

CONTRACT NAS1-96038

The following information has been determined to be exempt from disclosure and has been deleted from the contract:

- Section B.: Fully Burdened Fixed Hourly Rates, pgs. 2-4 and 11-13.

The deleted material is exempt from disclosure under 14 C.F.R. 1206.300 (b) (4) which covers trade secrets and commercial or financial information obtained from a person and privileged or confidential. It has been held that commercial or financial matter is "confidential" for purposes of this exemption if its disclosure would be likely to have either of the following effects: (1) impair the Government's ability to obtain necessary information in the future; or (2) cause substantial harm to the competitive position of the person from whom the information was obtained, National Parks and Conservation v. Morton, 498 F2d 765 (D.C. Cir. 1974).

Disclosure of the financial information could cause substantial competitive harm to the contractor by providing its competitors insight into the company's pricing. Furthermore, disclosure would discourage other companies from participating in future competitive procurements, thereby impairing the Government's ability to obtain complete and accurate cost data, and in turn, frustrating the mandate to obtain maximum competition in negotiated procurements.

AWARD/CONTRACT	1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350) <input checked="" type="checkbox"/> R .NG	PAGE OF PAGES 1 119
2. CONTRACT NO. (Proc. Inst. Ident.) NO. NAS1-96038	3. EFFECTIVE DATE JUL 1 1996	4. REQUISITION/PURCHASE REQUEST/PROJECT NO.
ISSUED BY: CODE	6. ADMINISTERED BY (If other than item 5) CODE	
National Aeronautics and Space Administration Langley Research Center Hampton, VA 23681-0001		

7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, State and ZIP code) Pemco Aeroplex, Inc. Birmingham Facility P. O. Box 2287 Birmingham, AL 35201-2287	8. DELIVERY <input type="checkbox"/> FOB ORIGIN <input checked="" type="checkbox"/> OTHER (See below)
	9. DISCOUNT FOR PROMPT PAYMENT Net 30 Days
	10. SUBMIT INVOICES (4 copies unless other-wise specified) TO THE <input checked="" type="checkbox"/> ITEM See Section G
CODE 91763 FACILITY CODE EZ8178	ADDRESS SHOWN IN:

11. SHIP TO/MARK FOR CODE See Section F.	12. PAYMENT WILL BE MADE BY: CODE Financial Management Division, M/S 175 NASA, Langley Research Center Hampton, VA 23681-0001
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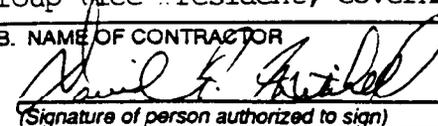
13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION <input type="checkbox"/> 10 U.S.C. 2304(c) () <input type="checkbox"/> 41 U.S.C. 253(c) ()	14. ACCOUNTING AND APPROPRIATION DATA PR: GN.1179; M3146; \$12,500; R20886; \$12,500 Total Obligation \$25,000 (Complete)
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15A. ITEM NO.	15B. SUPPLIES/SERVICES	15C. QTY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT
	Maintenance Service for and Support of the NASA Langley Research Center Aircraft			Not to Exceed	See Section B.2.A.
15G. TOTAL AMOUNT OF CONTRACT					\$

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CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. <input checked="" type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 3 copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)	18. <input type="checkbox"/> AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number _____ including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.
19A. NAME AND TITLE OF SIGNER (Type or print) David F. Mitchell Group Vice President, Government Services	20A. NAME OF CONTRACTING OFFICER PANICE H. CLARK
19B. NAME OF CONTRACTOR  (Signature of person authorized to sign)	20B. UNITED STATES OF AMERICA BY  (Signature of Contracting Officer)
19C. DATE SIGNED 6/11/96	20C. DATE SIGNED 6/26/96

136/Contract File

PART I - THE SCHEDULE

SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTSB.1 SUPPLIES AND/OR SERVICES TO BE FURNISHED (NASA 18-52.210-72)
(DEC 1988)

A. The Contractor shall provide all resources (except as may be expressly stated in this contract as furnished by the Government) necessary to furnish the required supplies and/or services in accordance with the Description/ Specifications/Work Statement in Section C.

B. Services provided under this contract shall be priced at the rates set forth below:

Item No.	<u>Labor Categories</u>	<u>Fully Burdened Fixed Hourly Rates</u>
1	Inspection, Maintenance, Repair	
	a. Contractor's Facility	<u>Base Period</u>
	(1) First and Second Shifts	
	(a) Aircraft Mechanic	\$ /Manhour
	(b) Fabrication	\$ /Manhour
	(c) Engineering	\$ /Manhour
	(d) Quality Assurance Inspector	\$ /Manhour
	(e) Non-Destructive Testing Specialist	\$ /Manhour
	(2) Overtime/Regular	
	(a) Aircraft Mechanic	\$ /Manhour
	(b) Fabrication	\$ /Manhour
	(c) Quality Assurance Inspector	\$ /Manhour
	(d) Non-Destructive Testing Specialist	\$ /Manhour
	(3) Overtime/Sunday, Holidays	
	(a) Aircraft Mechanic	\$ /Manhour
	(b) Fabrication	\$ /Manhour
	(c) Quality Assurance Inspector	\$ /Manhour
	(d) Non-Destructive Testing Specialist	\$ /Manhour
	(4) Overtime/Holidays, Saturday, Sixth Day Rate, Daily Hours Over Eight	
	(a) Aircraft Mechanic	\$ /Manhour

(b) Fabrication	\$	/Manhour
(c) Quality Assurance Inspector	\$	/Manhour
(d) Non-Destructive Testing Specialist	\$	/Manhour
(5) Overtime/Sunday, Seventh Day Rate, Daily Hours Over Twelve		
(a) Aircraft Mechanic	\$	/Manhour
(b) Fabrication	\$	/Manhour
(c) Quality Assurance Inspector	\$	/Manhour
(d) Non-Destructive Testing Specialist	\$	/Manhour
b. All Other Sites		
(1) First and Second Shifts		
(a) Aircraft Mechanic	\$	/Manhour
(b) Fabrication	\$	/Manhour
(c) Quality Assurance Inspector	\$	/Manhour
(d) Non-Destructive Testing Specialist	\$	/Manhour
(2) Overtime/Regular		
(a) Aircraft Mechanic	\$	/Manhour
(b) Fabrication	\$	/Manhour
(c) Quality Assurance Inspector	\$	/Manhour
(d) Non-Destructive Testing Specialist	\$	/Manhour
(3) Overtime/Sunday, Holidays		
(a) Aircraft Mechanic	\$	/Manhour
(b) Fabrication	\$	/Manhour
(c) Quality Assurance Inspector	\$	/Manhour
(d) Non-Destructive Testing Specialist	\$	/Manhour
(4) Overtime/Holidays, Saturday, Sixth Date Rate, Daily Hours Over Eight		
(a) Aircraft Mechanic	\$	/Manhour
(b) Fabrication	\$	/Manhour

(c) Quality Assurance Inspector	\$	/Manhour
(d) Non-Destructive Testing Specialist	\$	/Manhour
(5) Overtime/Sunday, Seventh Day Rate Daily Hours Over Twelve		
(a) Aircraft Mechanic	\$	/Manhour
(b) Fabrication	\$	/Manhour
(c) Quality Assurance Inspector	\$	/Manhour
(d) Non-Destructive Testing Specialist	\$	/Manhour

2 Materials, subcontracts, travel and truck or equipment rental (The Contractor shall exercise due diligence in obtaining all items at prices most advantageous to the Government.)

a. Airfare	Actual +	%
b. Truck or Equipment (rental/per day)	Actual +	%
c. Per Diem*	\$Govt. Rate +	%
d. Car Rental	Actual +	%
e. Parts and materials with transportation costs as allowable under FAR 31.205-45	Actual +	%
f. Subcontracts	Actual +	%

B.2 CEILING PRICE AND RATES

A. The Government estimates that task orders will be authorized for the required parts and services in an amount not to exceed \$25,000 for this contract. This quantity is estimated only and is not purchased hereby. The amount specified herein is the ceiling price referred to in Section I clause entitled, "Payments under Time-and-Materials and Labor-Hour Contracts (APR 1984)."

B. Services provided under this contract shall be priced at the rates set forth in B.1. These are the prescribed rates referred to in the Section I clause entitled, "Payments under Time-and-Materials and Labor-Hour Contracts (APR 1984)."

C. Each task order shall specify a total price limitation which shall not be exceeded without the consent of the Government. Overtime shall not be worked by the Contractor unless approved in advance by the Government.

D. Payment shall be made in accordance with the Section I clause entitled, "Payments under Time-and-Materials and Labor-Hour Contracts (APR 1984)."

*NTE maximum per diem rates set forth in Appendix A, CFR Chapter 301 as amended from time to time. Appendix A may be downloaded from the Internet at www.fss.gsa.gov/perdiem.html.

SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

C.1 STATEMENT OF WORK - MAINTENANCE SERVICE FOR AND SUPPORT OF THE NASA LARC AIRCRAFT

A. INTRODUCTION

The NASA Langley Research Center aircraft are used by the Government to conduct research programs and support the Center as required. The aircraft are operated as Public Use aircraft and are not subject to all the requirements of Civil Aircraft. NASA has established its own airworthiness certification program under Public Law 85-568, "National Aeronautics and Space Act of 1958."

Flight operations and environmental constraints are designed into the inspections/maintenance programs to assure that safety and the airworthiness integrity of the aircraft are maintained. NASA requirements, at a minimum, are equal to the Federal Aviation Administration (FAA) standards. The authority "to make, promulgate, issue, rescind, and amend rules and regulations governing the manner of its operations and the exercise of the power vested in it by law," are used when developing airworthiness programs for the unique research and support aircraft operated by NASA Langley. One example of the difference between NASA and FAA policies and procedures is the option to accept a discrepancy and sign off the write-up "acceptable as is, OK for flight." This procedure can be used by NASA personnel on-site for work being performed on Langley controlled aircraft after obtaining full and proper approval. Standard FAA rules/regulations will be followed for civil operated aircraft.

B. Contractor Services and Support

The Contractor shall when in the Government's best interest provide services and support for the aircraft in the following areas:

1. The Contractor shall provide Aircraft Inspection, Maintenance and Repair at Contractor's Facility with inspection packages provided by the Government. The Contractor shall submit a list of any defects/discrepancies found and any repairs/testing/replacement of parts considered necessary and a price quote for each. After review of this list, the Government will authorize only those action items determined necessary by the Government.
2. The Contractor shall provide maintenance and repair service wherever Langley Research Center operates its aircraft. The Contractor shall furnish all necessary materials, specialized support equipment and manpower, to perform the requested maintenance services and/or repairs. The Contractor will be provided transportation by the Government when it is in the Government's best interest.
3. The Contractor shall provide services such as engine repairs to Rolls Royce RB211 engines, B-737 landing gear overhaul, strip and paint the Beech T-34C, Aircraft Service Bulletin compliance, FAA Airworthiness Directive compliance and additional inspection requirements as directed. The Contractor shall provide specialized tools for use by the Government for limited periods of time (rent/lease).
4. The Contractor shall provide approved replacement parts and materials as required (Ref. C.1 below).

