of such absence. In no case will payment be made for jury duty or service as a witness performed on the sixth or seventh day of an employee's standard work week or for hours in excess of the employee's normal 8-hour work day.

(C) An employee must promptly notify his Director of Maintenance or designee of any notice the employee receives to report for jury duty or as a witness and must provide the Company with a statement filed by an official of the court certifying the employee's service as a juror or appearance in court for that purpose, or as a witness and the compensation paid, excluding transportation allowance. Certification from the court clerk must be obtained and turned into the payroll section for all dates the employee is required to appear.

(D) In no event shall payment under this article be paid during any leave of absence, layoff, or absence due to a sickness or any injury covered under the Company's Short-term Disability plan or Worker's Compensation provisions.

Section 9 - Employee Benefits

(A) The benefits provided and/or offered to employees covered by this Agreement are detailed in Appendix B, Benefits, of this Agreement.

Section 10 - Temporary Duty Assignments (TDY)

(A) Employees who are temporarily assigned away from the site, to which they are permanently assigned to perform work for the Company, will have their transportation provided for by the Company. Such employees will be reimbursed for travel expenses in accordance with the Joint Travel Regulations provided the employee complies with said regulations. The Joint Travel Regulations will be made available to the Union upon request. The Company will pay any additional cost for reasonable lodging above the rates listed in the JTR, if the employee has obtained approval from the Director of Maintenance or designee prior to incurring such expense.

(B) While an employee assigned to such Temporary Duty Assignment (TDY) is traveling to that Temporary Duty Assignment (TDY) assignment and returning to his regular workstation from such assignment, he/she shall be paid, at the regular rate for all travel in accordance with the following. If traveling by commercial airlines, the employee shall be allowed actual travel time from home to the destination worksite or quarters. Upon return, the employee will be allowed actual travel time from the worksite or quarters to home. The Company reserves the right to determine the reasonableness of travel time. If the employee travels by personally owned vehicle (POV) or company provided vehicle, and the use of such conveyance is Company-directed, the actual time of travel from departure to arrival at the worksite or quarters will be used for the travel time. For travel by POV or Company provided vehicle, travel shall not exceed twelve (12) hours in a twenty-four (24) hour period. Travel time is considered time worked for the purpose of computing overtime.

(C) Employees on TDY assignment will earn four (4) hours of paid time off for TDY assignments of five (5) days or more.

(D) Employees deploying overseas will be provided thirty days in advance a binding Foreign Service Deployment Agreement to sign which outlines pay / benefits / per diem entitlements/ duration and location of deployment.

(E) Employees on TDY assignment will be paid their normal classification rate.

ARTICLE VII

PAY PROVISIONS

Section 1-Wages

(A) Base Rate

An employee's "base rate", for purpose of this Agreement, shall be the straight time hourly rate of pay applicable to that employee's classification provided for in Appendix A.

(B) All bargaining unit employees currently classified in the classifications as identified in Appendix A shall receive the wages as listed in Appendix A.

Section 2 - Overtime

(A) The Company reserves the right to require employees covered in this Agreement to perform overtime work in order to meet the requirements of the government contract with the Army. When such overtime is required employees selected shall be given as much advance notice as possible.

(B) No overtime will be worked by an employee unless it has been authorized by the proper supervisory personnel of the Company.

(C) When overtime is assigned, employees will be compensated at a rate of one and one-half (1 ½) times their regular rate for all hours worked or traveled in excess of forty (40) hours in their normal pay week and in excess of eight (8) hours in their normal workday.

(D) Employees working a holiday will be paid for all hours worked on the holiday at 1.5 times the base rate in addition to holiday pay.

(E) No employee shall receive more than one overtime rate for the same hours worked.

(F) For the purpose of this Section, hours worked includes paid vacation, paid holidays, paid sick and personal time and paid travel time.

Section 3 - Hours and Days of Work

(A) The purpose of this article is to define the normal hours of work, but nothing in this agreement shall be construed as a guarantee of work for any period.

(B) The standard workday will consist of twenty-four (24) consecutive hours beginning at 0001 hours and ending at 2400 hours (the calendar day).

(C) The normal work day for each shift shall consist of eight hours, exclusive of an unpaid period of one half hour for a lunch break.

