

REGISTER OF WAGE DETERMINATION UNDER THE SERVICE CONTRACT ACT By direction of the Secretary of Labor		U.S. DEPARTMENT OF LABOR EMPLOYMENT STANDARDS ADMINISTRATION WAGE AND HOUR DIVISION WASHINGTON D.C. 20210
		Wage Determination No.: CBA-2011-4357
Diane Koplewski	Division of	Revision No.: 0
Director	Wage Determinations	Date Of Last Revision: 7/14/2011

State: California

Area: San Bernardino

Employed on Mission and Installation Contracting Command Center-YPG contract for Ft. Irwin Installation Support Services.

Collective Bargaining Agreement between contractor: Pacific Treatment Environmental Services a Sullivan owned company
and union: International Association of Machinists and Aerospace Workers local 389
effective 09/10/2008 through 08/01/2011.

In accordance with Section 2(a) and 4(c) of the Service Contract Act, as amended, employees employed by the contractor(s) in performing services covered by the Collective Bargaining Agreement(s) are to be paid wage rates and fringe benefits set forth in the current collective bargaining agreement and modified extension agreement(s).

ARTICLE 1

PARTIES AND TERMS OF AGREEMENT

THIS AGREEMENT is made and entered into this 10th day of September, 2008, by and between Pacific Treatment Environmental Services, now known as Sullivan Logistics Corporation, hereinafter referred to as the Company and International Association of Machinists and Aerospace Workers, District Lodge 725, hereinafter referred to as the Union.

This Agreement shall become effective September 10, 2008, and shall continue in full force and effect until August 1, 2011, inclusive; and thereafter it shall be considered automatically renewed for successive periods of twelve months unless, at least ninety (90) days prior to the end of any twelve-month effective period, either party shall serve notice upon the other, as prescribed herein, that it desires cancellation, revision or modification of any provision or provisions of this Agreement. If either party serves such notice, the parties shall attempt to reach an agreement with respect to the proposed change or changes. In the event the parties do not reach a written agreement by the expiration date of August 1, 2011, as provided for herein, then this Agreement shall in all respects be deemed void and terminated.

ARTICLE 2

PURPOSE

Section 1. Whereas the general purpose of this Agreement is to promote the mutual interests of the Company and its employees and to provide for the operation of the Company's business under methods which will further, to the fullest extent possible, the safety of the employees, economy and efficiency of operation, elimination of waste, realization of maximum quantity and quality of output, cleanliness, protection of property, and avoidance of interruptions to production, the parties to the Agreement hereby agree to cooperate fully for the purpose of preventing and adjusting misunderstandings by establishing rules and minimum wage rates based on the standard of "a day's work for a day's pay."

Section 2. This Agreement covers only those matters specifically contained herein and supersedes all prior agreements between the Company and the Union, including any letter of interpretation, verbal understanding, and/or past practices.

Section 3. It is recognized by the Agreement to be the duty of the Company, the Union and the employees to cooperate fully, both individually and collectively, for the advancement of said conditions; and to provide a grievance procedure for the settlement of the employee's grievances to be settled in a timely manner; and to provide that there shall be no interruptions and/or impeding of operations during the term of this Agreement.

ARTICLE 3 RECOGNITION

Section 1. The Company recognizes the Union certified by the National Labor Relations Board in case no. (31-RC-8676) as the exclusive bargaining representative with respect to rates of pay, wages, hours of employment, or other conditions of employment for all full-time and regular part-time maintenance mechanics, waste control disposal officers and equipment operators employed by the Employer at its Fort Irwin, California facility. Excluded from recognition are: professional employees, office clerical employees, managerial employees, and all other employees, guards and supervisors as defined in the Act. (NLRA).

Section 2. Additions to the work force, in accordance with Section 1, (to include new or revised classifications) will become bargaining unit employees.

ARTICLE 4

MANAGEMENT RIGHTS

Section 1. The Company reserves and retains, solely and exclusively, all of its normal, inherent and common law rights to manage the business, whether exercised or not, as such rights existed prior to the time any Union became the bargaining representative of the Ft. Irwin mechanics, waste disposal officers and equipment operators, except those specifically abridged, deleted or granted by this agreement.

Section 2. The sole and exclusive rights of management which are not abridged by this agreement shall include, but are not limited to the following rights:

- (a) To establish or continue policies, practices, and procedures for the conduct of the business and, from time to time, to change or abolish such policies, practices, or procedures.
- (b) To determine and, from time to time, to redetermine the methods, processes, and materials to be employed.
- (c) To discontinue processes or operations of the Company.
- (d) To establish work and quality standards.
- (e) To determine the number of hours per day or week that operations shall be carried on.
- (f) To establish day and night shifts, to set the hours of work and the number of employees for such shifts, and from time to time to change the shifts and the hours and employees thereof.
- (g) To determine and to select the equipment to be used in the Company's operations and, from time to time, to change or to discontinue the use of any equipment and to select new equipment for its operations, including equipment for new operations.
- (h) To select and to determine the number and type of employees required.
- (i) To assign work to such employees in accordance with the requirements determined by management.

- (j) To establish and change work schedules and assignments.
- (k) To transfer, promote or to lay off, terminate, or otherwise relieve employees from duty for lack of work.
- (l) To determine the fact of lack of work.
- (m) To make and enforce safety rules and rules governing the conduct of employees within the plant and for the maintenance of discipline.
- (n) To suspend, discharge, demote, or otherwise discipline employees for cause and otherwise take reasonable measures as management may determine to be necessary for the orderly, efficient, and profitable operation of its business.

Section 3. The Company shall have the sole and exclusive right to subcontract work. The parties agree to meet when requested by either party to discuss the impact of subcontracting work on bargaining unit jobs and alternatives. The Company maintains the right to subcontract work after discussion. The use of subcontractors shall not be unreasonably utilized to reduce the work available to the bargaining unit.

Section 4. The Company shall have the sole and exclusive right at any time to establish, administer, and change a drug and alcohol abuse prevention program according to Appendix A. The Company shall have the sole and exclusive right at anytime to test applicants for employment for drugs or alcohol and refuse to hire applicants based on the results of such tests.

Section 5. The management rights expressed in the above sections shall not be deemed to limit any right of the Union contained in this agreement or any applicable law.

ARTICLE 5

REPRESENTATION/STEWARDS

Section 1. The Company agrees and it is hereby understood that the Union shall designate and the Company shall recognize one (1) Shop Steward and one (1) alternate Shop Steward for each work shift. The Union shall notify the Company in writing on Union letterhead of the individuals so selected. The alternate Shop Steward shall act in the capacity of the Shop Steward in the event the Shop Steward is absent from the facility. If more than one Steward is agreed to by the parties, the Union shall designate one (1) of the existing Shop Stewards as the Chief Shop Steward.

Section 2. Subject to other provisions of this Agreement, reasonable and necessary time off from work during straight time work hours shall be authorized without loss of pay or benefits to permit the Steward subject to the permission, reasonably given, by his/her supervisor to carry out his responsibilities under the grievance procedure to employees in their area of representation, providing the carrying out of these responsibilities will not unreasonably interfere with the assigned work duties of the Steward or the employee involved. The Union will ensure that the Steward engages only in those activities, which are authorized by this Agreement. Instances of alleged abuse or misuse of time by the Steward shall be brought to the attention of the Union, who shall take the action necessary to correct the problem.

Section 3. Recognizing the mutual benefit of resolving problems at the lowest level, an employee who has an alleged grievance may discuss the matter with the employee's Steward. The necessary time away from the Steward's official work assignment shall be arranged in a manner to minimize interruption of work flow subject to the permission, reasonably given, by his/her supervisor. When the Steward finds it necessary to discuss a problem or labor-management disagreement with a unit employee and/or management official, the Steward shall request permission to leave his/her work assignment from his/her supervisor. The supervisor's permission will be granted unless he determines compelling work commitments dictate otherwise. If permission is initially denied, the supervisor shall establish an alternate time, which shall be no later than the end of the employee's next work day, at which time the Steward can contact the employee.

Section 4. The scope of the Steward's activities on Company time shall be limited to the following:

- a. To consult with an employee regarding an alleged grievance or the presentation of a grievance for which the employee desires the Steward to be present.
- b. To investigate an alleged grievance or a grievance of record before presentation to supervision.
- c. To present a complaint or a grievance to the employee's supervisor in an attempt to settle the matter for the employee or group of employees who may be similarly

affected.