C. Requirements and Constraints Applicable to Aircraft Services and Support

1. **Quality Assurance**—The Contractor shall have a current FAA certificate for performing the work. The Contractor shall utilize a Quality Control System which conforms to the current FAA, Parts 121 or 145. All maintenance performed shall be in accordance with aircraft manufacturer's maintenance/overhaul manuals or procedures and/or NASA approved procedures. All parts or components that are repaired, replaced, or provided shall meet applicable FAA or NASA standards of serviceability.

Department of Defense (DOD) and older aircraft may not have the availability of spare parts as newer aircraft in the commercial/general aviation category. In such situations, NASA will work with the Contractor to substitute parts that may not meet FAA standards. A serviceability tag will be accepted when NASA and the Contractor agree upon the condition of the part. All new parts shall be manufactured in accordance with aircraft manufacturers' (or its subcontractor's/vendor's) engineering design and quality control procedures and FAA or NASA standards of serviceability. The Contractor shall only use oils and lubricants specified by the Government.

2. Documentation--The Contractor shall submit documentation to NASA in the form of a set of completed NASA inspection cards or pages used to conduct each designated inspection. The cards or pages shall be signed by the Contractor's personnel authorized to conduct the inspection. The Contractor shall also furnish a list of all discrepancies found during each designated inspection. The Contractor shall make appropriate maintenance log entries in the applicable maintenance records supplied by NASA. Appropriate entries include Service Bulletins, Airworthiness Directives, Special Inspections, etc. Log entries shall be signed by the authorized Contractor's mechanics and inspectors. The Contractor shall provide any other documentation required by FAA procedures associated with the performance of aircraft maintenance.

3. Government Interface--When work under the contract is required at the Contractor's facility, delivery of the aircraft to or from the Contractor's designated facility will be accomplished by NASA personnel or a NASA designated crew. A Government representative shall be present when aircraft inspection, maintenance, or repair is being performed for the purpose of making decisions appropriate to this particular aircraft. Flight testing, when necessary, shall be accomplished by a NASA provided crew.

SECTION D - PACKAGING AND MARKING

D.1 PACKAGING AND MARKING (ALTERNATE I) (NASA 18-52.210-75) (SEP 1990)

(a) The Contractor shall preserve, pack, and mark for shipment all items deliverable under this contract in accordance with good commercial practices and adequate to ensure both acceptance by common carrier and safe transportation at the most economical rate(s).

(b) The Contractor's markings on shipping containers shall be clearly legible from a distance of 36 inches. The Contractor may mark by stencil, rubber stamp, or lacquer over a coated gummed label.

(c) The Contractor shall place identical requirements on all subcontracts.

SECTION E - INSPECTION AND ACCEPTANCE

E.1 FINAL INSPECTION AND ACCEPTANCE (LARC 52.246-94) (OCT 1992)

Final inspection and acceptance of all items specified for delivery under this contract shall be accomplished by the Contracting Officer or his duly authorized representative as specified in task orders.

E.2 NASA QUALITY MANAGEMENT SYSTEM POLICY (ISO 9000)

The Contractor shall establish and maintain a Quality Management System (QMS) that, as a minimum complies with the requirements of the International Organization for Standardization's "ISO 9000" Standard Series or the American National Standards Institute/American Society for Quality Control's "Q9000 Series" and associated documentation. The QMS shall be capable of providing adequate assurance that the requirements of the technical system specifications (Statement of Work) can be consistently met and compliance demonstrated. The QMS requirements are complementary to the technical requirements of the product. Specific product quality assurance requirements are contained in the Quality Assurance section of the technical system specifications (Statement of Work) in Section C.

**E.3 INSPECTION - TIME-AND-MATERIAL AND LABOR-HOUR (FAR 52.246-6)
(JAN 1986)**

(a) Definitions. "Contractor's managerial personnel," as used in this clause, means any of the Contractor's directors, officers, managers, superintendents, or equivalent representatives who have supervision or direction of--

- (1) All or substantially all of the Contractor's business;
- (2) All or substantially all of the Contractor's operation at any one plant or separate location at which the contract is being performed; or
- (3) A separate and complete major industrial operation connected with the performance of this contract.

"Materials," as used in this clause, includes data when the contract does not include the Warranty of Data clause.

(b) The Contractor shall provide and maintain an inspection system acceptable to the Government covering the material, fabricating methods, work, and services under this contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to the Government during contract performance and for as long afterwards as the contract requires.

(c) The Government has the right to inspect and test all materials furnished and services performed under this contract, to the extent practicable at all places and times, including the period of performance, and in any event before acceptance. The Government may also inspect the plant or plants of the Contractor or any subcontractor engaged in contract performance. The Government shall perform inspections and tests in a manner that will not unduly delay the work.

(d) If the Government performs inspection or test on the premises of the Contractor or a subcontractor, the Contractor shall furnish and shall require subcontractors to furnish all reasonable facilities and assistance for the safe and convenient performance of these duties.

(e) Unless otherwise specified in the contract, the Government shall accept or reject services and materials at the place of delivery as promptly as practicable after delivery, and they shall be presumed accepted 60 days after the date of delivery, unless accepted earlier.

(f) At any time during contract performance, but not later than 6 months (or such other time as may be specified in the contract) after acceptance of the services or materials last delivered under this contract, the Government may require the Contractor to replace or correct services or materials that at time of delivery failed to meet contract requirements. Except as otherwise specified in paragraph (h) below, the cost of replacement or correction shall be determined under the Payments Under Time-and-Materials and Labor-Hour Contracts clause, but the "hourly rate" for labor hours incurred in the replacement or correction shall be reduced to exclude that portion of the rate attributable to profit. The Contractor shall not tender for acceptance materials and services required to be replaced or corrected without disclosing the former requirement for replacement or correction, and, when required, shall disclose the corrective action taken.

(g) (1) If the Contractor fails to proceed with reasonable promptness to perform required replacement or correction, and if the replacement or correction can be performed within the ceiling price (or the ceiling price as increased by the Government), the Government may--

- (i) By contract or otherwise, perform the replacement or correction, charge to the Contractor any increased cost, or deduct such increased cost from any amounts paid or due under this contract; or
- (ii) Terminate this contract for default.

(2) Failure to agree to the amount of increased cost to be charged to the Contractor shall be a dispute.

(h) Notwithstanding paragraphs (f) and (g) above, the Government may at any time require the Contractor to remedy by correction or replacement, without cost to the Government, any failure by the Contractor to comply with the requirements of this contract, if the failure is due to (1) fraud, lack of good faith, or willful misconduct on the part of the Contractor's managerial personnel or (2) the conduct of one or more of the Contractor's employees selected or retained by the Contractor after any of the Contractor's managerial personnel has reasonable grounds to believe that the employee is habitually careless or unqualified.

(i) This clause applies in the same manner and to the same extent to corrected or replacement materials or services as to materials and services originally delivered under this contract.

(j) The Contractor has no obligation or liability under this contract to correct or replace materials and services that at time of delivery do not meet contract requirements, except as provided in this clause or as may be otherwise specified in the contract.

(k) Unless otherwise specified in the contract, the Contractor's obligation to correct or replace Government-furnished property shall be governed by the clause pertaining to Government property.

SECTION F - DELIVERIES OR PERFORMANCE

F.1 PERIOD OF PERFORMANCE - TASK ORDERS

A. The period of performance of this contract shall be 12 months from the effective date of the contract, which is the date of signature by the Contracting Officer of NASA Langley Research Center.

B. Any task orders issued prior to the expiration of the period of performance for issuance of task orders shall be completed subject to the limitations specified in B.2, provided that the Contractor will not be required to perform any work beyond six months after the period of performance for issuing task orders. The contract shall govern the Contractor's and Government's rights and obligations with respect to that task order to the same extent as if the task order were completed during the contract's effective period.

F.2 PLACE(S) OF PERFORMANCE (LARC 52.212-98) (OCT 1992)

The place(s) of performance shall be:

The Contractor's facility located in Dothan, Alabama, NASA LaRC, Hampton, Virginia and such other sites as may be designated by task orders.

F.3 PLACE OF DELIVERY (LARC 52.212-92) (OCT 1992)

Delivery shall be f.o.b. destination or as specified in task orders.

SECTION G - CONTRACT ADMINISTRATION DATA

G.1 INVOICING (LaRC 52.232-95) (JUN 1988)

Proper invoices, as determined under the Section I clause entitled "Prompt Payment," shall be submitted to the designated payment office shown in Block 12 on page 1 of this contract.

G.2 INVOICE PAYMENTS

A. In accordance with the Section I clause, Payments under Time-and-Materials and Labor-Hour Contracts (FAR 52.232-7), monthly payments for completed and accepted task orders will be made by the Government to the Contractor based on receipt of a proper invoice.

B. Proper invoice is defined as containing the following items:

1. Name and address of Contractor;
2. Invoice date;
3. Contract number and task order as appropriate;
4. Description of service, price and hours;
5. Name and address of Contractor official to whom payment is to be sent (or proper notice of assignment);

C. The original and three copies of all invoices shall be sent directly to the Contracting Officer for review, approval and transmission to the payment office.

- Copy (1) NASA Contracting Officer
- Copy (2) Contractor
- Copy (3) NASA COTR

G.3 TASK ORDERS

A. The work to be performed within the areas outlined in Section C, Description/Specifications/Work Statement, will be more specifically defined and controlled by means of written task orders issued solely by the Contracting Officer (except in circumstances described in G.4).

B. A copy of each task order shall be furnished to the Contractor. To acknowledge receipt, the Contractor shall sign the "Acknowledgment" enclosed and return it to the Contracting Officer.

C. As part of the procedures for issuing a task order, the Contractor shall submit a written Contractor plan for completing the task order within five working days after receipt of the order (unless stated otherwise in the task order). The plan shall include the following:

1. Task order number and date
2. Description of work and/or deliverable items
3. Labor hour estimates for each skill mix
4. Travel and material estimates
5. Material/subcontracting costs
6. Other direct costs
7. Total price for completion
8. Completion date/delivery schedule

G.4 EMERGENCY TASK ORDERS

During emergency situations, the Contractor shall accept verbal orders from the COTR. Written task orders for these emergencies shall be provided to the Contractor within three working days after verbal authorization. These written task orders will be signed by the Contracting Officer.

SECTION H - SPECIAL CONTRACT REQUIREMENTS

H.1 STATEMENT OF EQUIVALENT RATES FOR FEDERAL HIRES (FAR 52.222-42) (MAY 1989)

In compliance with the Service Contract Act of 1965, as amended, and the regulations of the Secretary of Labor (29 CFR Part 4), this clause identifies the classes of service employees expected to be employed under the contract and states the wages and fringe benefits payable to each if they were employed by the contracting agency subject to the provisions of 5 U.S.C. 5341 or 5332.