(D) The pay week shall begin at 0001 hours on Friday and end at 2400 hours Thursday. In the event the pay week is changed by the Company, the Company will provide its employees and the Union with thirty (30) days notice.

(E) Five (5) days, Monday through Friday shall constitute the normal week. However, the Company reserves the right to engage, alter, or rotate personnel to work five (5) consecutive days other than those constituting the normal work week for the purpose of seven (7) day coverage. The existing custom of employees at the work site altering their own work schedules to accommodate the operational needs of the government shall continue.

(F) Determination of starting time and hours of work shall be made by the Company and such schedules may be changed from time to time to suit varying conditions of the business and to assure efficient and timely operations.

(G) Employees tardy solely because of the gates being closed by the military will not be counted as tardy and will be allowed to complete eight (8) hours of work.

(H) Flex Time. The parties agree that work schedules may need to be temporarily altered to meet the needs of employees and the customer from time to time.

To accommodate absences that are anticipated an employee may request to alter his/her regularly scheduled hours of work within a workweek. For example, an employee may plan to work two extra hours on Monday in order to leave two hours early for a personal commitment on Tuesday. Request for non-emergency flextime shall not be unreasonably denied if the employee provides supervision with twenty-four hour (24) notice.

Special requirements of the customer may require temporary altering of work schedules of the employees on a short-term, short-notice basis during a work week. For example, the customer may require employees to be on duty for an extended basis on one day of the week due to unexpected delays in flight schedules and provide the employee time off the following day (the employee would start later in the day). This provision would not be used to reduce the work week of regular employees at the site.

Work schedule modifications may only occur with notification and approval of the respective supervisor.

Section 4 - Pay Period

(A) Pay checks shall be issued to employees within eight (8) days after the last day of the pay period and shall represent the earnings of the employee from Friday, the beginning of the first week through Thursday the evening of the second week.

(B) Payday will customarily be on Friday.

(C) In the event the Company accounting department changes pay periods, the Company will provide the Union and its employees a thirty (30) day notice of such a change.

Section 5 - Promotional Increases

(A) For the duration of this Agreement, employees who are promoted to a higher paid job classification will have his/her base rate adjusted to the rate of pay in effect for the higher paid job classification.

(B) Employees assigned as lead aircraft mechanic will be paid a \$2.25 hourly differential in addition to their base hourly rate of pay.

Section 6 - Temporary Promotions

(A) For the duration of this Agreement, an employee who is temporarily promoted to a higher paid job classification will have his/her base rate adjusted to the rate of pay in effect for the higher paid job.

(B) Effective October 1, 2011 employees temporarily assigned for 5 days or more as lead mechanic shall be paid the hourly pay differential expressed in Appendix A of this Agreement.

Section 7 - Report Time and Call-Back Time

(A) An employee reporting for work in the absence of notice not to report, or an employee called in to work on one of his scheduled days off, or an employee who is recalled after

completing a day's assignment and has clocked out and left the facility, shall receive not less than three (3) hours pay at the regular rate; provided, however, that any amount paid for hours actually worked shall be credited against such minimum guarantee.

Section 8 - Uniforms

(A) The Company will provide uniforms (six shirts and five pants, jackets and coveralls) for all employees per contract year. If an employee wishes to purchase his / her own shirts and pants, the Company will provide a clothing allowance of two hundred dollars (\$200.00) per contract year for the purchase of such work-related attire. Employee purchased attire must be of the style, color and quality of that furnished by the Company. Also, the Company will provide a safety boot / shoe allowance of **one-hundred and twenty-five (\$125.00)** per contract year. The employee must provide proof of purchase to the Director of Maintenance to obtain the allowed reimbursement.

Section .9 - Placement in Lower Rated Classifications

(A) When an employee is placed in a classification with a lower rate of pay as the result of a demotion or displacement due to a reduction in force, he/she will receive the base rate of his new job classification.

Section 10 - Costs of Examinations Related to Employment

(A) All examinations related to employment, whether required by virtue of employment with the Company or requested/directed by the Company, (Medical Exams, Respiratory Exams, Chest X-rays, Physical Exams, Hearing Tests, CDL License Testing, License Exams, etc.) shall be at the Company's expense and the employee shall be paid by the Company for all time spent while submitting to any examination. The Company shall make provision for all exams to be taken during the employee's normal hours of work.