- d. To meet with the supervisor or other designated representative of the Company when necessary to adjust grievances in accordance with the grievance procedure.
- e. During an investigation in which it is determined by supervision that an employee may be subject to discipline, said employee shall be advised of his right to Union representation. If requested, his Steward shall be provided.

Section 5. Subject to existing security regulations, the Business Representative or other authorized Representatives of the Union shall have access to the Company's work areas during working hours for the purpose of investigating grievances that have arisen, attending meetings in accordance with the grievance procedure, and ascertaining whether or not this Agreement is being observed. Before doing so, he/she shall report to the supervisor or other authorized Company Representative, who shall permit said Representative to enter the Company's premises, provided that such rights shall be exercised reasonably and will not interfere with the normal conduct of the Company's operations. Authorized Representatives of the Union may be escorted by a Company Representative at all times they are on Company premises.

Section 6. It is agreed that the Company shall not be required to pay an employee for any time taken away from work to serve the Union in any official capacity or to serve on any Union committee, except as provided in the Agreement.

Section 7. The Shop Steward/Chief Shop Steward shall be empowered to adjust employee grievances occurring under his/her jurisdiction as provided for in the grievance procedure, so long as such adjustments are not in conflict with the provisions of this Agreement. Such settlements shall be non-precedent setting.

ARTICLE 6

UNION SECURITY/AGENCY SHOP

Section 1. Fees Deduction. The Employer will deduct an amount equivalent to Union monthly membership dues, initiation fees, and reinstatement fees from the wages of employees provided the employees have executed a written authorization provided by the Union in the form provided below. The authorization and assignment is voluntarily made in consideration from the cost of representation and collective bargaining and is not contingent upon present or future membership in the union.

Section 2. Effective 9/10/2008, as a condition of employment, all present bargaining unit employees shall become members of the Union or pay an agency fee to the Union equal to the amount of monthly dues (but not both) within thirty (30) days of execution of this Agreement and all new employees shall become and remain members of the Union or pay an agency fee not later than thirty (30) calendar days of their date of hire or transfer into Ft. Irwin.

NAME _____

DEPARTMENT AND PAYROLL NO. _____

SOCIAL SECURITY NO. _____

FEE DEDUCTION AUTHORIZATION AND ASSIGNMENT

TO: Pacific Environmental Services (Herein called the "Employer")

You are hereby authorized:

1. To deduct from my wages each month such sum as shall have been certified by _____, International Association of Machinists and Aerospace Workers (herein called the "Union") as is equivalent to the Union's regular monthly membership dues, including initiation fee and/or reinstatement fee if payable. Such deduction shall be made in accordance with the provisions of the Collective Bargaining Agreement between the Employer and the Union.

2. To remit all sums so deducted to the Secretary-Treasurer of the Union.

This authorization and assignment shall be irrevocable for a period of one (1) year from the date hereof, or until the termination date of the applicable Collective Bargaining Agreement, whichever occurs sooner, and shall automatically be renewed as an irrevocable assignment and authorization for successive yearly or applicable Collective Bargaining Agreement periods thereafter, whichever is the lesser unless I give written notice, by certified mail, of revocation to the Company and to the Union not more than twenty (20) and not less than five (5) days prior to the expiration of each yearly period or of each applicable Collective Bargaining Agreement, whichever comes sooner. I expressly agree that this authorization shall continue in full force and

whichever comes sooner. I expressly agree that this authorization shall continue in full force and effect even if I resign my Union membership, except if properly revoked in the manner prescribed above.

DATE _____

EMPLOYEE SIGNATURE _____

WITNESS SIGNATURE _____

Section 3. Current Authorizations

Subject to the foregoing, any deduction authorizations executed by employees prior to the effective date of this agreement, which are on that date current and in effect, shall be considered valid and in full force and effect under and subject to the terms and provisions of this agreement.

Section 4. Deduction Procedure

Deductions will be made from an employee's wages each weekly pay period, provided:

- (a) That the Union has delivered to the Company not later than the 24th day of the preceding month the written authorization provided above.
- (b) The employee is on the Company payroll on the first day of the month.
- (c) That the employee is in the bargaining unit on the first day of the month.
- (d) That the Union has certified to the Employer in writing not later than the 24th day of the preceding month the dollar amount to be deducted from each employee's wages.

Section 5. Pick-up Deduction

In the event an employee's wages earned during a payroll period in any month, after mandatory and other authorized deductions, are insufficient to cover the authorized Fees Deduction, the Employer will deduct the amount owing from the next payroll period in which wages due are sufficient, after mandatory and other authorized deductions are made unless advised in writing by the Union not to make such Pick-up Deduction. The employer will only make Pick-up Deductions for any unpaid fees up to but not exceeding the eight-(8) payroll deduction periods immediately preceding the date the Pick-up Deduction is attempted in accordance with this provision.

Section 6. Remittance and Statement to the Union

The Employer shall, on or before the 10th day of the following month, furnish to the Union Secretary-Treasurer a written statement for the preceding month covering the following:

Total amount of fees deducted; Name and payroll number of employees from whose wage deductions have been made; Name and payroll number of employees from whose wage, no deductions were made; The Employer shall, at the same time, remit to the Union Secretary-Treasurer its check for the amounts so deducted.

Section 7. Cancellation of Deduction Authorizations

Employees wishing to cancel their individual dues deduction authorization and assignment may do so at the following times:

1. Not less than five (5) calendar days nor more than twenty (20) calendar days prior to the yearly anniversary date of the authorization they have on file with the Company.
2. In the year the current Labor Agreement expires, not less than five (5) calendar days nor more than twenty (20) calendar days prior to the expiration of the contract.
3. Cancellation to become effective as of the first day of the calendar month following the end of such irrevocable period of the dues deduction authorization and assignment on file with the Company and the Union.

Section 8. The Union shall indemnify and hold 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 for the purpose of complying with any provisions of this Article.

Section 9. During the "in process" or orientation day, for each new hire, the Company will permit the Area Steward a 15-minute period to talk to the new hire.

ARTICLE 7

Non-Bargaining Unit Personnel

- Section 1. Non-bargaining unit personnel shall not normally perform the work of or with unit employees, but may perform bargaining unit work under the following conditions:
- a. For the purpose of instructing and training employees.
 - b. Under conditions that would hinder compliance of the contract to the primary contractor and will be promptly communicated to the union Steward.
 - c. Up to two (2) hours on any shift when an employee fails to report to work, and other qualified employees are not available in the classification.
 - d. When a temporary increase in workload or employee absences may cause the work schedule to be delayed, causing operational problems.
 - e. Lack of necessary skills required to complete a specific task.
- Section 2. It is understood that the performance of such bargaining unit work by non-bargaining unit employees will not jeopardize the job security or any other contractual rights of any employee in the bargaining unit.

ARTICLE 8

PROBATIONARY EMPLOYEES

Section 1. New employees and those hired after a break in continuity of employment shall be considered as probationary employees for the first 90 days of continuous employment.

Section 2. The Company shall have the right to discharge or otherwise discipline probationary employees during or at the end of the probationary period, with or without cause, and the discharge or other discipline shall not be the subject of a grievance either by the employee or by the Union.

ARTICLE 9

SENIORITY

Section 1. New employees and those hired after a break in continuity of employment shall be considered as probationary employees for the first 90 days of continuous employment.

Section 2. The Company shall have the right to discharge or otherwise discipline probationary employees during or at the end of the probationary period, with or without cause, and the discharge or other discipline shall not be the subject of a grievance either by the employee or by the Union.

- (a) Seniority is defined as the length of continuous service on the Contract at Fort Irwin. Employees hired or transferred into the unit after ratification shall have seniority established upon entrance into the Pacific Environmental Treatment Services Fort Irwin bargaining unit.
- (b) Seniority will not be broken for: (1) periods of approved absence with leave; (2) periods of layoff due to lack of work; (3) periods of absence due to injury or illness. Periods of absence set forth in (2) and (3) shall not exceed 12 months. In the case of occupational injuries, continuous employment will be for the length of the disability.
- (c) Part-time employees are not eligible for any contractual seniority right as specified except within a group consisting of other part-time employees.
- (d) When two or more employees are hired on the same day, the last four (4) digits of their Social Security Number shall be used for purposes of layoff, recall and promotion; i.e., if two employees have the same seniority date, the employee that has the lowest number shall be considered to be the most senior of the employees hired on the same day.