THIS STATEMENT IS FOR INFORMATION ONLY: IT IS NOT A WAGE DETERMINATION

Employee Class	Monetary Wage
Aircraft Mechanic	\$13.16
Fabrication	\$12.00
Engineering	\$12.00

Quality Assurance Inspector \$15.52
 Non-Destructive Testing Specialist \$17.05

FRINGE BENEFITS

- Annual Leave** - Receives 13 days paid leave for service up to 3 years; 20 days for 3 to 15 years service; and 26 days for 15 years service or over.
- Sick Leave** - Receives 13 days paid leave per year.
- Holidays** - Receives 10 paid holidays per year.
- Health Insurance** - Government pays up to 60% of health insurance.
- Group Life Insurance** - Government pays two-thirds of life insurance rate premiums.
- Retirement** - The Government provides three retirement plans identified as the Civil Service Retirement System (CSRS), the Federal Employees Retirement System (FERS), and the CSRS Offset. Under the CSRS, the Government contributes 7% of the employees' base pay towards the retirement benefit and 1.45% towards Medicare. Under the FERS, the Government contributes 11.4% of the employees' base pay towards a basic benefit plan, 6.2% to Social Security, 1.45% towards Medicare, and 1% (plus matching contributions of up to 4% of basic pay, depending on employees' contributions) to a thrift savings plan. Under the CSRS Offset, the Government contributes 0.8% of the employees' base pay towards the retirement benefit, 6.2% to Social Security, and 1.45% towards Medicare.

Part-time Federal employees receive pro rata annual leave, sick leave, holiday leave, health insurance, and group life insurance benefits based on the number of hours worked.

H.2 OPTIONS

Priced Options/Extended Term

The Contractor hereby grants to the Government options to extend the term of the contract for four additional periods of 12 months each. Such options are to be exercisable by issuance of a unilateral modification. Upon exercise of such option(s) by the Government, the rates specified below will apply for each option period.

<u>Item</u>	<u>First Option Period</u>	<u>Second Option Period</u>	<u>Third Option Period</u>	<u>Fourth Option Period</u>
Period of Performance (Ref. F.1)	12 months	12 months	12 months	12 months

FULLY BURDENED FIXED HOURLY RATES

No. Labor Categories

1 Inspection, Maintenance, Repair

a. Contractor's Facility

(1) First and Second Shift

- (a) Aircraft Mechanic
- (b) Fabrication
- (c) Engineering
- (d) Quality Assurance Inspector
- (e) Non-Destructive Testing Specialist

(2) Overtime/Regular

- (a) Aircraft Mechanic
- (b) Fabrication
- (c) Quality Assurance Inspector
- (d) Non-Destructive Testing Specialist

(3) Overtime/Sunday, Holidays

- (a) Aircraft Mechanic
- (b) Fabrication
- (c) Quality Assurance Inspector
- (d) Non-Destructive Testing Specialist

(4) Overtime/Holiday, Saturday Sixth Day Rate Hours Over Eight

- (a) Aircraft Mechanic
- (b) Fabrication
- (c) Quality Assurance Inspector
- (d) Non-Destructive Testing Specialist

(5) Overtime/Sunday Seventh Day Rate Hours Over Twelve

- (a) Aircraft Mechanic
- (b) Fabrication
- (c) Quality Assurance Inspector
- (d) Non-Destructive Testing Specialist

b. All Other Sites**(1) First and Second Shift**

- (a) Aircraft Mechanic
- (b) Fabrication
- (c) Quality Assurance Inspector
- (d) Non-Destructive Testing Specialist

(2) Overtime/Regular

- (a) Aircraft Mechanic
- (b) Fabrication
- (c) Quality Assurance Inspector
- (d) Non-Destructive Testing Specialist

(3) Overtime/Sunday, Holidays

- (a) Aircraft Mechanic
- (b) Fabrication
- (c) Quality Assurance Inspector
- (d) Non-Destructive Testing Specialist

(4) Overtime/Holiday, Saturday Sixth Day Rate Hours Over Eight

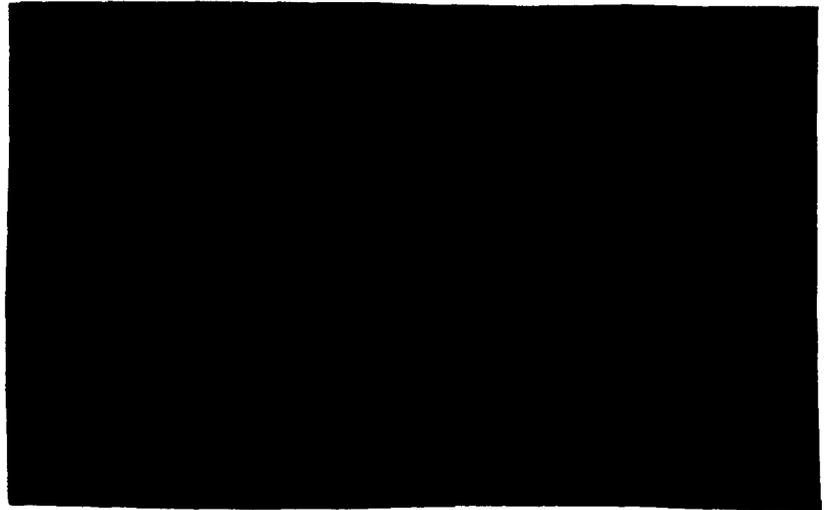
- (a) Aircraft Mechanic
- (b) Fabrication
- (c) Quality Assurance Inspector
- (d) Non-Destructive Testing Specialist

(5) Overtime/Sunday Seventh Day Rate Hours Over Twelve

- (a) Aircraft Mechanic
- (b) Fabrication
- (c) Quality Assurance Inspector
- (d) Non-Destructive Testing Specialist

- 2 Materials, subcontracts, travel and truck or equipment rental (The Contractor shall exercise due diligence in obtaining all items at prices most advantageous to the Government.)**

- (a) Airfare
- (b) Truck or Equipment
(rental/per day)
- (c) Per Diem*
- (d) Car Rental
- (e) Parts and materials with
transportation costs as .
allowable under FAR 31.205-45
- (f) Subcontracts



H.3 OBSERVATION OF REGULATIONS AND IDENTIFICATION OF CONTRACTOR'S EMPLOYEES (LaRC 52.212-104) (MAR 1992)

A. Observation of Regulations--In performance of that part of the contract work which may be performed at Langley Research Center or other Government installation, the Contractor shall require its employees to observe the rules and regulations as prescribed by the authorities at Langley Research Center or other installation.

B. Identification Badges--At all times while on LaRC property, the Contractor shall require its employees, subcontractors and agents to wear badges which will be issued by the NASA Contract Badge and Pass Office, located at 1 Langley Boulevard (Building No. 1228). Badges shall be issued only between the hours of 6:30 a.m. and 4:30 p.m., Monday through Friday. Contractors will be held accountable for these badges, and may be required to validate outstanding badges on an annual basis with the NASA LaRC Security Office. Immediately after employee termination or contract completion, badges shall be returned to the NASA Contract Badge and Pass Office.

H.4 GOVERNMENT-FURNISHED DATA

For the performance of this contract, the Government will furnish the manufacturer's specifications manuals, catalogs, bulletins, etc. for maintenance and overhaul of the Boeing 737 and 757. These items will be provided to the Contractor within 60 days after contract award.

BOEING 737

1. 737-100/200 IPC Illustrated Parts Catalog Master Cart 1 thru 22. D6-15337
2. 737-100/200 IPC Illustrated Parts Catalog NVA Cart 1 thru 2. D6-15337
3. NAS 737 MM (maint. manual) BKI-II Intro-80 Cart 1 thru-3. D612049 549
4. JT8D-1-1A-1B-7-7A-7B-9-9A-11-15, 15A, 17, 17A, 17R-17AR Illustrated Parts Catalog Cart 1. 481675
5. JT8D-1-1A-1B-7-7A-7B-9-9A-11,15,15A,17,17A,17R-17AR (maint. manual) Cart 1. 481671

*NTE maximum per diem rates set forth in Appendix A, CFR Chapter 301 as amended from time to time. Appendix A may be downloaded from the Internet at www.fss.gsa.gov/perdiem.html.

6. JT8D-1-1A-1B-7-7A-7B-9-9A-11, 15, 15A, 17, 17A, 17R-17AR (engine manual) Cart 1 thru 4. 481672
7. Service Bulletins P&W JT8D/JT8D-200 Series Engine models Cart 1 thru 4.
8. Boeing Corporate Standards Drafting Standards BCA Vol. 1 thru 4 Cart 1. D4900
9. Wiring Practices Manual Ch. 20 Cart1. D6-54446
10. 707/727/737/747 CPM (Corrosion Proj. Man.) Cart 1. D6-41910
11. 737 Service Bulletins yr. 1967-1973 cart 1 thru 3. D6-19567
12. 737 Service Bulletins yr. 1974-1975 cart 1. D6-19567
13. 737 Service Bulletins yr. 1976-1979 cart 1 thru 2. D6-19567
14. 737 Service Bulletins yr. 1980 cart 1. D6-19567
15. 737 Service Bulletins yr. 1981 cart 1. D6-19567
16. 737 Service Bulletins yr. 1982 cart 1. D6-19567
17. 737 Service Bulletins yr. 1983 cart 1. D6-19567
18. 737 Service Bulletins yr. 1984 cart 1. D6-19567
19. 737 Service Bulletins yr. 1985 cart 1. D6-19567
20. 737 Service Bulletins yr. 1986 cart 1. D6-19567
21. 737 Service Bulletins yr. 1987 cart 1. D6-19567
22. 737 Service Bulletins yr. 1988 cart 1. D6-19567
23. 737 Service Bulletins yr. 1989 cart 1. D6-19567
24. 737 Service Bulletins yr. 1990 cart 1. D6-19567
25. 737 Service Bulletins yr. 1991 cart 1. D6-19567
26. 737 Service Bulletins yr. 1992 cart 1. D6-19567
27. 737 Service Bulletins yr. 1993 cart 1. D6-19567
28. 737 Service Bulletins yr. 1994 cart 1. D6-19567
29. Manufacturer PAI Cross Ref. list X-Ref. cart 1. D6-19567
30. 737 Service Letters yr. 1976 thru 1991/1992 thru 1994 cart 1 thru 2. D619567
31. NAS 737 WDM Equipment list cart 1. D6-19800
32. NAS 737 WDM Wire list cart 1. D6-19800
33. 737 ITTEL cart 1. D6-17371

34. 737 NDT cart 1. D6-37239
35. 737 100/200 SRM cart. D6-15565
36. 737 OHM (over haul manual) cart 1 thru 8. D6-17370
37. ANS 737-300 PPBU cart 1. D6-37506-25
38. Boeing Corporate Standards Process Standards BK 40 cart 1 thru 3. D18888-1
39. Boeing Corporate Standards parts standards cart 1 thru 4. D590
40. Boeing Corporate Standards repairs standards cart 1. D590
41. Boeing Corporate Standards obsolete standards cart 1. D590
42. Boeing Corporate Standards material standards cart 1 thru 2. D18888-3
43. Boeing Corporate Standards specification support standards cart 1. D18888-4
44. STD. Overhaul practices cart 1. D6-51702
45. 737 300/400/500 IPC Illustrated parts catalog cart 1 thru 17. D638550