Section 11 - On-Call Pay

(A) When employees are required to be available to respond to any means of communication, i.e. pagers, cell phones, etc., for call-in duty they shall be deemed to be "On - Call" and shall be paid an "On - Call" differential equal to two dollars (\$2.00) per hour for all hours when employees are required to be available to respond to any form of communications for call - in duty. On - Call duty shall be determined by rotation. On - Call pay shall not be paid for hours actually worked. When there is an employee on duty at the site on regular time or over time, other employees shall not be considered on-call unless additional employees to be on-call and were previously notified that they are on-call for a special situation or event.

Section 12 - Shift Differential

- I. Effective on **October 1, 2014** employees assigned to the second or third shift shall Have a shift differential of **seventy-five cents (\$0.75)** added to his/her base rate of pay. The normal starting times for each of the various shifts will be as follows:

First Shift: Beginning at or after 4:00 a.m. but before 12:00 noon.

Second Shift: Beginning at or after 12:00 noon p.m. but before 8:00 p.m.

Third Shift: Beginning at or after 8:00 p.m. but before 4:00 a.m.

Section 13 - Effective Date of Economic Improvements

- (A) Unless otherwise specified, the effective date of all economic improvements shall be **October 1, 2014.**

ARTICLE VIII

JOB DESCRIPTIONS

Section 1 - Application of Job Descriptions

(A) The job descriptions included in Appendix C describe typical and normal requirements. These requirements are characteristic of the job and illustrate a level of difficulty of work and are not intended to list or describe all work operations or tasks done within the classification. These requirements do not fit all specific individual work assignments, and the description when written was stated so as to be broad enough to include all variations of work in the classifications.

(B) If, during the term of this Agreement, it becomes necessary for the Company to establish new job classifications within the bargaining unit, the Company and the Union shall mutually agree upon the proper rate range for the new position. Operations shall not be delayed through failure to immediately agree upon a wage rate applicable to such job classification. In the event the parties fail to come to an agreement on the wage rate of a new job, the matter shall be submitted to binding arbitration under the applicable article of this Agreement and the Arbitrator shall have the authority to establish the rate of pay for any new job classification challenged under this Article.

In witness thereof the parties hereto have caused this Collective Bargaining Agreement to be executed by their authorized agents **September 1, 2014**.

International Association of
Machinists and Aerospace Workers
District Lodge 4

M7 Aerospace, LLC
Life Cycle
Contract Support

Joseph R. Compber
Business Representative
District Lodge 4

VP Human Resources

Virginia Cobb
Director, Area 1
District Lodge 725

Steve Leland
VP General Manager of Government
Services/MRO

Craig Martin,
Directing Business Representative
District Lodge 161

Sr. Manager, Human Resources

Ron Shafer
Directing Business Representative
District Lodge

David Knopp
Business Representative
District Lodge 725

APPENDIX A
BASE HOURLY PAY RATES

Base Hourly Pay Rates:	10/1/2014	10/1/2015	10/1/2016
Aircraft Mechanic	\$35.70	\$37.19	\$38.73

Site Lead Mechanic Hourly Differential - paid in addition to the base hourly rate where applicable under terms of the Collective Bargaining Agreement: A \$2.25 hourly differential will continue for the duration of this contract.

APPENDIX B
M7 AEROSPACE LLC EMPLOYEE BENEFITS PLANS

As these Plans are provided by outside vendors and/or are Company-wide Plans, the Company may find it necessary or desirable to amend, revise or replace some or all of the Plans during the life of this Agreement between the Parties. Should this occur, the Company will immediately advise the Union of such changes and will meet as soon as possible with the Union to negotiate the effect of such changes on the employees covered by this Agreement.

Section 1. - Group Insurance

Effective October 1, 2008, the Company will provide each covered full-time Employee with the amount of the Flexible Benefits Credits specified below. These credits will be provided on a pre-tax basis under Internal Revenue Code Section 125. Employees may use these credits to purchase coverage for themselves and eligible dependents from any of the Group Insurance Plans offered under the **M7 Aerospace LLC Benefit Program** including Medical, Dental, Vision, Life Insurance, Accidental Death and Dismemberment Insurance, Personal Accident Insurance, Short Term Disability and Long Term Disability Insurance. Pre-tax credits may not be used to purchase Dependent Life Insurance. Any coverage costs in excess of the Company provided credits will be paid by the Employees via pre-tax payroll deductions. Any excess credits will be paid to the Employee as additional taxable income.