Section 3. Loss of Seniority: All seniority of any employee shall terminate if the employee:

- a. Voluntarily resigns
- b. Is discharged for cause
- c. Is on layoff status in excess of 12 months
- d. Refuses recall

Section 4. Seniority List: A seniority list will be maintained by the Company and will be made available to the Union semi-annually. The Company will also furnish a list to the Union reflecting new hires and rehires, their classification, their date of hire and termination or layoff dates.

Section 5. Layoff: It is recognized that applying straight seniority in a layoff situation is not practical in all situations and it may be necessary for the Company to deviate in order to retain or recall employees of exceptional qualifications or who may be considered essential because of the nature of the operations involved. "Exceptional qualifications" include superior safety record, demonstrated efficiency in completing jobs, and/or superior skills or specialized knowledge based on past annual reviews. It is understood that the Company shall not act arbitrarily, whimsically, capriciously or otherwise abuse the rights entailed in this paragraph.

The Company shall notify affected employees as soon as the facts are known to the Company of upcoming layoffs, but not less than two (2) weeks notice or two (2) weeks pay in lieu thereof.

Every effort will be made to train the most senior employees on all tasks within their occupation.

Section 6. Recall: Employees will be recalled in reverse order of layoff. The Company will send recall notices, by certified mail, to employee's last official address. The employee has five (5) working days after receipt by employee of the notice to accept re-employment. If no laid off employees in a job classification who are recalled accept re-employment, then laid off employees outside the classifications, who are qualified in the classification, will be recalled as stated above.

Section 7. Overtime: Overtime opportunities will be distributed within occupation the work is assigned and seniority. When overtime is required, the Company will ask for volunteers. If no volunteers are available, the least senior in the classification will be required to work.

ARTICLE 10

NO STRIKES

Section 1. There shall be no strikes (including sympathy, unfair labor practice, or wildcat strikes), sit-downs, slow-downs, work stoppages, boycotts, any acts honoring a picket line or any other acts that interfere with the Company's operations during the term of this Agreement by the Union, its officer, agents and members, or by the employees. It is understood that the foregoing proscriptions are specifically intended to include, but are in no way limited to, the following:

(a) The honoring of a picket line, or any other concerted activity, of either a sister or affiliate local of the Union, of any other organized unit at the Company or of any other group or individual; and

(b) The participation in or support or encouragement of any consumer boycott, advertising boycott, or information picketing of any Company operating at Fort Irwin.

Section 2. The Union agrees that it will not authorize, ratify, or condone any strike or any other activity described herein. In the event of any strike or any other proscribed activity not authorized, ratified, or condoned by the Union, the Union and its officers, agents, and representatives will make every good faith effort to end such activity.

Section 3. The obligations, rights, and provisions of this Article shall be completely independent of and shall not be affected or limited by the inclusion or absence of any other provisions of this Agreement, including the grievance and arbitration provisions.

Section 4. Any or all employees participating in any activity proscribed herein shall be subject to disciplinary action, including discharge. Any disciplinary action shall be subject to the Grievance and Arbitration sections of this contract.

Section 5. The Company shall have direct recourse to the National Labor Relations Board or the courts for a violation of this Article. The Company and the union do hereby expressly agree that any strike or other proscribed activity is and shall be deemed to be over a dispute with the Company by an employee or group of employees involving the interpretation or effect of this Article and shall be immediately enjoined by any court of competent jurisdiction.

Section 6. The Company will not authorize or direct a lockout.

ARTICLE 11

DISCIPLINE AND DISCHARGE

Section 1. The Union recognizes and acknowledges that the Company has the duty of maintaining good discipline among its employees because the Company is responsible for the efficient operation of its business.

Section 2. The Company shall have the right to discipline employees for cause. The disciplinary action which the Company may take in punishing or penalizing employees for cause shall include but not be limited to (a) verbal warning, (b) written warning, (c) suspension from work without pay for not more than three (3) days and (d) termination.

Section 3. In the case of any offense for which an employee may be discharged, the Company may, in its sole discretion, impose a lesser penalty.

Section 4. The following shall constitute causes for disciplinary action, up to and including discharge and their enumeration here is by way of illustration and shall not be deemed to exclude or restrict the Company's right to discharge employees for any other just cause:

- (a) Misconduct on Company property.
- (b) Violation of work rules. (See Appendix.)
- (c) Fighting on Company property.
- (d) Possession of intoxicants or illegal drugs on Company property.
- (e) Drinking intoxicants, using illegal drugs, misusing legal drugs, or using controlled substances on Company property.
- (f) Disparagement of the Company whether this occurs on or off Company property.
- (g) Insubordination to any Company executive or supervisor.
- (h) Misstatement or material omission in the employee's application for employment, without regard to the employees' length of service at the time the Company discovers the misstatement or material omission.
- (i) False statement or willful misstatement regarding Company business to any Company executive or to any assistant to the foregoing officials.

- (j) Incompetency or inefficiency, of which the Company shall be the sole judge.
- (k) Unexcused absence and tardiness. (See Appendix B)
- (l) Refusal to execute work received from or destined to another employer whose employees are locked out or on strike.
- (m) Being convicted of a felony, not including traffic violations unless such violations may result in a jail sentence.
- (n) Sexual harassment.
- (o) Refusal to submit to drug or alcohol tests. (See Appendix A.)

ARTICLE 12

GRIEVANCE PROCEDURE

Section 1. Any grievance as defined herein initiated by an employee or group of employees shall be handled solely in accordance with this grievance procedure.

Section 2. A grievance is defined as a claim or dispute with the Company by an employee or employees involving an alleged violation by the Company of the terms of this Agreement. When any grievance arises, there shall be no interruption of work or other violation of this Agreement of any kind on account thereof, but the same shall be settled as promptly as possible in the following manner:

Section 3. The employee(s) will attempt to resolve the grievance by discussion with his supervisor within five (5) working days of the time the events giving rise to the grievance occurred, either with or without his designated representative, as the employee shall elect, in an attempt to settle the grievance. Pending settlement of the dispute and/or grievance, the supervisor's order shall be followed.

Section 4. Step 1: Within ten (10) working days of the time the events giving rise to the grievance occurred, the employee(s), if dissatisfied with the supervisor's disposition of the request or complaint, may formally present his alleged grievance in writing to his supervisor, with or without his designated representative being present, as the employee(s) may elect. The grievance presented in this Step shall be set forth in writing. The written grievance must include the Articles and Sections of this Agreement, which the Union alleges the Company has violated. The supervisor shall be required to answer the complaint within three (3) working days after the date of presentation in such written form.

- (a) The grievance form shall be dated and signed by the employee and two (2) copies given the supervisor who will insert his disposition, sign and date same, returning one (1) copy to the employee(s).
- (b) If the supervisor's decision is not appealed to Step 2 within three (3) working days, the grievance shall be considered settled on the basis of the decision made and shall not be eligible for further appeal.

Section 5. Step 2: In the event no satisfactory settlement of the grievance is arrived at in Step 1 of this procedure, the employee(s) may appeal the grievance by written request to the Project Manager and the grievance shall be heard within five (5) days after receipt of the written request. Grievances discussed in Step 2 and not settled shall be answered in writing by the representative of the Company not later than five (5) working days after the date of such meeting unless by mutual agreement a different date for disposition is agreed upon.

Section 6. Grievances discussed in such meetings and not settled shall be answered in writing not later than five (5) working days after the date of such meeting unless by mutual agreement a different date for disposition is agreed upon. The dissatisfied party may, by written notice served on the other party within five (5) working days from receipt of the answer to the Step 3 meeting, appeal the grievance to arbitration.

Section 7. Only the Union or the Company may require arbitration of the other party to this Agreement.

Section 8. All discharge grievances will move to Step 2 of this grievance procedure.

Section 9. In any time limits in this Article may be extended by mutual consent.

ARTICLE 13

ARBITRATION

Section 1. If arbitration is requested in accordance with the above requirements, the parties shall attempt to reach agreement upon the name of the arbitrator. Within fifteen (15) working days from the date of the request or agreement to arbitrate, the party requesting arbitration shall request the State Mediation and Conciliation Service to submit a list of seven (7) arbitrators' names from which to select an arbitrator. When the list is received, either party may reject the list and request that the State Mediation and Conciliation Service supply a second list of seven (7) new names. The representative of the party requesting arbitration shall strike one name from the list. This process shall then be repeated with the parties alternating strikes in sequence until only one name remains. The person whose name remains on the list shall be the arbitrator.

Section 2. The parties agree that the decision or award of such arbitrator shall be final and binding on each of the parties and that they will abide thereby. The authority of the Arbitrator shall be limited to determining questions involving the interpretation or application of specific provisions of this Agreement, and no other matter shall be subject to Arbitration hereunder. The Arbitrator shall have no authority to add to, subtract from, or to change any of the terms of this Agreement.