BOEING 757

1. RB211-535 Engines maint. manual cart 1 thru 3. M-211(535)-B
2. RB211-535 E4-37 Illustrated parts catalog cart 1 thru 2. S-211 (E410) 6US
3. RB211 Propulsion Sys. service bulletins cart 1 thru 6. SER-211-535
4. RR S/B Roll 1 cart 1.
5. RR S/B Roll 2 cart 1.
6. 757 EAL BITE cart 1 (2 ea). D6-33N803
7. 757 EAL RAMP cart 1. D6-33N203
8. 757 Service Bulletins yr. 1982-1984 cart 1. D6-24N001
9. 757 Service Bulletins yr. 1985-1986 cart 1. D6-24N001
10. 757 Service Bulletins yr. 1987 cart 1. D6-24N001
11. 757 Service Bulletins yr. 1988 cart 1. D6-24N001
12. 757 Service Bulletins yr. 1989-1990 cart 1. D6-24N001
13. 757 Service Bulletins yr. 1991-1992 cart 1. D6-24N001
14. 757 Service Bulletins yr. 1993-1994 cart 1. D6-24N001
15. RB-211-535 Service Bulletin cart 1 thru 6. Ser-211-535

16. Component Sil & S/B Action forms EAL cart 1 thru 4.
17. 757 Item cart 1. D6-34N501
18. 757 EAL Task cart 1. D6-33N903
19. 757 EAL FIM cart 1. D6-334N603
20. 757 Service Letters yr. 1982 thru 1994 cart 1.
21. 757 EAL M.M cart 1 thru 5. D6-33N103
22. 757/767 CPM cart 1. D6-34T401
23. 757 NDT cart 1. D6-34N301
24. 757 SRM cart 1. D6-34N201
25. 757 IPC (Illustrated parts catalog) cart 1 thru 4. D6-49286
26. 757 CMM cart 1 thru 10. D6-34N101
27. EAL Furnishings Manual cart 1 thru 4.
28. 757 Sil's & S/B Action forms EAL cart 1.
29. MTCE & ENG General Manual EAL cart 1.
30. Aircraft Landing Gear Manual EAL 757 & A300 cart 1 of 6.
31. Eastern Parts Catalog EAL cart 1 thru 2.
32. 757 Engineering Orders EAL cart 1 thru 6.
33. Maint. forms/selected Engineering Order EAL cart 1 thru 2.
34. 757 Alternate means of compliance EAL cart 1.
35. Aircraft Interior Manual EAL cart 1.
36. EAL Common Engineering Orders cart 1 thru 7.

H.5 INCORPORATION OF SECTION K OF THE PROPOSAL BY REFERENCE (LaRC 52.215-107) (MAR 1989)

Pursuant to FAR 15.406-1(b), the completed Section K of the proposal is hereby incorporated herein by reference.

H.6 CONTRACTING OFFICER'S AUTHORITY

No oral or written statement of any person other than the Contracting Officer's will in any manner or degree modify or otherwise affect the terms of this contract except under the conditions described in G.4. The Contracting Officer is the only person authorized to approve changes in any of the requirements under this contract and, notwithstanding any provisions contained elsewhere in this contract, the said authority remains solely with the Contracting Officer. In the event the Contractor effects any such change at the direction of any

person other than the Contracting Officer, the change will be considered to have been made without authority and the Government will not be obligated to make an adjustment in the task order price to cover any increase incurred as a result thereof, or any other terms.

H.7 GOVERNMENT FURNISHED EQUIPMENT

For the performance of this contract, the Government may furnish special tooling to the Contractor on an as-needed basis. This tooling will be specified in the task order.

H.8 COLLECTIVE BARGAINING AGREEMENT, WAGE DETERMINATIONS AND FRINGE BENEFITS

The Collective Bargaining Agreement, Exhibit B, lists the collective bargaining agreement and fringe benefits for designated labor classifications which shall be the minimum paid under this contract for the areas listed in this Collective Bargaining Agreement. See Exhibit B for a copy of this Collective Bargaining Agreement. In all other geographical areas, the Collective Bargaining Agreement or Wage Determinations for that area shall determine the minimum paid under this contract. These determinations constitute the "attachment," as referred to in Paragraph (a), Compensation, of Section I clause entitled, "Service Contract Act of 1965.

H.9 CONSENT TO SUBCONTRACT

Notwithstanding the provisions of FAR Clause 52.244-3, Subcontracts (Time-and Materials and Labor-Hour Contracts) (APR 1985), the Contractor shall obtain the Contracting Officer's consent before award of a contract exceeding \$50,000 or as required by task order.

PART II - CONTRACT CLAUSES

SECTION I - CONTRACT CLAUSES

I.1 LISTING OF CLAUSES INCORPORATED BY REFERENCE:

NOTICE: The following solicitation provisions and/or contract clauses pertinent to this section are hereby incorporated by reference.

FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES

<u>CLAUSE NUMBER</u>	<u>TITLE AND DATE</u>
52.202-1	Definitions (OCT 1995)
52.203-3	Gratuities (APR 1984)
52.203-5	Covenant Against Contingent Fees (APR 1984)
52.203-6	Restrictions on Subcontractor Sales to the Government (JUL 1995)
52.203-7	Anti-Kickback Procedures (JUL 1995)
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity (SEP 1990)
52.204-4	Printing/Copying Double-Sided on Recycled Paper (MAY 1995)
52.208-1	Required Sources for Jewel Bearings and Related Items (APR 1984)
52.209-6	Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (JUL 1995)
52.211-5	New Material (MAY 1995)
52.211-7	Other Than New Material, Residual Inventory and Former Government Surplus Property (MAY 1995)
52.211-15	Defense Priority and Allocation Requirements (SEP 1990)

52.215-2 Audit and Records - Negotiation (OCT 1995)
 52.215-23 Price Reduction for Defective Cost or Pricing Data -
 Modifications (OCT 1995)
 52.215-25 Subcontractor Cost or Pricing Data - Modifications (OCT 1995)
 52.215-26 Integrity of Unit Prices (OCT 1995)
 52.215-33 Order of Precedence (JAN 1986)
 52.219-8 Utilization of Small, Small Disadvantaged and Women-Owned
 Small Business Concerns (OCT 1995)
 52.219-9 Small, Small Disadvantaged and Women-Owned Small Business
 Subcontracting Plan (OCT 1995)
 52.219-16 Liquidated Damages - Small Business Subcontracting Plan
 (AUG 1989)
 52.222-1 Notice to the Government of Labor Disputes (APR 1984)
 52.222-3 Convict Labor (APR 1984)
 52.222-4 Contract Work Hours and Safety Standards Act - Overtime
 Compensation (JUL 1995)
 52.222-26 Equal Opportunity (APR 1984)
 52.222-28 Equal Opportunity Preaward Clearance of Subcontracts
 (APR 1984)
 52.222-35 Affirmative Action for Special Disabled and Vietnam Era
 Veterans (APR 1984)
 52.222-36 Affirmative Action for Handicapped Workers (APR 1984)
 52.222-37 Employment Reports on Special Disabled Veterans and
 Veterans of the Vietnam Era (JAN 1988)
 52.222-43 Fair Labor Standards Act and Service Contract Act - Price
 Adjustment (Multiple Year and Option Contracts) (MAY 1989)
 52.223-2 Clean Air and Water (APR 1984)
 52.223-3 Hazardous Material Identification and Material Safety
 Data (NOV 1991) Alternate I (NOV 1991)
 52.223-6 Drug-Free Workplace (JUL 1990)
 52.223-14 Toxic Chemical Release Reporting (OCT 1995)
 52.225-11 Restrictions on Certain Foreign Purchases (MAY 1992)
 52.227-1 Authorization and Consent (JUL 1995)
 52.227-2 Notice and Assistance Regarding Patent and Copyright
 Infringement (APR 1984)
 52.227-14 Rights in Data - General (JUN 1987)
 52.228-7 Insurance - Liability to Third Persons (APR 1984)
 52.229-3 Federal, State and Local Taxes (JAN 1991)
 52.229-5 Taxes - Contracts Performed in U.S. Possessions or Puerto Rico
 (APR 1984)
 52.232-8 Discounts for Prompt Payment (APR 1989)
 52.232-9 Limitation on Withholding of Payments (APR 1984)
 52.232-11 Extras (APR 1984)
 52.232-17 Interest (JAN 1991)
 52.232-23 Assignment of Claims (JAN 1986)
 52.232-28 Electronic Funds Transfer Payment Methods (APR 1989)--as
 modified by NASA FAR Supplement 18-32.908
 52.233-1 Disputes (OCT 1995) Alternate I (DEC 1991)
 52.233-3 Protest After Award (OCT 1995) Alternate I (JUN 1985)
 52.242-13 Bankruptcy (JUL 1995)
 52.242-15 Stop-Work Order (AUG 1989)
 52.243-3 Changes--Time-and-Materials or Labor-Hours (AUG 1987)
 52.244-3 Subcontracts (Time-and-Materials and Labor-Hour Contracts)
 (APR 1985)
 52.244-5 Competition in Subcontracting (APR 1984)

52.244-6	Subcontracts for Commercial Items and Commercial Components (OCT 1995)
52.245-4	Government-Furnished Property (Short Form) (APR 1984)
52.246-16	Responsibility for Supplies (APR 1984)
52.246-25	Limitation of Liability - Services (APR 1984)
52.247-34	F.O.B. Destination (FAR 52.247-34) (NOV 1991)
52.249-4	Termination for Convenience of the Government Services (Short Form) (APR 1984)
52.249-14	Excusable Delays (APR 1984)
52.253-1	Computer Generated Forms (JAN 1991)

NASA FAR SUPPLEMENT (48 CFR CHAPTER 18) CLAUSES

<u>CLAUSE NUMBER</u>	<u>TITLE AND DATE</u>
18-52.204-70	Report on NASA Subcontracts (DEC 1994)
18-52.212-70	Notice of Delay (DEC 1988)
18-52.219-74	Use of Rural Area Small Businesses (SEP 1990)
18-52.219-75	Small Business and Small Disadvantaged Business Subcontracting Reporting (SEP 1992)
18-52.219-76	NASA Small Disadvantaged Business Goal (JUL 1991)
18-52.223-70	Safety and Health (SEP 1993)
18-52.223-72	Potentially Hazardous Items (DEC 1988)
18-52.223-73	Safety and Health Plan (DEC 1988)
18-52.228-75	Minimum Insurance Coverage (OCT 1988)
18-52.245-70	Acquisition of Centrally Reportable Equipment (MAR 1989)
18-52.245-72	Liability for Government Property Furnished for Repair or Other Services (MAR 1989)
18-52.245-73	Financial Reporting of Government-Owned/Contractor-Held Property (JUL 1994)
18-52.252-70	Compliance with NASA FAR Supplement (MAR 1989)

I.2 CLAUSES IN FULL TEXT

The clauses listed below follow in full text:

52.252-2	Clauses Incorporated by Reference (JUN 1988)
52.203-9	Requirement for Certificate of Procurement Integrity - Modification (SEP 1995)
52.203-12	Limitation on Payments to Influence Certain Federal Transactions (JAN 1990)
52.208-8	Helium Requirement Forecast and Required Sources for Helium (FEB 1995)
52.222-41	Service Contract Act of 1965, as Amended (MAY 1989)
52.225-3	Buy American Act - Supplies (JAN 1994)
52.232-7	Payments under Time-and-Materials and Labor-Hour Contracts (APR 1984)
52.232-25	Prompt Payment (MAR 1994)
52.252-6	Authorized Deviations in Clauses (APR 1984)

I.3 CLAUSES INCORPORATED BY REFERENCE (FAR 52.252-2) (JUN 1988)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

**I.4 REQUIREMENT FOR CERTIFICATE OF PROCUREMENT INTEGRITY--MODIFICATION
(FAR 52.203-9) (SEP 1995)**

- (a) Definitions. The definitions set forth in FAR 3.104-4 are hereby incorporated in this clause.
- (b) The Contractor agrees that it will execute the certification set forth in paragraph (c) of this clause when requested by the contracting officer in connection with the execution of any modification of this contract.
- (c) Certification. As required in paragraph (b) of this clause, the officer or employee responsible for the modification proposal shall execute the following certification. The certification in paragraph (c)(2) of this clause is not required for a modification which procures commercial items.