Flexible Benefit Credits

Effective	10/01/14	10/01/15	10/01/16
Bi-Weekly	\$615.00	\$640.00	\$675.00

An Employee must work and/or be paid for a minimum of forty (40) hours in a bi-weekly Pay Period to receive flexible credits for that Pay Period. Employees may opt out of Benefits coverage for any of the items and shall receive payment for the cost not paid for such benefits up to the maximum amount of the Health and Welfare Benefit rates.

The Company will provide an Employee Assistance Program and Business Travel Accident Insurance at no cost to the Employee.

Section 2 - I.A.M. National Pension Plan

(A) The Company shall contribute to the I.A.M. National Pension Fund, National Pension Plan for each day/hour or portion thereof to a maximum of forty (40) hours per work week for which employees in all job classifications covered by this Agreement are entitled to receive pay under this Agreement as follows:

\$2.25 per hour effective October 1, 2014

\$2.50 per hour effective October 1, 2015

\$2.75 perhour effective October 1, 2016

(B) The Company shall continue contributions based on a forty (40) hour workweek while an employee is off work in pay status due to paid vacations or paid holidays.

(C) Contributions for a new, temporary, probationary, part-time and full-time employee shall be payable from the first day of employment.

(D) The Union and Company adopt and agree to be bound by, and hereby assent to, the Trust Agreement, dated May 1, 1960, as amended, creating the I.A.M. National Pension Fund and the Plan rules adopted by the Trustees of the I.A.M. National Pension Fund in establishing and administering the foregoing Plan pursuant to the said Trust Agreement, as currently in effect and as the Trust and Plan may be amended from time to time.

(E) The parties acknowledge that the Trustees of the I.A.M. National Pension Fund may terminate the participation of the employees and the Company in the Plan if the successor

Collective bargaining agreement fails to renew the provisions of this pension Article or reduces the Contribution Rate. The parties may increase the Contribution Rate and/or add job classifications or categories of hours for which contributions are payable.

(F) This Article contains the entire Agreement between the parties regarding pension and retirement under this Plan and any contrary provisions in this Agreement shall be void. No oral or written modification of this Agreement shall be binding upon the Trustees of the I.A.M. National Pension Fund. No grievance procedure, settlement or arbitration decision with respect to the obligation to contribute shall be binding upon the Trustees of the Pension Fund.

(G) When employees in the bargaining unit are required to be away from work to serve as Union representatives in any official capacity the employee shall be given authorized absence during the period of absence and the Company shall continue to make contributions to the IAM National Pension Fund on behalf of the employee during the period of absence.

Section 3 - M7 Aerospace LLC 401 K Retirement Savings Program

(A) Effective January 1, 2012, Bargaining Unit employees may participate in the M7 Aerospace LLC 401K Retirement Savings Plan in accordance with the Summary Plan Description on a pre-tax basis. No Company match at this time.

Section 4 - Tuition Reimbursement

(A) An employee satisfactorily completing an outside training course, which has been approved in writing by the Company prior to the employee beginning such course, will be reimbursed for work related courses at eighty percent (80%) of the tuition, books and supplies, provided the employee obtains a grade of "C" or better.

APPENDIX C

Job Description(s)

SUMMARY STATEMENT:

The NLL Aircraft Mechanic & Lead Mechanic performs organizational and intermediate level maintenance on UC-35 aircraft. Is responsible for servicing, troubleshooting, repairing and modifying aircraft systems to ensure continued airworthiness. These tasks are performed on avionics and electrical systems, environmental systems, engines, flight controls and airframe components. Repairs are performed using hand tools, power tools, machines, and equipment such as shears, sheet metal brake, welding equipment, rivet gun, and drills. Reads and interprets manufacturers' and airline's maintenance manuals, service bulletins, and other specifications to determine feasibility and method of repairing or replacing malfunctioning or damaged components. Performs servicing, troubleshooting and repairs on aviation ground support equipment.