Section 3. Any dispute which arises under the Agreement but which is based on events that occur after its termination is expressly excluded from the jurisdiction of the arbitrator.

Section 4. Only grievances which involve an alleged violation by the Company of a specific section or provision in this Agreement and which are processed in the manner and within the time limits herein provided shall be subject to arbitration. No grievance shall be arbitrable and no right of action shall accrue to the Union or any employee under this Agreement with respect to any matter involving the administration, interpretation, or application of any insurance plans or any other fringe benefit not mentioned in this Agreement in which employees covered by this Agreement are eligible to participate.

Section 5. Each party shall bear the expenses of preparing and presenting its own case. The fees and expenses shall be borne solely by the party that fails to prevail in the hearing. Failure to appeal a decision made in any step in the time and manner specified above shall constitute a bar to further action for that particular grievance, but shall not constitute a precedent binding upon the Union or the Company.

Section 6. Any time limits provided in this Article may be extended by mutual consent.

ARTICLE 14

CONFLICTS WITH LAW

Section 1. In the event any federal or state law conflicts with any provision of this Agreement, the provision or provisions so affected shall no longer be operative or binding upon the parties, but the remaining portion of the Agreement shall continue in full force and effect.

ARTICLE 15

BEREAVEMENT/JURY DUTY

Section 1. Employees will be granted time off with pay to attend the funeral of family members as follows:

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

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

The company shall grant up to two (2) additional workdays off with pay in the event of death of members of the employee's immediate family as defined above for extended travel (250 miles or more from Fort Irwin) for bereavement.

Section 2. Employees absent due to jury service shall be paid at their current rate of pay less any payment received by the court exclusive of transportation and meal cost. This pay shall not exceed forty-five (45) days in any twelve (12) month period. To be eligible for jury duty pay, the employee must present a statement from a court official attesting to the dates and times of such service and the fee or compensation paid by the court less transportation and meal cost. In no event shall such pay for time lost be made for jury duty performed on the employee's regularly scheduled day off, holidays as defined herein or for hours in excess of eight (8) per regular workday or hours in excess of forty (40) per week.

Employees required making any court appearance on behalf of the Pacific Environmental Services or the Company shall be compensated for all time spent in the appearance.

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

ARTICLE 16

FILLING OF VACANCIES

Section 1. The Company reserves the right to hire outside of the existing bargaining unit for openings; however if the Company determines to fill a new or existing job within the bargaining unit, the Company will post a notice of vacancy or job opening for a period of not less than five (5) working days. An employee may submit a bid for the job to the Company's Site Manager, in writing, during the posting period. The notice posted declaring that such vacancy or job opening is to be filled shall contain at least the following information:

- a. The date the notice is posted and the date and time the notice will be removed;
- b. The job to be filled and the classification;
- c. Job Specifications;
- d. Rate of Pay;
- e. Effective date the job is to be filled.

The Union's Steward will be furnished a copy of any bid upon request.

Section 2. The Company will award the job to the most qualified employee in the Program, as determined by management, with respect to:

- 1) related experience;
- 2) previous training; and
- 3) ability to perform the work.

If two or more employees bidding the job are essentially equal with respect to 1, 2, and 3, then the most senior employee will be awarded the job. The Company retains the discretion to utilize external sources to staff unit positions when qualified individuals do not respond to the job posting during the posting period or are found not to exist within the unit employees that responded to the job posting.

Section 3. Disqualification of Bidder. An employee who is unable to perform the job to which he bid to the satisfaction of the Company within thirty (30) calendar days after being awarded the job shall be returned to the job classification he held at the time of submitting the bid. The employee will be told the reasons for such disqualification. If an employee was hired to fill the vacancies of a bidder he/she will be laid-off, when the disqualified employee is returned to their occupation.

ARTICLE 17

SAFETY/SAFETY EQUIPMENT

Section 1. It is the intent of the Company to maintain safe and healthy conditions as necessary to protect employees from injury. It is the desire of the parties to this Agreement to maintain high standards of safety in the operations of the Company in order to eliminate, as far as possible, industrial accidents and illnesses.

Section 2. The Company will adhere to all of the state's Workers' Compensation Laws as it applies to on the job illness/injury.

Section 3. The Company will provide an employee immediate transportation at the time of the illness/injury from the job to the nearest appropriate facility and return to the job, or the employees' home if required. The employee will receive pay at the applicable hourly rate for the balance of his workday as if the illness/injury had never happened. This section does not apply to non-work related illness/injury.

ARTICLE 18

LEAVE OF ABSENCE

Section 1. A leave of absence without pay requested by an employee for personal reasons may be granted by the Company in its sole and exclusive judgment, and no such leave of absence granted in one case shall constitute a precedent binding upon the Company in any other case.

Section 2. Applications for leave of absence without pay shall be in writing and shall set forth the specific reason for and the exact length of the leave requested.

Section 3. Leaves of absence shall be limited to a maximum of two (2) weeks, except where military service is the reason, but the Company may grant an extension of leave up to two (2) weeks for just cause.

Section 4. An employee failing to report to work at the end of his leave will be considered to have resigned voluntarily, and his employment shall terminate automatically unless excused by the Company.

Section 5. The Company shall grant leaves of absence in accordance with the laws of the State of California.

ARTICLE 19

HEALTH & WELFARE BENEFITS

Section 1. Commencing with (*Insert Date*) The Employer agrees to make contributions to the **Labor Management Universal Health Benefits Trust Fund** for the purpose of providing Medical and Prescription Drugs, Dental, Vision and Life benefits for all eligible employees and their dependents.

Section 2. **Acceptance of Trust**

The parties agree to accept, and be bound by, the terms of the existing Declaration of Trust of the **Labor Management Universal Health Benefits Trust Fund**, together with any amendments to the Trust required to accomplish the provisions of this Collective Bargaining Agreement and to become parties to the Trust. In addition, the parties agree to sign the appropriate Trust Participation Agreement in order to implement this article. The parties agree that the Employer's contribution shall, at no time, exceed the amount stated in Section 5 below.

Section 3. **Contributions**

The Employer agrees to make monthly contributions as specified below to the **Labor Management Universal Health Benefits Trust Fund** for each employee in the collective bargaining units represented by the undersigned Union. Contributions shall be paid the by 15th of the month (contributions received after the 20th are delinquent) and will provide benefits for the succeeding month. Contributions for new hires are due commencing with the month following completion of a probationary period of 90 days.

Section 4. The parties agree that under no circumstances shall the Company be liable for contributions to the fund in excess of the amount stated in Section 5.

Section 5. On October 1, 2008, the Company will provide each employee the amount of \$5.54 per hour paid, to a maximum of forty (40) hours per week, to be used for the purchase of Health and Welfare benefits. This amount will increase on October 1, 2009 to \$6.37 and increase on October 1, 2010 to \$7.33. All benefits will be offered in accordance with the negotiated plans described herein Appendix B for the Ft. Irwin Barstow, California location. Any unused monies will remain with the employee.

ARTICLE 20

I.A.M. NATIONAL PENSION PLAN FUND NATIONAL PENSION PLAN

A. The Employer shall contribute to the I.A.M. National Pension Fund, National Pension Plan for each hour/day or portion thereof for which employees in all job classifications covered by this Agreement are entitled to receive pay under this Agreement as follows:

\$.50 per hour effective October 1, 2008

\$.70 per hour effective October 1, 2009

If the employee is paid only for a portion of an hour/day, contributions will be made by the Employer for the full hour/day.

B. The Employer shall continue contributions based on a forty (40) hour work week while an employee is off work due to paid vacations or paid holidays. The Employer shall also make contributions whenever an employee receives severance pay, vacation pay at termination, or vacation pay in lieu of time off.

C. Contributions for new, temporary, probationary, part-time and full-time employee are payable from the first day of employment.

D. The I.A.M. Lodge and Employer 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. The parties agree that under no circumstances shall the Company be liable for any contributions to the Fund beyond the amount stated in Section A.

E. The parties acknowledge that the Trustees of the I.A.M. National Pension Fund may terminate the participation of the employees and the Employer 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. The Article contains the entire agreement between the parties regarding pensions 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 said Pension Fund.