CERTIFICATE OF PROCUREMENT INTEGRITY--MODIFICATION (SEP 1995)

(1) I, _____,
[Name of certifier]

am the officer or employee responsible for the preparation of this modification proposal and hereby certify that, to the best of my knowledge and belief, with the exception of any information described in this certification, I have no information concerning a violation or possible violation of subsections 27(a), (b), (d), or (f) of the Office of Federal Procurement Policy Act, as amended* (41 U.S.C. 423), (hereinafter referred to as "the Act"), as implemented in the FAR, occurring during the conduct of this procurement

_____ (contract and modification number).

(2) As required by subsection 27(e)(1)(B) of the Act, I further certify that, to the best of my knowledge and belief, each officer, employee, agent, representative, and consultant of _____
[Name of Offeror]

who has participated personally and substantially in the preparation or submission of this proposal has certified that he or she is familiar with, and will comply with, the requirements of subsection 27(a) of the Act, as implemented in the FAR, and will report immediately to me any information concerning a violation or possible violation of subsections 27(a), (b), (d), or (f) of the Act, as implemented in the FAR, pertaining to this procurement.

(3) Violations or possible violations: (Continue on plain bond paper if necessary and label Certificate of Procurement Integrity--Modification (Continuation Sheet), ENTER NONE IF NONE EXIST) _____

[Signature of the officer or employee responsible for the modification proposal and date]

[Typed name of the officer or employee responsible for the modification proposal]

*Subsections 27(a), (b), and (d) are effective on December 1, 1990.
Subsection 27(f) is effective on June 1, 1991.

THIS CERTIFICATION CONCERNS A MATTER WITHIN THE JURISDICTION OF AN AGENCY OF THE UNITED STATES AND THE MAKING OF A FALSE, FICTITIOUS, OR FRAUDULENT CERTIFICATION MAY RENDER THE MAKER SUBJECT TO PROSECUTION UNDER TITLE 18, UNITED STATES CODE, SECTION 1001.

(End of certification)

(d) In making the certification in paragraph (2) of the certificate, the officer or employee of the competing Contractor responsible for the offer or bid, may rely upon a one-time certification from each individual required to submit a certification to the competing Contractor, supplemented by periodic training. These certifications shall be obtained at the earliest possible date after an individual required to certify begins employment or association with the Contractor. If a Contractor decides to rely on a certification executed prior to suspension of Section 27 (i.e., prior to December 1, 1989), the Contractor shall ensure that an individual who has so certified is notified that Section 27 has been reinstated. These certifications shall be maintained by the Contractor for a period of 6 years from the date a certifying employee's employment with the company ends or, for an agency, representative, or consultant, 6 years from the date such individual ceases to act on behalf of the Contractor.

(e) The certification required by paragraph (c) of this clause is a material representation of fact upon which reliance will be placed in executing this modification.

1.5 LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (FAR 52.203-12) (JAN 1990)

(a) Definitions.

"Agency," as used in this clause, means executive agency as defined in 2.101.

"Covered Federal action," as used in this clause, means any of the following Federal actions:

- (1) The awarding of any Federal contract.
- (2) The making of any Federal grant.
- (3) The making of any Federal loan.
- (4) The entering into of any cooperative agreement.
- (5) The extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

"Indian tribe" and "tribal organization," as used in this clause, have the meaning provided in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450B) and include Alaskan Natives.

"Influencing or attempting to influence," as used in this clause, means making, with the intent to influence, any communication to or appearance before an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any covered Federal action.

"Local government," as used in this clause, means a unit of government in a State and, if chartered, established, or otherwise recognized by a State for the performance of a governmental duty, including a local public authority, a special district, an intrastate district, a council of governments, a sponsor group representative organization, and any other instrumentality of a local government.

"Officer or employee of an agency," as used in this clause, includes the following individuals who are employed by an agency:

- (1) An individual who is appointed to a position in the Government under title 5, United States Code, including a position under a temporary appointment.
- (2) A member of the uniformed services, as defined in subsection 101(3), title 37, United States Code.
- (3) A special Government employee, as defined in section 202, title 18, United States Code.
- (4) An individual who is a member of a Federal advisory committee, as defined by the Federal Advisory Committee Act, title 5, United States Code appendix 2.

"Person," as used in this clause, means an individual, corporation, company, association, authority, firm, partnership, society, State, and local government, regardless of whether such entity is operated for profit, or not for profit. This term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Reasonable compensation," as used in this clause, means, with respect to a regularly employed officer or employee of any person, compensation that is consistent with the normal compensation for such officer or

employee for work that is not furnished to, not funded by, or not furnished in cooperation with the Federal Government.

"Reasonable payment," as used in this clause, means, with respect to professional and other technical services, a payment in an amount that is consistent with the amount normally paid for such services in the private sector.

"Recipient," as used in this clause, includes the Contractor and all subcontractors. This term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Regularly employed," as used in this clause, means, with respect to an officer or employee of a person requesting or receiving a Federal contract, an officer or employee who is employed by such person for at least 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person for receipt of such contract. An officer or employee who is employed by such person for less than 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person shall be considered to be regularly employed as soon as he or she is employed by such person for 130 working days.

"State," as used in this clause, means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States, an agency or instrumentality of a State, and multi-State, regional, or interstate entity having governmental duties and powers.

(b) Prohibitions.

(1) Section 1352 of title 31, United States Code, among other things, prohibits a recipient of a Federal contract, grant, loan, or cooperative agreement from using appropriated funds to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract; the making of any Federal grant; the making of any Federal loan; the entering into of any cooperative agreement; or the modification of any Federal contract, grant, loan, or cooperative agreement.

(2) The Act also requires Contractors to furnish a disclosure if any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a Federal contract, grant, loan, or cooperative agreement.

(3) The prohibitions of the Act do not apply under the following conditions:

(i) Agency and legislative liaison by own employees.

(A) The prohibition on the use of appropriated funds, in subparagraph (b)(1) of this clause, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a covered Federal action if the payment is for agency and legislative liaison activities not directly related to a covered Federal action.

(B) For purposes of subdivision (b)(3)(i)(A) of this clause, providing any information specifically requested by an agency or Congress is permitted at any time.

(C) The following agency and legislative liaison activities are permitted at any time where they are not related to a specific solicitation for any covered Federal action:

(1) Discussing with an agency the qualities and characteristics (including individual demonstrations) of the person's products or services, conditions or terms of sale, and service capabilities.

(2) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(D) The following agency and legislative liaison activities are permitted where they are prior to formal solicitation of any covered Federal action -

(1) Providing any information not specifically requested but necessary for an agency to make an informed decision about initiation of a covered Federal action;

(2) Technical discussions regarding the preparation of an unsolicited proposal prior to its official submission; and

(3) Capability presentations by persons seeking awards from an agency pursuant to the provisions of the Small Business Act, as amended by Pub. L. 95-507, and subsequent amendments.

(E) Only those services expressly authorized by subdivision (b)(3)(i)(A) of this clause are permitted under this clause.

(ii) Professional and technical services.

(A) The prohibition on the use of appropriated funds, in subparagraph (b)(1) of this clause, does not apply in the case of -

(1) A payment of reasonable compensation made to an officer or employee of a person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action, if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action.

(2) Any reasonable payment to a person, other than an officer or employee of a person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action if the payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action. Persons other than officers or employees of a person requesting or receiving a covered Federal action include consultants and trade associations.

(B) For purposes of subdivision (b)(3)(ii)(A) of this clause, "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline. For example, drafting of a legal document accompanying a bid or proposal by a lawyer is allowable. Similarly, technical advice provided by an engineer on the performance or operational capability of a piece of equipment rendered directly in the negotiation of a contract is allowable. However, communications with the intent to influence made by a professional (such as a licensed lawyer) or a technical person (such as a licensed accountant) are not allowable under this section unless they provide advice and analysis directly applying their professional or technical expertise and unless the advice or analysis is rendered directly and solely in the preparation, submission or negotiation of a covered Federal action. Thus, for example, communications with the intent to influence made by a lawyer that do not provide legal advice or analysis directly and solely related to the legal aspects of his or her client's proposal, but generally advocate one proposal over another are not allowable under this section because the lawyer is not providing professional legal services. Similarly, communications with the intent to influence made by an engineer providing an engineering analysis prior to the preparation or submission of a bid or proposal are not allowable under this section since the engineer is providing technical services but not directly in the preparation, submission or negotiation of a covered Federal action.

(C) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal award include those required by law or regulation and any other requirements in the actual award documents.

(D) Only those services expressly authorized by subdivisions (b)(3)(ii)(A)(1) and (2) of this clause are permitted under this clause.

(E) The reporting requirements of FAR 3.803(a) shall not apply with respect to payments of reasonable compensation made to regularly employed officers or employees of a person.

(iii) Disclosure.

(A) The Contractor who requests or receives from an agency a Federal contract shall file with that agency a disclosure form, OMB standard form LLL, Disclosure of Lobbying Activities, if such person has made or has agreed to make any payment using nonappropriated funds (to include profits from any covered Federal action), which would be prohibited under subparagraph (b)(1) of this clause, if paid for with appropriated funds.

(B) The Contractor shall file a disclosure form at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the information contained in any disclosure form previously filed by such person under subparagraph (c)(1) of this clause. An event that materially affects the accuracy of the information reported includes -

(1) A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action; or

(2) A change in the person(s) or individual(s) influencing or attempting to influence a covered Federal action; or

(3) A change in the officer(s), employee(s), or Member(s) contacted to influence or attempt to influence a covered Federal action.