ESSENTIAL DUTIES:

The following tasks are examples of the effort required to perform the duties outlined in the purpose of the position. The list is not all-inclusive.

Aircraft Mechanic - Major work tasks/responsibilities

- a. Comply with written company maintenance and logistics procedures.
- b. Comply with FAA regulations as applicable.
- c. Know, understand and comply with the requirements outlined in the Life Cycle Contractor Support (LCCS) statement of work.
- d. Comply with aircraft records procedures and outlined in DA Pam 738-751.
- e. Ensure aircraft discrepancies are properly recorded and corrected in accordance with approved maintenance procedures and within the terms of the contract.
- f. Know and understand the functions and requirements of the Aerodyn computerized maintenance software.
- g. Maintain a clean and organized place.
- h. Perform aircraft recovery missions as necessary.
- i. Deploy to overseas locations with unit aircraft to support operational requirements.
- j. Perform other duties assigned by M7 Management.

Lead – Additional work tasks/responsibilities

- Coordinate daily aircraft mission and maintenance schedule with the Contracting Officers Representative (COR).
- Provide written and verbal reports to the Director of Maintenance and M7 Program management Office and status of aircraft.
- Collect and submit timesheets in accordance with company policy.
- Coordinate the work effort to site personnel in order to meet customer requirements.
- Other administrative tasks as required.

EDUCATION & TRAINING:

- High school diploma or equivalent.

EXPERIENCE, SKILL, AND KNOWLEDGE:

- Minimum of two years flight line experience with specific experience on UC-35 (Citation V Ultra/Encore) aircraft preferred.

OTHER REQUIREMENTS:

- Possess a valid FAA Aircraft & Power plant (A&P) license for a minimum of two years and shows compliance with FAR 65.83, recent experience requirements
- Be physically able to deploy with unit aircraft to overseas locations.
- Obtain/maintain secret security clearance.

WORKING CONDITIONS:

- Work is usually conducted in an office, warehouse and aircraft hangar atmosphere.
- Exposed to typical aircraft maintenance conditions such as engine noise, riveting, dust and chemical fumes, none of which to the extent of being intolerable. Hearing, vision and breathing protection provided in appropriate areas.
- Some exposure to elements of weather when traveling and/or commuting between buildings.
- May require extensive travel.
- Overtime may be required on occasion.

PHYSICAL & MENTAL CONDITIONS:

- Normal physical exertion required for periods of working on foot or standing.
- Requires lifting of items weighing up to 50 pounds.
- Requires kneeling on occasion in performance of duties.
- Requires ability to twist, bend, squat, climb and/or other body movements to successfully accomplish the requirements of the position.
- Requires the use of either or both hands for grasping items.
- Manual dexterity and the ability to push/pull, i.e.: open/close file cabinets and/or handle machinery is required.
- Requires the ability to reach above shoulder height in accomplishing job tasks.
- Requires the ability to walk on uneven surfaces.
- Sufficient vision required to successfully accomplish the requirements of the position.
- Requires sustained periods of concentration.

LETTER OF UNDERSTANDING # 1
General Provisions

The parties agree that the following general provisions be included in the Collective Bargaining Agreement as this letter of understanding:

(A) The company will provide copies of this agreement to all employees within 90 days of Union Acceptance of the CBA by the Bargaining Unit, paid for equally by the Company and the Union. Contract books shall be printed by a Union Printer.

(B) An employee injured on the job, who is taken off the job for treatment will receive pay for the remainder of his scheduled work day if the employee's injury is serious enough to preclude his return to work. Where necessary, the Company will furnish transportation as soon as possible for an injured employee to receive medical treatment. Subsequent treatment for Workers Compensation cases in a doctor's office, clinic or hospital will be charged to an employee's available sick and personal time.

(C) Employees entitled to free physical examinations as a condition of employment will receive the examination during their normal duty hours without loss of pay. The Company will provide a copy of the results to the employee upon written receipt.

The above provisions are agreed upon between the parties. The parties agree that the provisions of this Letter of Understanding are effective during the term of the current Collective Bargaining Agreement between the parties unless rescinded or amended by mutual agreement of the parties.