ARTICLE 21

NOTICE

Section 1. Whenever notice is to be given under the terms of this Agreement to either party hereto, it shall in all cases, except where some other method is specifically prescribed herein, be sent by "Certified Mail, Return Receipt Requested," to the following addresses with respect to the Company and the Union:

Company: Neal Clements, P.E.
Chief Operating Officer
Sullivan International Group, Inc.
409 Camino Del Rio South, Suite 100
San Diego, CA 92108

Union: Al Rosales
Business Representative
International Association of Machinists and Aerospace Workers
1512 Holt Blvd.
Ontario, CA 91761

Section 2. When notice is given as prescribed in the foregoing paragraph, the notice shall be deemed to have been given on the day that it is mailed.

Section 3. Each employee covered by this Agreement shall be responsible at all times for having his correct address on file with the Company. The Company shall notify each employee, immediately upon ratification that, within two (2) weeks after the effective date of this Agreement, furnish to the Company in writing his complete address and telephone number, and shall within one (1) week of any subsequent change in either his address or telephone number inform the Company in writing of the change. The foregoing information in writing, including both the original information and all subsequent changes therein, shall be delivered in person to each employee's supervisor or sent by first class mail to the Company.

Section 4. All notices to employees will be deemed to have been properly given if the employee is notified in person, either orally or in writing, or if notice is mailed or telegraphed to the employee's last address on file with the Company or is given by telephone to the employee's last telephone number on file with the Company. If mailed or telegraphed, the notice shall be deemed to have been given on the day that it is mailed or telegraphed.

Section 5. When an employee gives notice of resignation to the Company, said notice shall be deemed to have been properly given when the employee informs his supervisor of the resignation, via first class mail, or delivers it in person to the site manager. If mailed, the notice of resignation shall be deemed to have been given on the date that it was postmarked.

ARTICLE 22

HOURS OF WORK/OVERTIME

Section 1. The company shall determine shift assignments based on business needs of the organization. Shift starting times are as follows:

- a. 1st Shift will be between 0700 to 1530

Employees will normally work Monday through Friday with Saturday and Sunday as their two normally scheduled consecutive days off, as determined by the Company and/or customer.

Section 2. When employees are changed from one shift to another, such notice shall be given to the affected employee. However, if it becomes necessary to change an employee from one shift to another or the starting time of a shift due to operating conditions, or for an employee out due to illness or injury, he shall be given as much notice as possible.

Section 3. The Company will permit all employees to take fifteen (15) minute paid rest period the first half of their shift and a fifteen (15) minute paid rest period during the second half of their shift. An employee who is required to work overtime will be allowed a fifteen (15) minute break for every two (2) hours of overtime worked in a day. This break will occur at the beginning of the overtime period if at least two (2) hours of overtime is anticipated.

Section 4. Each employee shall have an unpaid lunch period of thirty (30) minutes during his shift.

Section 5. Lunch periods shall begin not earlier than four (4) hours after the start of each shift, and not later than five (5) hours after the start of each shift. If the employer requests the employee to work through such lunch period, the employee shall be paid for the time worked. An employee who is required to work overtime will be allowed a one-half (1/2) hour lunch break after four (4) hours of overtime worked in a day.

Section 6. The company shall determine when and by whom overtime, as requested by customer, will be worked. No overtime will be assigned without the approval of proper supervisory personnel of the company. Before requiring employees to work overtime, the company will request volunteers from among the employees holding the designated job classification and qualifications in which the overtime is to be worked. If not enough volunteers

are obtained, the supervisor shall make the decision of who works overtime based on the least senior qualified employee(s).

Section 7. Overtime shall be paid for hours worked in excess of eight (8) hours per day or forty (40) hours per week at one and one-half (1-1/2) times the employees straight time hourly rate as required by law. Overtime shall be calculated in accordance with California state law.

- a. For hours worked on the seventh (7th) day in the workweek (second (2nd) regularly scheduled day off) at two (2) times the hourly rate, provided the employee has not had an unauthorized absence during the employee's regular work schedule for that workweek.

Section 8. Paychecks will be delivered to employees by noon on Friday, under normal circumstances. The company and union agree to encourage employees to take advantage of direct deposit of their paychecks.

ARTICLE 23

HOLIDAYS

Section 1. The Company observes the ten (10) holidays listed below:

New Year's Day	Labor Day
Martin Luther King's Day	Columbus Day
President's Day	Veteran's Day
Memorial Day	Thanksgiving Day
Independence Day,	Christmas Day

Section 2. An employee who is not required to work on one of the designated holidays mentioned above will be compensated for the holiday at his straight time rate, provided he is on the active payroll on the day of the holiday and has worked his last scheduled work day before the holiday and his next scheduled work day after holiday, except an employee off on such day with an excused absence or with prior permission of the employer, will be compensated for the holiday.

Section 3. Any additional holiday designated by Federal Government mandate or Presidential Executive Order that is observed at the base will be observed in addition to the above provided the Company is reimbursed by the Government for the holiday.

Section 4. Any observed holiday stated above that falls on a Saturday or Sunday, will be observed under the same schedule observed by the Federal Government.

Section 5. Any employee required to work on any of the above holidays will be paid for hours worked at two (2) times his normal straight rate.

ARTICLE 24

WAGES

TITLE	10/01/08	10/01/09	10/01/10
Maintenance Mechanic	\$26.88	3.0 %	3.0 %
WCDO	\$14.83	3.0 %	3.0 %
Heavy Equipment Operator (Class A License)	\$26.88	3.0 %	3.0 %

Lead Premium -- Employees assigned to work as a lead shall earn \$1.00 per hour additional wage.

No employee's wages will be reduced as a result of the signing of this agreement.

Article 25

Paid Time Off

- 11.01 Each employee shall be entitled to PTO as follows:
- 1.54 hours per week starting at time of initial employment.
 - 2.31 hours per week at the commencement of second year of continuous service.
 - 3.08 hours per week after five (5) years of continuous service.
- 11.02 Employees are requested to make their PTO request as far in advance as reasonable. The Company will continue to respond to such requests as quickly as possible.
- 11.03 Employees transferring to the bargaining unit after the date of ratification of this Agreement shall retain their original date of hire with the Company for the purpose of accrual of PTO credits.
- 11.04 It is understood and agreed that final approval of PTO requests rests exclusively with the Company to assure orderly operation of work schedules.
- 11.05 PTO pay shall be computed at the employee's straight time hourly rate.
- 11.06 Employees must use PTO time in increments of no less than thirty (30) minutes a day.
- 11.07 Employees will be reimbursed for PTO time anytime during the year, when it is taken, provided such time has been accrued.
- 11.08 Employees will be able to sell back PTO time anytime during the year, provided such time has been accrued in excess of eighty (80) hours.
- 11.09 Any PTO time not taken at the employee's anniversary date will be paid back to the employee after 240 hours accumulation.
- 11.10 When a holiday, as defined in this agreement, falls within an employee's PTO period, such holiday shall not be charged as vacation hours. However, the employee may elect to take an additional day off.
- 11.11 PTO may not be taken in the first ninety days of employment.

Article 26

Paid Personal Leave

Regular full-time employees as defined by Article 3.00 who have completed their Probationary period shall be able to take paid personal leave. Paid personal leave shall accrue at the rate of seventy seventh hundredths (.77) hours for each workweek during which an employee works no less than one (1) full work day, or is on vacation or other paid leave. No more than 40 hours per year.

All personal leave hours shall be credited to the employee's account. Personal leave may be utilized for sickness, medical appointment or personal reasons.

The employees and the Union recognize their obligation to prevent unnecessary absence or any other abuse of this personal leave provision. The Company and the Union recognize the existence of bona fide family emergencies and employees shall be able to utilize personal leave for such purposes.

An employee who is prevented from reporting for work by reason of sickness or injury shall promptly notify his immediate supervisor of his inability to report for work, giving the reason for the absence. When an employee desires to utilize personal leave for reasons other than illness or injury such time off must be requested in advance, if possible, and taken at a time mutually convenient to the employee and the Company.

Approved paid personal leave may be taken in fractional 30 minute increments up to the number of hours normally scheduled per workday.

Personal leave cannot be taken once the employee has evidenced his intent to leave the employ of the Company, unless approved by the Division Manager.

Paid personal leave shall be considered as time worked for the purpose of computing overtime.

Unused Paid Personal Leave shall not be paid off upon termination of employment.

Article 27

Uniforms

Each employee will be required to wear the uniforms provided and designated by the Company.
The Company will provide the laundry service for the uniforms.

Article 28

Government Security/Responsibility

Section 1. The Company and all representatives of the Union having access to the premises and all employees are required to comply with applicable Government security regulations when performing work for the Government. The Company and the Union agree that security information will be revealed only to persons properly cleared and required by the Government to have the information.