(C) The Contractor shall require the submittal of a certification, and if required, a disclosure form by any person who requests or receives any subcontract exceeding \$100,000 under the Federal contract.

(D) All subcontractor disclosure forms (but not certifications) shall be forwarded from tier to tier until received by the prime Contractor. The prime Contractor shall submit all disclosures to the Contracting Officer at the end of the calendar quarter in which the disclosure form is submitted by the subcontractor. Each subcontractor certification shall be retained in the subcontract file of the awarding Contractor.

- (iv) Agreement. The Contractor agrees not to make any payment prohibited by this clause.
- (v) Penalties.

(A) Any person who makes an expenditure prohibited under paragraph (a) of this clause or who fails to file or amend the disclosure form to be filed or amended by paragraph (b) of this clause shall be subject to civil penalties as provided for by 31 U.S.C. 1352. An imposition of a civil penalty does not prevent the Government from seeking any other remedy that may be applicable.

(B) Contractors may rely without liability on the representation made by their subcontractors in the certification and disclosure form.

(vi) Cost allowability. Nothing in this clause makes allowable or reasonable any costs which would otherwise be unallowable or unreasonable. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provisions.

1.6 HELIUM REQUIREMENT FORECAST AND REQUIRED SOURCES FOR HELIUM (FAR 52.208-8) (FEB 1995)

(a) Definitions.

"Bureau helium distributor" means a private helium distributor which has established and maintains eligibility to distribute helium purchased from the Bureau of Mines, as specified in 30 CFR 602.

"Bureau of Mines," as used in this clause, means the Department of the Interior, Bureau of Mines, Helium Field Operations, located at 801 South Fillmore Street, Amarillo, TX 79101-3545.

"Helium requirement forecast" means an estimate by the Contractor or subcontractor of the amount of helium required for performance of the contract or subcontract.

"Major helium requirement" means a helium requirement during a calendar month of 5,000 or more standard cubic feet (measured at 14.7 pounds per square inch absolute pressure and 70 degrees Fahrenheit temperature), including liquid helium gaseous equivalent. In any month in which the major requirement threshold is met, all helium purchased during that month is considered part of the major helium requirement.

(b) Requirements - (1) Helium Requirement Forecast. The Contractor shall provide to the Contracting Officer a helium requirement forecast, point of contact, and telephone number within ten days of award.

(2) Sources of Helium. Except for helium acquired by the Contractor before the award of this contract, and to the extent that supplies are readily available, the Contractor shall purchase all major requirements of helium from--

- (i) The Department of the Interior's Bureau of Mines;
- (ii) A Bureau helium distributor (a copy of the "List by Shipping Points of Private Distributors Eligible to Sell Helium to Federal Agencies," may be obtained from the Bureau of Mines); or
- (iii) A General Services Administration Federal Supply Schedule contract, if use is authorized by the Contracting Officer (see Subpart 51.1);

(3) Promptly upon award of any subcontract or order that involves a major helium requirement, the Contractor shall provide to the Bureau of Mines, and to the Contracting Officer, written notification that includes--

- (i) The prime contract number;
- (ii) The name, address and telephone number of the subcontractor, including a point of contact; and
- (iii) A copy of the subcontractor's helium requirement forecast.

(c) Subcontracts - (1) The Contractor shall insert this clause, including this paragraph (c), in any subcontract or order that involves furnishing of a major helium requirement.

(2) When a subcontract involves a major helium requirement, the following statement shall be included: Helium furnished under this contract or order shall be helium that has been purchased from the Bureau of Mines or a listed Bureau helium distributor.

I.7 SERVICE CONTRACT ACT OF 1965, AS AMENDED (FAR 52.222-41) (MAY 1989)

(a) **Definitions.** "Act," as used in this clause, means the Service Contract Act of 1965, as amended (41 U.S.C. 351, et seq.).

"Contractor," as used in this clause or in any subcontract, shall be deemed to refer to the subcontractor, except in the term "Government Prime Contractor."

"Service employee," as used in this clause, means any person engaged in the performance of this contract other than any person employed in a bona fide executive, administrative, or professional capacity, as these terms are defined in Part 541 of Title 29, Code of Federal Regulations, as revised. It includes all such persons regardless of any contractual relationship that may be alleged to exist between a Contractor or subcontractor and such persons.

(b) **Applicability.** This contract is subject to the following provisions and to all other applicable provisions of the Act and regulations of the Secretary of Labor (29 CFR Part 4). This clause does not apply to contracts or subcontracts administratively exempted by the Secretary of Labor or exempted by 41 U.S.C. 356, as interpreted in Subpart C of 29 CFR Part 4.

(c) **Compensation.**

(1) Each service employee employed in the performance of this contract by the Contractor or any subcontractor shall be paid not less than the minimum monetary wages and shall be furnished fringe benefits in accordance with the wages and fringe benefits determined by the Secretary of Labor, or authorized representative, as specified in any wage determination attached to this contract.

(2) (i) If a wage determination is attached to this contract, the Contractor shall classify any class of service employee which is not listed therein and which is to be employed under this contract (i.e., the work to be performed is not performed by any classification listed in the wage determination) so as to provide a reasonable relationship (i.e., appropriate level of skill comparison) between such unlisted classifications and the classifications listed in the wage determination. Such conformed class of employees shall be paid the monetary wages and furnished the fringe benefits as are determined pursuant to the procedures in this paragraph (c).

(ii) This conforming procedure shall be initiated by the Contractor prior to the performance of contract work by the unlisted class of employee. The Contractor shall submit Standard Form (SF) 1444, Request For Authorization of Additional Classification and Rate, to the Contracting Officer no later than 30 days after the unlisted class of employee performs any contract work. The Contracting Officer shall review the proposed classification and rate and promptly submit the completed SF 1444 (which must include information regarding the agreement or disagreement of the employees' authorized representatives or the employees themselves together with the agency recommendation), and all pertinent information to the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor. The Wage and Hour Division will approve, modify, or disapprove the action or render a final determination in the event of disagreement within 30 days of receipt or will notify the Contracting Officer within 30 days of receipt that additional time is necessary.

(iii) The final determination of the conformance action by the Wage and Hour Division shall be transmitted to the Contracting Officer who shall promptly notify the Contractor of the action taken. Each affected employee shall be furnished by the Contractor with a written copy of such determination or it shall be posted as a part of the wage determination.

(iv) (A) The process of establishing wage and fringe benefit rates that bear a reasonable relationship to those listed in a wage determination cannot be reduced to any single formula. The approach used may vary from wage determination to wage determination depending on the circumstances. Standard wage and salary administration practices which rank various job classifications by pay grade pursuant to point schemes or other job factors may, for example, be relied upon. Guidance may also be obtained from the way different jobs are rated under Federal pay systems (Federal Wage Board Pay System and the General Schedule) or from other wage determinations issued in the same locality. Basic to the establishment of any conformable wage rate(s) is the concept that a pay relationship should be maintained between job classifications based on the skill required and the duties performed.

(B) In the case of a contract modification, an exercise of an option, or extension of an existing contract, or in any other case where a Contractor succeeds a contract under which the classification in question was previously conformed pursuant to paragraph (c) of this clause, a new conformed wage rate and fringe benefits may be assigned to the conformed classification by indexing (i.e., adjusting) the previous conformed rate and fringe benefits by an amount equal to the average (mean) percentage increase (or decrease, where appropriate) between the wages and fringe benefits specified for all classifications to be used on the contract which are listed in the current wage determination, and those specified for the corresponding classifications in the previously applicable wage determination. Where conforming actions are accomplished in accordance with this paragraph prior to the performance of contract work by the unlisted class of employees, the Contractor shall advise the Contracting Officer of the action taken but the other procedures in subdivision (c)(ii) of this clause need not be followed.

(C) No employee engaged in performing work on this contract shall in any event be paid less than the currently applicable minimum wage specified under section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended.

(v) The wage rate and fringe benefits finally determined under this subparagraph (c)(2) of this clause shall be paid to all employees performing in the classification from the first day on which contract work is performed by them in the classification. Failure to pay the unlisted employees the compensation agreed upon by the interested parties and/or finally determined by the Wage and Hour Division retroactive to the date such class of employees commenced contract work shall be a violation of the Act and this contract.

(vi) Upon discovery of failure to comply with subparagraph (c)(2) of this clause, the Wage and Hour Division shall make a final determination of conformed classification, wage rate, and/or fringe benefits which shall be retroactive to the date such class or classes of employees commenced contract work.

(3) **Adjustment of Compensation.** If the term of this contract is more than 1 year, the minimum monetary wages and fringe benefits required to be paid or furnished thereunder to service employees under this contract shall be subject to adjustment after 1 year and not less often than once every 2 years, under wage determinations issued by the Wage and Hour Division.

(d) **Obligation to Furnish Fringe Benefits.** The Contractor or subcontractor may discharge the obligation to furnish fringe benefits specified in the attachment or determined under subparagraph (c)(2) of this clause by furnishing equivalent combinations of bona fide fringe benefits, or by making equivalent or differential cash payments, only in accordance with Subpart D of 29 CFR Part 4.

(e) **Minimum Wage.** In the absence of a minimum wage attachment for this contract, neither the Contractor nor any subcontractor under this contract shall pay any person performing work under this contract (regardless of whether the person is a service employee) less than the minimum wage specified by section 6(a)(1) of the Fair Labor Standards Act of 1938. Nothing in this clause shall relieve the Contractor or any subcontractor of any other obligation under law or contract for the payment of a higher wage to any employee.

(f) **Successor Contracts.** If this contract succeeds a contract subject to the Act under which substantially the same services were furnished in the same locality and service employees were paid wages and fringe benefits provided for in a collective bargaining agreement, in the absence of the minimum wage attachment for this contract setting forth such collectively bargained wage rates and fringe benefits, neither the Contractor nor any subcontractor under this contract shall pay any service employee performing any of the contract work (regardless of whether or not such employee was employed under the predecessor contract), less than the wages and fringe benefits provided for in such collective bargaining agreement, to which such employee would have been entitled if employed under the predecessor contract, including accrued wages and fringe benefits and any prospective increases in wages and fringe benefits provided for under such agreement. No Contractor or subcontractor under this contract may be relieved of the foregoing obligation unless the limitations of 29 CFR 4.1b(b) apply or unless the Secretary of Labor or the Secretary's authorized representative finds, after a hearing as provided in 29 CFR 4.10 that the wages and/or fringe benefits provided for in such agreement are substantially at variance with those which prevail for services of a character similar in the locality, or determines, as provided in 29 CFR 4.11, that the collective bargaining agreement applicable to service employees employed under the predecessor contract was not entered into as a result of arm's length negotiations. Where it is found in accordance with the review procedures provided in 29 CFR 4.10 and/or 4.11 and Parts 6 and 8 that some or all of the wages and/or fringe benefits contained in a predecessor Contractor's collective bargaining agreement are substantially at variance with those which prevail for services of a character similar in the locality, and/or that the collective bargaining agreement applicable to service employees employed under the predecessor contract was not entered into as a result of arm's length

negotiations, the Department will issue a new or revised wage determination setting forth the applicable wage rates and fringe benefits. Such determination shall be made part of the contract or subcontract, in accordance with the decision of the Administrator, the Administrative Law Judge, or the Board of Service Contract Appeals, as the case may be, irrespective of whether such issuance occurs prior to or after the award of a contract or subcontract (53 Comp. Gen. 401 (1973)). In the case of a wage determination issued solely as a result of a finding of substantial variance, such determination shall be effective as of the date of the final administrative decision.