For the Union:

For the Company:

Joseph R. Compher
Business Representative

VP, Human Resources

LETTER OF UNDERSTANDING # 2
Machinists Custom Choice Worksite Benefits Program

It is understood and agreed between the parties that the Machinists Custom Choice Worksite Benefits Program of supplemental insurance benefits will be offered to employees in the bargaining unit through their designated agent, Employee Benefit Systems, Inc. (EBS). Members of the bargaining unit will be given an opportunity to spend up to fifteen minutes with an EBS Counselor at the worksite during normal working hours, once per year. The Company reserves the right to coordinate the schedule with EBS to prevent conflict with mission requirements.

The Company will honor payroll deduction requests and remit deductions to the underwriting insurance company designated by EBS on a schedule, which is mutually agreed to by the Company and EBS. The Union will defend, save, and hold harmless and indemnify the Company from any and all claims, demands, suits or any other forms of liability that shall arise out of the execution of this letter by the Company.

The Company agrees to implement the provisions of this letter as soon as possible after the administrative, systems and financial requirements are worked out between the Company and EBS.

The parties agree that the provisions of this Letter of Understanding will be effective for the term of the current Collective Bargaining Agreement between the parties unless rescinded or amended earlier by mutual agreement between the parties.

For the Union:

For the Company:

Joseph R. Compher
Business Representative

VP, Human Resources

LETTER OF UNDERSTANDING # 3

Major Medical Leave Fund

It is understood and agreed between the parties that the Company will establish a centralized fund to allow bargaining unit employees to donate a portion of their accrued Sick and Personal Leave (SPL) for the use of other bargaining unit employees in need.

Bargaining unit employees may elect to make one (1) contribution per contract year (October 1 through September 30) of eight (8) hours of accrued SPL. Those donated SPL hours will be deducted from the donating employee's SPL balance and converted, using the donating employee's current base rate, into the fund as dollars.

Bargaining unit employees who have encountered a major medical situation in their immediate family and have exhausted all of their SPL and vacation may request hours from the fund on a form provided by the Union.

The Union will establish a committee to review and approve requests for leave from the fund. When the Union approves a request, the approved request form will be forwarded to the Company. The approved hours will be deducted from the fund at the requesting employee's current base rate and added to the employee's leave balance.

The parties agree that this fund will be established as soon as possible after the administrative details are worked out between the parties.

The parties agree that the provisions of this Letter of Understanding will be effective for the term of the current Collective Bargaining Agreement between the parties unless rescinded or amended earlier by mutual agreement between the parties.

For the Union:

For the Company:

Joseph R. Compher
Business Representative

VP, Human Resources

LETTER OF UNDERSTANDING # 4

MACHINISTS NON-PARTISAN POLITICAL LEAGUE (MNPL)

During negotiations the parties discussed the possibility of IAM-represented employees having payroll deductions for contributions to the Machinists Non-Partisan Political League (MNPL). In light of those discussions, the Company and Union agree to the following:

1. Any employee represented by the IAM, as defined in Article 1 (Recognition) of the current collective bargaining Agreement who desires to make contributions to MNPL, must individually and voluntarily authorize the Company to make payroll deductions for such contributions.
2. Authorization for such payroll deductions must be in writing on an authorization card mutually agreed to between the Company and Union. Such authorization card must be on file in the Company's payroll section no less than seven (7) calendar days before deductions will begin.
3. With conditions under Items #1 and #2 above met, the Company will make a deduction bi-weekly from the employee's wages for the purpose of contributing to MNPL.
4. All specified monies deducted from employees' wages will be forwarded on a monthly basis to the Treasurer of the Machinists Non-Partisan Political League at 9000 Machinists Place, Upper Marlboro, MD 20772-2687. The monies will be forwarded as soon as reasonably possible after the end of each calendar month within which payroll deductions were made. Accompanying the monies will be a record showing employee name, employee number, social security number, and total amount contributed and so deducted.
5. Any employee wishing to discontinue payroll deductions for contributions to MNPL must so inform the Company in writing no less than thirty (30) days prior to the date he/she wishes the deductions to cease.
6. The Union agrees to indemnify and save the Company harmless against any and all claims, demands, suits or other forms of liability that shall arise out of or by reason of action taken or not taken by the Company in complying with the provisions of this Memorandum of Agreement.