Section 2. The Union and the Company recognize that employees covered hereby are performing services for the U.S. Government in U.S. Government facilities and by use of U.S. Government equipment. The Company is not authorized to maintain, modify or repair such government facilities and equipment, except as contractually directed.

Section 3. Each employee shall be responsible for the reasonable care of the customer and/or Company furnished property or material and will notify the Company of any sabotage, or willful damage to Company, customer or employee property or material.

ARTICLE 29

GENERAL

Section 1. Work rules will be maintained in a place available to all employees and will not be in violation of any provision of this Agreement.

Section 2. The provisions of this Agreement shall be binding upon the Company and its successors, assigns or future purchasers.

Section 3. Should any provision of this Agreement be found invalid by enacted legislation or decree of a court, such invalidation shall be invalidate the remaining portions hereof and said remaining portions/provisions shall remain in full force and effect.

Section 4. Neither the Company nor the Union will segregate or classify employees in any way to deprive any individual employee of employment opportunities or otherwise discriminate against any individual with respect to hiring, compensation, terms or conditions of employment, because of race, religion, sex, age, national origin, veteran status, union membership, color or that prohibited by state, federal or municipal law, including the Americans With Disability Act (ADA) and Family Medical Leave Act (FMLA).

ARTICLE 30

SCALE OF WAGES

Section 1. Beginning the effective date of this Agreement, or on the date the total Agreement is properly ratified, signed, and executed, whichever is later, the Company agrees to pay not less than the minimum wage rate as set by Article 24.

Section 2. The Company may, in its sole and exclusive discretion, at any time increase an individual employee's regular wage rate above the minimum wage rates set out above; the Company may, in its sole and exclusive discretion, withdraw any such increase at any time.

Section 3. The Employer shall have the sole and exclusive right to advance a trainee to a higher classification of pay or to full scale status, regardless of the length of service of the trainee, provided the Employer determines the trainee is competent.

Section 4. It is understood that the Company may hire part-time employees. The Company shall not be required to employ such part-time employees for any minimum number of hours per day or days per week. Such part-time employees shall be compensated at a rate to be determined by the Company, provided that at no time shall such rate be less than the minimum wage established by law. Part-time employees shall be entitled to benefits in accordance with the Service Contract Act.

ARTICLE 31

PART-TIME EMPLOYEES

It is understood that the Company may hire part-time employees. The Company shall not be required to employ such part-time employees for any minimum number of hours per day or days per week. Such part-time employees shall be compensated at a rate to be determined by the Company, provided that at no time shall such rate be less than the minimum wage established by law. Part-time employees shall be entitled to benefits in accordance with the Service Contract Act.

ARTICLE 32

Installation of New and Revised Job Classifications

Section 1. When new bargaining unit jobs are required that cannot be properly encompassed within an existing job specialty, the Company will notify the Union of the requirements and will discuss with the Union the rate of pay prior to the Company establishing the new classification, qualifications and rate of pay. The Company maintains the right to create the job and set the level of pay after discussion. The pay level shall not be less than minimum wage and in accordance with the Service Contract Act.

Section 2. The Company has the right to determine the job classifications. Copies of job classifications shall be retained in the Branch Manager's office and shall be made available upon request. The current job classifications shall remain in effect during the term of this Agreement.

ARTICLE 33

BULLETIN BOARD

Section 1. The Company agrees to provide two (2) bulletin boards located at the time clock areas which may be used by the Union for posting notices approved by the Company and restricted to:

- (a) Notices of Union meetings.
- (b) Notices of Union elections.
- (c) Notices of Union appointments and the results of Union elections.
- (d) Notices of Union recreational and social affairs.
- (e) Other notices concerning bona fide Union activity such as: cooperatives, credit union, and unemployment compensation information.

Section 2. There shall be no other general distribution or posting by employees of any kind of literature upon Company property other than as herein provided or as permitted by law.

APPENDIX "A" SUBSTANCE ABUSE POLICY

WHEREAS, The Company and the Union jointly recognize the need for a Drug Free Workplace and a zero tolerance substance abuse policy. To achieve this goal through negotiations and mutual agreement between the parties, the Company and Union has established Substance Testing under the following conditions: Reasonable Suspicion, Random Testing for all employees as well as Post Vehicular and/or industrial accidents. For the purposes of this Appendix "A" a self referral is defined as any movement to self help assistance by an employee prior to any workplace event that is initiated by management. A Management referral is defined as any event in which the Employer has intervened and initiated any action as contained in this Appendix "A". Once the employer has initiated any action under the guideline of this Appendix "A" said action shall be considered the start of a Management referral.

WHEREAS, the Company and the Union acknowledge that substance abuse is a serious and complex, but treatable condition/disease that negatively affects the productive, personal, and family lives of employees and the stability of the Company; and,

WHEREAS, the Company and the Union are committed to addressing the problems of substance abuse in order to ensure the safety of the working environment, employees, and the public, and to providing employees with access to necessary treatment and rehabilitation assistance; and

WHEREAS, the Company and the Union has defined a program of employee assistance and have provided coverage to assure that employees requiring treatment and rehabilitation resulting from their substance abuse can receive such services without undue financial hardship;

NOW THEREFORE, to achieve the mutual goals of the Company, Union and all Johnson Controls Ft. Irwin employees to strike for a drug free work environment, the Company and the Union agrees that the ensuing processes will provide for the utmost employee privacy, dignity and respect at all times. The following represents the methodologies that shall be utilized to achieve this common goal:

1. Appropriate efforts will be undertaken by the Company and the Union to establish employee understanding that the experience of alcohol or drug problems is not, of itself, grounds for adverse action. Employees will be strongly encouraged to self refer prior to management intervention and to seek and receive the services of the employee assistance program prior to such problems affecting job performance and/or resulting in on the job incidents.

When the Company has a reasonable suspicion based on objective criteria that an employee is under the influence of alcohol or drugs, hereinafter referred to as "substances", the Company may require that the employee immediately go to a medical facility to provide both urine or blood specimens for the purpose of testing and receive a fitness for work examination by a licensed physician.

Reasonable suspicion based on objective criteria means suspicion based on specific personal observations that the Company representative can describe concerning the appearance, physical

actions, behavior, speech or breath odor of the employee. Suspicion is not reasonable, and thus not a basis for testing, if it is based solely on third party observations and reports.

2. The requirement for Probable Cause testing shall be implemented where practicable, in accordance with the following procedures:

(A) When the supervisor has established a reasonable suspicion that an employee may be under the influence of substance(s), based upon specific, individualized observations, the supervisor shall contact another supervisor or management employee for the purpose of confirming the suspected reasonable suspicion.

In the presence of the employee, shop steward and/or Union representative if available, the supervisor shall present the observations establishing the reasonable suspicion. The employee shall, upon hearing the supervisor's observations, receive a written description of his/her rights, obligations, and options and shall be presented with the opportunity to refer to the employee assistance program.

(B) While the observation of the Business Representative or the Union Steward, may be solicited and is relevant in the context of the joint Company/Union commitment to addressing the problem of substance abuse, Union Representatives will not be expected to give their assent to the supervisor's decision to require testing or to take other management action.

(C) After an employee is advised of his/her rights under this program, and does not elect to refer to the employee assistance program and refuses to go to a medical facility after being informed of the observations establishing reasonable suspicion and of the requirement for immediate fitness for work examination and provision of blood and urine samples, will be discharged.

If requested by management, the employee shall sign the appropriate consent forms authorizing:

- (1) The medical facility to collect a specimen of blood and urine;
- (2) Authorizing the testing laboratory to release the results of the testing to the appropriate medical review officer, the employee and then report the results to the Company representative; and
- (3) At the employee's discretion, he/she may authorize in writing the same release as defined in 2.(C)(2) above, to the Union.

By signing these consent forms, the employee does not waive any claim or cause of action under the law. An employee's refusal to sign the release shall constitute a refusal to be examined and tested subject, however, to Section 2.(D) below.

(D) An employee who refuses to be examined and tested shall be encouraged to go to the medical facility for this purpose, with the understanding that the blood and urine samples

collected will not be tested unless that employee, within twenty-four (24) hours, authorizes that the samples be tested.

If, at the end of this period, the employee still refuses to have the samples tested, the employee will be discharged, unless the employee agrees, within the same twenty-four (24) hour period to refer into the employee assistance program.