(g) **Notification to Employees.** The Contractor and any subcontractor under this contract shall notify each service employee commencing work on this contract of the minimum monetary wage and any fringe benefits required to be paid pursuant to this contract, or shall post the wage determination attached to this contract. The poster provided by the Department of Labor (Publication WH 1313) shall be posted in a prominent and accessible place at the worksite. Failure to comply with this requirement is a violation of Section 2(a)(4) of the Act and of this contract.

(h) **Safe and Sanitary Working Conditions.** The Contractor or subcontractor shall not permit any part of the services called for by this contract to be performed in buildings or surroundings or under working conditions provided by or under the control or supervision of the Contractor or subcontractor which are unsanitary, hazardous, or dangerous to the health or safety of the service employees. The Contractor or subcontractor shall comply with the safety and health standards applied under 29 CFR Part 1925.

(i) **Records.** (1) The Contractor and each subcontractor performing work subject to the Act shall make and maintain for 3 years from the completion of the work, and make them available for inspection and transcription by authorized representatives of the Wage and Hour Division, Employment Standards Administration, a record of the following:

(i) For each employee subject to the Act -

(A) Name and address and social security number;

(B) Correct work classification or classifications, rate or rates of monetary wages paid and fringe benefits provided, rate or rates of payments in lieu of fringe benefits, and total daily and weekly compensation;

(C) Daily and weekly hours worked by each employee; and

(D) Any deductions, rebates, or refunds from the total daily or weekly compensation of each employee.

(ii) For those classes of service employees not included in any wage determination attached to this contract, wage rates or fringe benefits determined by the interested parties or by the Administrator or authorized representative, under the terms of paragraph (c) of this clause. A copy of the report required by subdivision (c)(2)(ii) of this clause will fulfill this requirement.

(iii) Any list of the predecessor Contractor's employees which had been furnished to the Contractor as prescribed by paragraph (n) of this clause.

(2) The Contractor shall also make available a copy of this contract for inspection or transcription by authorized representatives of the Wage and Hour Division.

(3) Failure to make and maintain or to make available these records for inspection and transcription shall be a violation of the regulations and this contract, and in the case of failure to produce these records, the Contracting Officer, upon direction of the Department of Labor and notification to the Contractor, shall take action to cause suspension of any further payment or advance of funds until such violation ceases.

(4) The Contractor shall permit authorized representatives of the Wage and Hour Division to conduct interviews with employees at the worksite during normal working hours.

(j) **Pay Periods.** The Contractor shall unconditionally pay to each employee subject to the Act all wages due free and clear and without subsequent deduction (except as otherwise provided by law or Regulations, 29 CFR Part 4), rebate, or kickback on any account. These payments shall be made no later than one pay period following the end of the regular pay period in which the wages were earned or accrued. A pay period under this Act may not be of any duration longer than semi-monthly.

(k) **Withholding of Payment and Termination of Contract.** The Contracting Officer shall withhold or cause to be withheld from the Government Prime Contractor under this or any other Government contract with the Prime Contractor such sums as an appropriate official of the Department of Labor requests or such sums as the Contracting Officer decides may be necessary to pay underpaid employees employed by the Contractor or subcontractor. In the event of failure to pay any employees subject to the Act all or part of the wages or fringe benefits due under the Act, the Contracting Officer may, after authorization or by direction of the Department of Labor and written notification to the Contractor, take action to cause suspension of any further

payment or advance of funds until such violations have ceased. Additionally, any failure to comply with the requirements of this clause may be grounds for termination of the right to proceed with the contract work. In such event, the Government may enter into other contracts or arrangements for completion of the work, charging the Contractor in default with any additional cost.

(l) **Subcontracts.** The Contractor agrees to insert this clause in all subcontracts subject to the Act.

(m) **Collective Bargaining Agreements Applicable to Service Employees.** If wages to be paid or fringe benefits to be furnished any service employees employed by the Government Prime Contractor or any subcontractor under the contract are provided for in a collective bargaining agreement which is or will be effective during any period in which the contract is being performed, the Government Prime Contractor shall report this fact to the Contracting Officer, together with full information as to the application and accrual of such wages and fringe benefits, including any prospective increases, to service employees engaged in work on the contract, and a copy of the collective bargaining agreement. Such report shall be made upon commencing performance of the contract, in the case of collective bargaining agreements effective at such time, and in the case of such agreements or provisions or amendments thereof effective at a later time during the period of contract performance such agreements shall be reported promptly after negotiation thereof.

(n) **Seniority List.** Not less than 10 days prior to completion of any contract being performed at a Federal facility where service employees may be retained in the performance of the succeeding contract and subject to a wage determination which contains vacation or other benefit provisions based upon length of service with a Contractor (predecessor) or successor (29 CFR Part 4.173), the incumbent Prime Contractor shall furnish the Contracting Officer a certified list of the names of all service employees on the Contractor's or subcontractor's payroll during the last month of contract performance. Such list shall also contain anniversary dates of employment on the contract either with the current or predecessor Contractors of each such service employee. The Contracting Officer shall turn over such list to the successor Contractor at the commencement of the succeeding contract.

(o) **Rulings and Interpretations.** Rulings and interpretations of the Act are contained in Regulations, 29 CFR Part 4.

(p) **Contractor's Certification.**

(1) By entering into this contract, the Contractor (and officials thereof) certifies that neither it (nor he or she) nor any person or firm who has substantial interest in the Contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of the sanctions imposed under section 5 of the Act.

(2) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract under section 5 of the Act.

(3) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

(q) **Variations, Tolerances, and Exemptions Involving Employment.** Notwithstanding any of the provisions in paragraphs (b) through (o) of this clause, the following employees may be employed in accordance with the following variations, tolerances, and exemptions, which the Secretary of Labor, pursuant to section 4(b) of the Act prior to its amendment by Public L. 92-473, found to be necessary and proper in the public interest or to avoid serious impairment of the conduct of Government business.

(1) Apprentices, student-learners, and workers whose earning capacity is impaired by age, physical or mental deficiency, or injury may be employed at wages lower than the minimum wages otherwise required by section 2(a)(1) or 2(b)(1) of the Act without diminishing any fringe benefits or cash payments in lieu thereof required under section 2(a)(2) of the Act, in accordance with the conditions and procedures prescribed for the employment of apprentices, student-learners, handicapped persons, and handicapped clients of sheltered workshops under Section 14 of the Fair Labor Standards Act of 1938, in the regulations issued by the Administrator (29 CFR Parts 520, 521, 524, and 525).

(2) The Administrator will issue certificates under the Act for the employment of apprentices, student-learners, handicapped persons, or handicapped clients of sheltered workshops not subject to the Fair Labor Standards Act of 1938, or subject to different minimum rates of pay under the two acts, authorizing appropriate rates of minimum wages (but without changing requirements concerning fringe benefits or supplementary cash payments in lieu thereof), applying procedures prescribed by the applicable regulations issued under the Fair Labor Standards Act of 1938 (29 CFR Parts 520, 521, 524, and 525).

(3) The Administrator will also withdraw, annul, or cancel such certificates in accordance with the regulations in 29 CFR Parts 525 and 528.

(r) **Apprentices.** Apprentices will be permitted to work at less than the predetermined rate for the work they perform when they are employed and individually registered in a bona fide apprenticeship program registered with a State Apprenticeship Agency which is recognized by the U.S. Department of Labor, or if no such recognized agency exists in a State, under a program registered with the Bureau of Apprenticeship and Training, Employment and Training Administration, U.S. Department of Labor. Any employee who is not registered as an apprentice in an approved program shall be paid the wage rate and fringe benefits contained in the applicable wage determination for the journeyman classification of work actually performed. The wage rates paid apprentices shall not be less than the wage rate for their level of progress set forth in the registered program, expressed as the appropriate percentage of the journeyman's rate contained in the applicable wage determination. The allowable ratio of apprentices to journeymen employed on the contract work in any craft classification shall not be greater than the ratio permitted to the Contractor as to his entire work force under the registered program.

(s) **Tips.** An employee engaged in an occupation in which the employee customarily and regularly receives more than \$30 a month in tips may have the amount of tips credited by the employer against the minimum wage required by section 2(a)(1) or section 2(b)(1) of the Act, in accordance with section 3(m) of the Fair Labor Standards Act and Regulations 29 CFR Part 531. However, that the amount of credit shall not exceed \$1.34 per hour beginning January 1, 1981. To use this provision -

(1) The employer must inform tipped employees about this tip credit allowance before the credit is utilized;

(2) The employees must be allowed to retain all tips (individually or through a pooling arrangement and regardless of whether the employer elects to take a credit for tips received);

(3) The employer must be able to show by records that the employee receives at least the applicable Service Contract Act minimum wage through the combination of direct wages and tip credit; and

(4) The use of such tip credit must have been permitted under any predecessor collective bargaining agreement applicable by virtue of section 4(c) of the Act.

(t) **Disputes Concerning Labor Standards.** The U.S. Department of Labor has set forth in 29 CFR Parts 4, 6, and 8 procedures for resolving disputes concerning labor standards requirements. Such disputes shall be resolved in accordance with those procedures and not the Disputes clause of this contract. Disputes within the meaning of this clause include disputes between the Contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

1.8 BUY AMERICAN ACT - SUPPLIES (FAR 52.225-3) (JAN 1994)

(a) The Buy American Act (41 U.S.C. 10) provides that the Government give preference to domestic end products.

"Components," as used in this clause, means those articles, materials, and supplies incorporated directly into the end products.

"Domestic end product," as used in this clause, means (1) an unmanufactured end product mined or produced in the United States, or (2) an end product manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind as the products referred to in subparagraphs (b)(2) or (3) of this clause shall be treated as domestic. Scrap generated, collected, and prepared for processing in the United States is considered domestic. "End products," as used in this clause, means those articles, materials, and supplies to be acquired for public use under this contract.

(b) The Contractor shall deliver only domestic end products, except those -

(1) For use outside the United States;

(2) That the Government determines are not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities of a satisfactory quality;

(3) For which the agency determines that domestic preference would be inconsistent with the public interest; or

(4) For which the agency determines the cost to be unreasonable (see Section 25.105 of the Federal Acquisition Regulation).