For the Union:

For the Company:

Joseph R. Compher
Business Representative

VP, Human Resources

LETTER OF UNDERSTANDING #5
GOVERNMENT AIRCRAFT DEPLOYMENT SUPPORT

A. Policy:

Employees who are required by government contract to travel in support of a government aircraft deployment will receive deployment compensation.

B. Eligibility:

1. In order to be eligible for deployment compensation, the employee must be named on government orders.
2. The deployment requirement must be specific in the government contract.

C. Compensation Pay:

1. Compensation for pay during the period of deployment within the contiguous United States will be:
 - a) In addition to the regular CONUS base pay, exempt employees will receive 20% added to their base salary calculated on a daily (8 hour) basis for each day of deployment.
 - b) For non-exempt employees, an additional 20% will be added to the CONUS base hourly rate for each hour worked while on deployment. Travel time during the deployment period is considered as work time.
 - c) Employees while on deployment within the contiguous United States will be reimbursed meals, lodging and incidentals according to DSSR 925 or Policy #8 Employee Travel, Subsistence and Other Related Business Expenses, as applicable.
2. Compensation for pay during the period of deployment outside the contiguous United States may be based on applicable allowances at the time of the deployment per the U.S. Department of State regulations and the Code of Federal Regulations. Table 1.1 indicates maximum compensation scenarios.
 - a) Employees while on deployment will be reimbursed meals, lodging and incidentals according to DSSR 925 or Policy #8 Employee Travel, Subsistence and Other Related Business Expenses, as applicable.
 - b) Employees deployed to foreign locations will be eligible to have their base rate adjusted in accordance with the current DoD Civilian Personnel

Management Services applicable schedule in accordance with 5 CFR Part 532 and DoD Directive 5120.39.

Govt. Regulations Determination	Description	Rationale	Rule % of Base Pay
DSSR Section 920	Post Allowance	Cost of Living Adjustment	Maximum 100%
DSSR Section 920	Post Hardship Differential	Overseas Differential Pay	Maximum 35%*
DSSR Section 920	Danger pay	Deployed in areas Terrorism / War	Maximum 25%*
5 U.S.C 5545 / 5548	Hazardous Duty	Environmental / Physical Hardship	Maximum 35%
C.R.F. Part 550 Subpart I	Overtime Premium	Uncontrollable Labor Environment	Maximum 25%**
DSSR 925	Foreign Per Diem	Determined by Location and Orders	N/A
DSSR 1000	Difficult to Staff Incentive	Foreign Service Premium	Maximum 15%***

Notes: * Combined Post Hardship Differential and Danger Pay may not exceed 25% of base pay rate. Danger Pay is only applicable for deployments in excess of 42 days.

** Actual authorized overtime worked will be compensated at the adjusted base pay rate.

*** Only applicable when post Hardship applies. Combination with Danger Pay must not exceed 25%.

GOVERNMENT AIRCRAFT RECOVERY SUPPORT

A. Policy:

This applies to Employees who are required by M7 to travel in support of the needs of a grounded government aircraft, with the objective of recovering the aircraft from the site and assisting with transporting the aircraft to a required site. A minimum of two employees will be sent on a recovery.

B. Eligibility:

In order to be eligible for aircraft recovery compensation, the maintenance recovery actions must be approved prior to the trip.

C. Compensation Pay:

1. Compensation pay during the period of the recovery mission in a non-combat zone will be:
 - a) For non-exempt employees, automatically paid a minimum of 10 hours per day at their regular hourly rate from the date of departure through the date

- b) If applicable, employees entering a combat or hazardous zone, as defined by Department of State, will be paid in accordance to DOS regulation.

REPAIR STATION WORKING HOURS

The Company shall relieve each person performing the maintenance or preventive maintenance function from duty for a period of at least 24 consecutive hours during any 7 consecutive days, or the equivalent thereof within any one calendar month.

EXCEPTIONS

Exceptions to this policy will not be made without prior written approval of the VP of Human Resources and the Chief Executive Officer.

NOTE: *Management reserves the right to change, alter, or terminate this policy at any time without advance notice to employees.*

For the Union:

For the Company:

Joseph R. Compher
Business Representative

VP, Human Resource