(E) The employee to be tested shall be taken to the medical facility by a Company representative and, accompanied by a Union steward or other bargaining unit employee.

(F) In an effort to protect individual privacy, employees will not be subject to direct observation while rendering urine samples. If the employee provides blood and/or urine samples that contain confirmed evidence of any form of tampering or substitution, the act shall constitute a refusal to be tested and the employee shall be discharged.

(G) Blood and urine samples shall be collected, subject to the provision in section 3 below. Upon receipt of the specimens by the laboratory, one of the two urine specimen will be placed immediately, unopened, in a locked freezer for storage for a period of six (6) months. Employees, may, within twenty-four (24) hours of receipt of the test results, request a second independent test to be conducted at the laboratory site or another N.I.D.A approved laboratory facility of the employee's choosing. Employees requesting independent tests are liable for the costs of the second test unless the employees second test results are negative.

Because some drugs/drug metabolites deteriorate or are lost during freezing and/or storage, the retesting of specimens is not subject to the same testing level criteria as were used in the original analysis. In case of second tests, the urine specimen alone will be used as this fluid better retains the integrity of its chemical contents.

(H) Employees subject to the requirement for testing shall be suspended for the period of time required to process, screen and confirm test results.

(I) Employees whose test results are negative, and who pass the fitness for work examination, shall be reinstated with back pay for the period of suspension, except as provided in Section 4.(A) below.

(J) Employees whose test results are positive shall not be eligible for reinstatement with back pay, but shall be given the final opportunity to immediately refer oneself into the employee assistance program. Failure to seek and receive these services or failure to abide by the terms of the treatment plan shall also be grounds for discharge.

3. The examination and testing procedures and standards to be carried out by the medical facility personnel and testing laboratory shall be adopted by the Company and the Union, shall use the blood alcohol level established by the State law for intoxication, shall rely in the testing for drugs other than alcohol, on the urine specimen to test for the presence of drugs and/or their metabolites, shall consider "presence" only and not degree of intoxication or impairment, and shall include the following general components:

(A) Rigorous review, selection and performance monitoring of medical facilities performing the examination and specimen collection and of the laboratory facilities performing the tests.

(A.1) MEDICAL AND COLLECTION FACILITIES

Medical and collection facilities performing the examination and specimen collection must be under the direction of a licensed physician and at least one certified technician. The medical facility must employ at least one charge nurse who is a registered nurse.

A licensed physician must perform the fitness for work examination. The physician must have knowledge of substance abuse disorder and must possess the appropriate medical training to interpret and evaluate the employee's physical condition, the employee's medical history, including medications use, and any other relevant biomedical information.

The collection facility must possess all necessary personnel, materials, equipment facilities, and supervision to provide for the collections, security, temporary storage, and transportation (shipping) of blood and urine specimens to the drug laboratory. The collection facility must provide written assurances that the specimen collection space is secure; that chain of custody forms will be properly executed by authorized collection personnel upon receipt of specimens; that the handling and transportation of specimens from one authorized individual or place to another will be accomplished through the use of chain of custody procedures; and that no unauthorized personnel will be permitted in any part of the specimen collection or storage spaces. All procedures shall be conducted in accordance and in compliance with current Department of Transportation Testing standards at all times.

(A.2) LABORATORY FACILITIES

(A) Laboratory facilities must comply with applicable provisions of any State licensure requirements and must be approved by the parties to this Agreement. The testing facility must meet the standards for accreditation promulgated by the National Institute on Drug Abuse (N.I.D.A.) and upon the laboratory's ongoing certification as a N.I.D.A. approved facility.

(B) Specific specimen collection procedures as defined in the D.O.T. testing procedures that include safeguards to ensure the employee's rights to privacy.

(C) Flawless chain of custody procedures shall govern specimen collection and handling throughout the testing process. Chain of custody procedures shall assure that blood and urine samples shall not leave the sight of the employee until each vial has been sealed and initialed and, that at least the following measures are taken by the collection facility.

(C.1) COLLECTION FACILITIES

Authorized collection facility personnel, shall seal the specimen tubes with evidence tape in the presence of the employee and the employee shall have initialed the evidence tape. These

collection personnel shall complete a chain of custody form and shall place the sealed and initialed specimen tubes in the drug collection kit or box provided by the laboratory along with the chain of custody form and signed waiver. The collection kit or box shall be sealed by the authorized collection facility personnel and this seal or tape shall be initialed by these personnel and the employee.

The collection facility shall make prior arrangements for courier pickup of the specimens and shall assure that all specimens are couriered or shipped to the testing laboratory as immediately as possible. The collection facility shall assure that no specimens will be shipped on a Friday or the day before a holiday and that any specimen held at the facility overnight shall be placed in a secured refrigerator until courier pickup.

(C.2) TESTING LABORATORY

The testing laboratory shall assure that personnel authorized to receive specimens immediately open the package, inspect the sealing tape for initials, and open the kit or box. These personnel shall examine and inspect the chain of custody form, the specimen tubes, and kit or box to assure that it conforms to the requirements of subsection (c.1) above. If these requirements are not met, the laboratory personnel shall immediately notify the laboratory's scientific director and shall document any and all inadequacies in the chain of custody requirements. The laboratory's scientific director shall immediately notify the collection facility, the Company and the Union of the inadequacies and shall retain the specimens in a locked freezer pending disposition direction.

If the requirements are met, authorized laboratory personnel shall sign on the appropriate line of the chain of custody form and deliver the specimen kit or box to authorized laboratory technicians for testing. Each technician who handles the samples shall sign on the appropriate line of the chain of custody form.

All positive samples shall be resecured with evidence tape, signed, and dated by an authorized technician. Upon completion of testing procedures, testing reports shall be prepared and signed by at least (2) authorized technicians for review, approval and signature of the scientific director.

(D) Established levels below which specimens are deemed negative:

Screening Drug Assay	Cut Off Level
Blood Alcohol*	20 NG/ML
Cocaine Metabolite	300 NG/ML
Phencyclidine	25 NG/ML
Opiates	2000 NG/ML
Amphetamine	1000 NG/ML
Cannabinoids	50 NG/ML
* Subject to Section 3 of this appendix.	

(E) Laboratory shall use appropriate screening and confirmation procedures and technology.

The laboratory shall assure that each specimen will be screened by immunoassay method, (EMIT) for each drug/drug group.

If this assay is positive, a final screening procedure shall be performed by a second, authorized laboratory technician using a more specific GC/MS.

Gas Chromatography/Mass Spectrometry (GC/MS) must be used as the final confirmation method. Both tests must be positive before a specimen is reported as positive.

Blood and urine ethanol testing shall be performed by gas chromatography (GC) and, if positive, a second GC column shall be used.

Final confirmation by Gas Chromatography/Mass Spectrometry (GC/MS) shall be subject to the following levels below which specimens are deemed negative:

Confirmatory Drug Assay	Cut Off Level
Blood Alcohol*	20 NG/ML
Cocaine Metabolite	150 NG/ML
Phencyclidine	25 NG/ML
Opiates	2000 NG/ML
Amphetamine	500 NG/ML
Cannabinoids	15 NG/ML
* Subject to Section 3 of this appendix.	

Screening methods measure a group of drugs and/or their metabolites simultaneously. Confirmatory method, on the other hand, measure single and specific drugs and/or their metabolites. Cut off levels for confirmatory methods, therefore, may be lower than those for initial screening.

(F) Procedures shall exist to assure the confidentiality of test results and the treatment of these records as confidential health information or data.

The laboratory shall ensure that testing reports, including the original chain of custody form, are mailed to those personnel authorized by the collection facility, the Company, and if the employee so chooses, by the Union immediately and shall ensure that, in the event that telephone reports of testing results are required by the medical facility, the Company and the Union, a security code system be used to establish that results are being verbally reported only to those individuals authorized by the medical facility, the Company and by the Union.

4. After examination and specimen testing results, the following shall apply:

(A) If an employee is subject to discipline or termination for any other reason, such employee shall not utilize the substance abuse policy to circumvent the labor agreement or existing practices or to avoid discipline or termination.

(B) In the cases not covered in Section 4 (A) above, the employee will have the opportunity for appropriate assistance, assessment, referral, treatment and aftercare as provided in the employee assistance program and as agreed in the employee assistance programs individual treatment plan with the employee. Failure to seek and receive these services or failure to abide by the terms of the treatment plan shall be grounds for discharge.

(C) An employee who seeks and receives assistance and completes the defined employee assistance program shall upon return to work be subject to periodic and mandatory tests for a period of twelve (12) months.

(D) An employee who, on the basis of such periodic and mandatory tests defined in 4 (C) above, provides samples that contain positive and confirmed evidence of substances at or above the stipulated levels, shall not be given a second opportunity to access the employee assistance program as an alternative to discharge.

(E) Employees who successfully complete the employee assistance program and their individual treatment plan agreements and who return to work will be encouraged to contact and avail themselves of the employee assistance programs services on a self-referral basis whenever they desire ongoing assistance and support.

(F) Employees who relapse and for whom reasonable suspicion of substance use is established a second time, and whose test results are positive, will be subject to the disciplinary procedures up to and including discharge. The Union and the Company may agree, however, to consider such mitigating factors as the employee's length of sobriety, job performance, length of service, etc., in such situations.

5. The employee assistance program shall include the following components:

(A) Full clinical evaluation and appropriate assessment followed by a specific individual treatment plan and regimen for the receipt of counseling, treatment, aftercare and related services subject to the ongoing monitoring of the employee assistance program staff.

(B) Active encouragement and procedures for the voluntary and self-referral of troubled employees to the employee assistance program in cases in which reasonable suspicion has not been established and in which examination and testing procedures are not invoked.

(C) Assurances and procedures to protect the confidentiality of employees who seek employee assistance program services; procedures governing the management of such employee records as medical information.

6. Any disputes arising under this Appendix shall be subject to the grievance procedure established in the labor agreement, up to and including arbitration.

7. The Company and the Union agree that random testing for persons covered under the Department of Transportation (D.O.T.) Regulations will be accomplished in accordance with those regulations.

The Company and the Union further agree that a random drug screening program will be implemented for all other non D.O.T. covered employees. A maximum of twenty-five per cent (25%) of the total employee population will be subject to testing per year. The testing will be accomplished on a periodic basis throughout the year. The selection process will be on a random basis in accordance with D.O.T. standards. Employees with positive test results will be allowed rehabilitation per the current language in Appendix A.

Upon written request from one party to the other, the parties agree to meet to evaluate the program in effect and to make appropriate modifications as necessary. Said possible modifications must be agreed to in writing between the parties.

It is agreed by the parties that blood testing shall be utilized for probable cause testing only. For testing under D.O.T., random testing and post accident testing, urine testing shall be the only methodology utilized within the guidelines of this Appendix "A".

Testing procedures and levels in this Appendix will be in compliance with D.O.T. regulation standards, as modified, at all times.

APPENDIX B

ABSENTEEISM/TARDINESS POLICY

PREAMBLE

Employees through the Collective Bargaining Agreement have a bank of time that they are responsible for maintaining and using as needed. You can use your time in any manner that you wish, but when it is gone, the Appendix "B" events start. Even with this bank, the Employee has a responsibility to the Company to notify of any absences or tardies. Failure to utilize the allotted time will cause disciplinary action to take place.

The contractual time off allowances are yours to do with what you want, just remember that if you are responsible with your time allowances, under normal circumstance you should never have a problem. However, if you do not manage your time, then the responsibility for your actions will be on you and you will have to suffer the consequences.

POLICY PURPOSE:

To establish consistent guidelines for administering and monitoring attendance.

POLICY STATEMENT:

Attendance and punctuality are important to the efficient operation of any business. Good attendance and punctuality are essential components of employee performance and are measured by objective standards. Poor attendance and tardiness disrupt productivity and make it difficult to function effectively. Each employee shall be responsible for his attendance and being to work at the right time each day.

POLICY GUIDELINES:

1. Absence is defined as any time an employee is scheduled to work and is unable to report. Tardiness is any time an employee arrives late.
2. Tardiness is defined as not being present in the immediate work area at the start of the shift.
 - (A) Being in the parking area, "break room", or walking toward the immediate work area is not acceptable.
 - (B) The immediate work area may differ depending on the work assignment.
3. Excused absences are defined as those that occur in account of vacation, holidays, jury duty, bereavement leave, court appearances as a witness, workers' compensation time off, prior approved leaves of absence, Company initiated time off or off on approved Union business

as provided for in the contract and for any time off taken against paid personal leave that is in the employee's account.

4. The employee is solely responsible for notifying the Company (supervisor) of an absence. Such notification may be by any means and must be received by the Company no later than two hours after the start of such employee's shift. An employee who is absent from work for a period of three (3) consecutive work days without proper cause, or an employee who is absent from work for a period of three (3) consecutive work days without reporting the reason thereof shall be considered as having resigned without notice.

5. If you do not have enough time on the books for either PPL or vacation time, a doctor's note or documentation of a compelling reason shall be furnished by any employee who is absent the day before the day of the holiday or the day after a holiday.

6. If an employee has eight (8) hours or more paid personal leave in his account, such paid personal leave may be used for tardiness and/or absence for any reason. This applies to any shift.

7. Vacation time off of less than one (1) week must be requested prior to the end of the preceding shift, pursuant to the last sentence of 16.06.00.

8. Vacation time of less than one (1) week may be utilized in increments of as little as one (1) hour and up, for tardiness and/or absence for any reason. Pursuant to the provisions of #7, all available paid personal leave of eight (8) hours or more must be used before vacation time is allowed for tardiness and/or absence.

9. Vacation time of less than one (1) week may be used by an employee in lieu of paid personal leave if a request to use such vacation time is received by the Company no later than the end of the shift two (2) working days prior to such vacation.

10. If an employee has less than eight (8) hours paid personal leave in his account to cover any tardiness or absenteeism, he shall be subject to the provisions of the progressive disciplinary table of Appendix "E". This applies to both employees working five 8-hour shifts and employees working four 10-hour shifts.

11. Failure of an employee to notify the Company of an absence within two (2) hours of their start time shall constitute one half (1/2) of one (1) event for the first five (5) events. Failure of an employee to notify the Company and being absent from work shall constitute one (1) event, not one and one-half (1-1/2) events.

12. If an employee who has exhausted both paid vacation and paid personal leave and is absent because of illness, the employee shall telephone his supervisor as provided in 18.04.00 and advise the supervisor of the reason and expected period of absence due to illness. The employee then shall produce a written report from the treating physician giving a diagnosis and certifying to the period of disability. If each of these steps is followed, the employee shall be charged with one (1) event only. If the employee fails to comply with each step, or the doctor's

certificate does not verify disability for the entire period of absence, the employee shall suffer an additional event for each day not covered. If the employee follows each of the foregoing steps, he need only phone the supervisor on the first day of absence.

13. If an employee has accrued paid vacation and paid personal leave and is absent on a day which would ordinarily call for more than the regular rate of pay and the employee uses one or more of these days to avoid an event, the employee will be compensated at the regular rate of pay for such day, not the higher rate of pay which the employee would have earned had the employee worked that day.

14. PART TIME:

a. Part time employees without PPL time in their account may elect to use vacation time as if it were PPL time in accordance with the provisions of this Appendix.

b. Part time employees who have PPL time in their account must use that PPL time prior to using vacation time as PPL in accordance with 14a above.

15. It is not possible to absolutely define and provide for every contingency involving attendance, the following table showing the progressive disciplinary steps is intended to serve as a procedure to follow to provide progressive discipline to correct an attendance problem.

PROGRESSIVE DISCIPLINARY TABLE

NUMBER OF	1 MONTH	3 MONTHS	6 MONTHS	12 MONTHS	PROGRESSIVE DISCIPLINARY ACTION TO BE TAKEN:
EVENTS OF TARDINESS AND/OR ABSENTEEISM	2	4	6	7	VERBAL
	3	5	7	8	WRITTEN
	4	6	8	9	SUSPENSION
	5	7	9	10	TERMINATION

Each of the first five (5) tardiness events shall count as one-half (1/2) of one event.

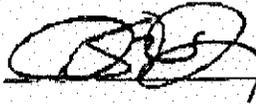
THREE (3) SUSPENSIONS WITHIN A TWELVE (12) MONTH PERIOD SHALL RESULT IN TERMINATION.

RESPONSIBILITY:

Responsibility for promoting good attendance and/or adherence to this policy rests with all managers, supervisors and employees. The Human Resource Department is responsible for assisting with the consistent application of this policy.

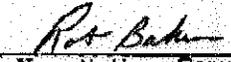
IN WITNESS WHEREOF, we have hereunto set our hands and seals this 10th day of September, 2008.

Company Name
Pacific Treatment Environmental Services

 CEO

Union Name
International Assn. of Machinists &
Aero. Workers, DL 725, LL 25

 Business Representative

 Negotiating Committee