1.9 PAYMENTS UNDER TIME-AND-MATERIALS AND LABOR-HOUR CONTRACTS
(FAR 52.232-7) (APR 1984)

The Government shall pay the Contractor as follows upon the submission of invoices or vouchers approved by the Contracting Officer:

(a) Hourly rate. (1) The amounts shall be computed by multiplying the appropriate hourly rates prescribed in the Schedule by the number of direct labor hours performed. The rates shall include wages, indirect costs, general and administrative expense, and profit. Fractional parts of an hour shall be payable on a prorated basis. Vouchers may be submitted once each month (or at more frequent intervals, if approved by the Contracting Officer), to the Contracting Officer or designee. The Contractor shall substantiate vouchers by evidence of actual payment and by individual daily job timecards, or other substantiation approved by the Contracting Officer. Within 30 days after receipt of each substantiated voucher, the Government shall, except as otherwise provided in this contract, and subject to the terms of (e) below, pay the voucher as approved by the Contracting Officer.

(2) Unless otherwise prescribed in the Schedule, the Contracting Officer shall withhold 5 percent of the amounts due under this Paragraph (a), but the total amount withheld shall not exceed \$50,000. The amounts withheld shall be retained until the execution and delivery of a release by the Contractor as provided in Paragraph (f) below.

(3) Unless the Schedule prescribes otherwise, the hourly rates in the Schedule shall not be varied by virtue of the Contractor having performed work on an overtime basis. If no overtime rates are provided in the Schedule and overtime work is approved in advance by the Contracting Officer, overtime rates shall be negotiated. Failure to agree upon these overtime rates shall be treated as a dispute under the Disputes clause of this contract. If the Schedule provides rates for overtime, the premium portion of those rates will be reimbursable only to the extent the overtime is approved by the Contracting Officer.

(b) Materials and subcontracts. (1) Allowable costs of direct materials shall be determined by the Contracting Officer in accordance with Subpart 31.2 of the Federal Acquisition Regulation (FAR) in effect on the date of this contract. Reasonable and allocable material handling costs may be included in the charge for material to the extent they are clearly excluded from the hourly rate. Material handling costs are comprised of indirect costs, including, when appropriate, general and administrative expense allocated to direct materials in accordance with the Contractor's usual accounting practices consistent with Subpart 31.2 of the FAR. The Contractor shall be reimbursed for items and services purchased directly for the contract only when cash, checks, or other forms of actual payment have been made for such purchased items or services. Direct materials, as used in this clause, are those materials which enter directly into the end product, or which are used or consumed directly in connection with the furnishing of the end product.

(2) The cost of subcontracts that are authorized under the subcontracts clause of this contract shall be reimbursable costs under this clause; provided, that the costs are consistent with Subparagraph (3) below. Reimbursable costs in connection with subcontracts shall be limited to the amounts paid to the subcontractor in the same manner as for items and services purchased directly for the contract under Subparagraph (1) above; however, this requirement shall not apply to a Contractor that is a small business concern. Reimbursable costs shall not include any costs arising from the letting, administration or supervision of performance of the subcontract, if the costs are included in the hourly rates payable under (a)(1) above.

(3) To the extent able, the Contractor shall -

(i) Obtain materials at the most advantageous prices available with due regard to securing prompt delivery of satisfactory materials; and

(ii) Take all cash and trade discounts, rebates, allowances, credits, salvage, commissions, and other benefits. When unable to take advantage of the benefits, the Contractor shall promptly notify the Contracting Officer and give the reasons. Credit shall be given to the Government for cash and trade discounts, rebates, allowances, credits, salvage, the value of any appreciable scrap, commissions, and other amounts that have accrued to the benefit of the Contractor, or would have accrued except for the fault or neglect of the Contractor. The benefits lost without fault or neglect on the part of the Contractor, or lost through fault of the Government, shall not be deducted from gross costs.

(c) Total cost. It is estimated that the total cost to the Government for the performance of this contract shall not exceed the ceiling price set forth in the Schedule and the Contractor agrees to use its best efforts to perform the work specified in the Schedule and all obligations under this contract within such ceiling price. If at any time the Contractor has reason to believe that the hourly rate payments and material costs that will accrue in performing this contract in the next succeeding 30 days, if added to all other payments and costs

previously accrued, will exceed 85 percent of the ceiling price in the Schedule, the Contractor shall notify the Contracting Officer giving a revised estimate of the total price to the Government for performing this contract with supporting reasons and documentation. If at any time during performing this contract, the Contractor has reason to believe that the total price to the Government for performing this contract will be substantially greater or less than the then stated ceiling price, the Contractor shall so notify the Contracting Officer, giving a revised estimate of the total price for performing this contract, with supporting reasons and documentation. If at any time during performing this contract, the Government has reason to believe that the work to be required in performing this contract will be substantially greater or less than the stated ceiling price, the Contracting Officer will so advise the Contractor, giving the then revised estimate of the total amount of effort to be required under the contract.

(d) Ceiling price. The Government shall not be obligated to pay the Contractor any amount in excess of the ceiling price in the Schedule, and the Contractor shall not be obligated to continue performance if to do so would exceed the ceiling price set forth in the Schedule, unless and until the Contracting Officer shall have notified the Contractor in writing that the ceiling price has been increased and shall have specified in the notice a revised ceiling that shall constitute the ceiling price for performance under this contract. When and to the extent that the ceiling price set forth in the Schedule has been increased, any hours expended and material costs incurred by the Contractor in excess of the ceiling price before the increase shall be allowable to the same extent as if the hours expended and material costs had been incurred after the increase in the ceiling price.

(e) Audit. At any time before final payment under this contract the Contracting Officer may request audit of the invoices or vouchers and substantiating material. Each payment previously made shall be subject to reduction to the extent of amounts, on preceding invoices or vouchers, that are found by the Contracting Officer not to have been properly payable and shall also be subject to reduction for overpayments or to increase for underpayments. Upon receipt and approval of the voucher or invoice designated by the Contractor as the "completion voucher" or "completion invoice" and substantiating material, and upon compliance by the Contractor with all terms of this contract (including, without limitation, terms relating to patents and the terms of (f) and (g) below, the Government shall within 30 days pay any balance due the Contractor. The completion invoice or voucher, and substantiating material, shall be submitted by the Contractor as promptly as practicable following completion of the work under this contract, but in no event later than 1 year (or such longer period as the Contracting Officer may approve in writing) from the date of completion.

(f) Assignment. The Contractor, and each assignee under an assignment entered into under this contract and in effect at the time of final payment under this contract, shall execute and deliver, at the time of and as a condition precedent to final payment under this contract, a release discharging the Government, its officers, agents, and employees of and from all liabilities, obligations, and claims arising out of or under this contract, subject only to the following exceptions:

(1) Specified claims in stated amounts, or in estimated amounts if the amounts are not susceptible of exact statement by the Contractor.

(2) Claims, together with reasonable incidental expenses, based upon the liabilities of the Contractor to third parties arising out of performing this contract, that are not known to the Contractor on the date of the execution of the release, and of which the Contractor gives notice in writing to the Contracting Officer not more than 6 years after the date of the release or the date of any notice to the Contractor that the Government is prepared to make final payment, whichever is earlier.

(3) Claims for reimbursement of costs (other than expenses of the Contractor by reason of its indemnification of the Government against patent liability), including reasonable incidental expenses, incurred by the Contractor under the terms of this contract relating to patents.

(g) Refunds. The Contractor agrees that any refunds, rebates, or credits (including any related interest) accruing to or received by the Contractor or any assignee, that arise under the materials portion of this contract and for which the Contractor has received reimbursement, shall be paid by the Contractor to the Government. The Contractor and each assignee, under an assignment entered into under this contract and in effect at the time of final payment under this contract, shall execute and deliver, at the time of and as a condition precedent to final payment under this contract, an assignment to the Government of such refunds, rebates, or credits (including any interest) in form and substance satisfactory to the Contracting Officer.

I.10 PROMPT PAYMENT (FAR 52.232-25) (MAR 1994)

Notwithstanding any other payment clause in this contract, the Government will make invoice payments and contract financing payments under the terms and conditions specified in this clause. Payment shall be considered as being made on the day a check is dated or an electronic funds transfer is made. Definitions of pertinent terms are set forth in 32.902. All days referred to in this clause are calendar days, unless otherwise specified.

(a) Invoice Payments.

(1) For purposes of this clause, "invoice payment" means a Government disbursement of monies to a Contractor under a contract or other authorization for supplies or services accepted by the Government. This includes payments for partial deliveries that have been accepted by the Government and final cost or fee payments where amounts owed have been settled between the Government and the Contractor.

(2) Except as indicated in subparagraph (a)(3) and paragraph (c) of this clause, the due date for making invoice payments by the designated payment office shall be the later of the following two events:

(i) The 30th day after the designated billing office has received a proper invoice from the Contractor.

(ii) The 30th day after Government acceptance of supplies delivered or services performed by the Contractor. On a final invoice where the payment amount is subject to contract settlement actions, acceptance shall be deemed to have occurred on the effective date of the contract settlement. However, if the designated billing office fails to annotate the invoice with the actual date of receipt, the invoice payment due date shall be deemed to be the 30th day after the date the Contractor's invoice is dated, provided a proper invoice is received and there is no disagreement over quantity, quality, or Contractor compliance with contract requirements.

(3) The due date on contracts for meat, meat food products, or fish; contracts for perishable agricultural commodities, contracts for dairy products, edible fats or oils, and food products prepared from edible fats or oils, and contracts not requiring submission of an invoice shall be as follows:

(i) The due date for meat and meat food products, as defined in Section 2(a)(3) of the Packers and Stockyard Act of 1921 (7 U.S.C. 182(3)) and further defined in Pub. L. 98-181 to include any edible fresh or frozen poultry meat, any perishable poultry meat food product, fresh eggs, and any perishable egg product, will be as close as possible to, but not later than, the 7th day after product delivery.

(ii) The due date for fresh or frozen fish, as defined in Section 204(3) of the Fish and Seafood Promotion Act of 1986 (16 U.S.C. 4003(3)), will be as close as possible to, but not later than, the seventh day after product delivery.

(iii) The due date for perishable agricultural commodities, as defined in section 1(4) of the Perishable Agricultural Commodities Act of 1930 (7 U.S.C. 499a(44)), will be as close as possible to, but not later than, the 10th day after product delivery, unless another date is specified in the contract.

(iv) The due date for dairy products, as defined in section 111(e) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4502(e)), edible fats or oils, and food products prepared from edible fats or oils, will be as close as possible to, but not later than, the 10th day after the date on which a proper invoice has been received.

(v) If the contract does not require submission of an invoice for payment (e.g., periodic lease payments), the due date will be as specified in the contract.

(4) An invoice is the Contractor's bill or written request for payment under the contract for supplies delivered or services performed. An invoice shall be prepared and submitted to the designated billing office specified in the contract. A proper invoice must include the items listed in subdivisions (a)(4)(i) through (a)(4)(viii) of this clause.

If the invoice does not comply with these requirements, then the Contractor will be notified of the defect within 7 days after receipt of the invoice at the designated billing office (3 days for meat, meat food products, or fish, and 5 days for perishable agricultural commodities, edible fats or oils, and food products prepared from edible fats or oils).

Untimely notification will be taken into account in the computation of any interest penalty owed the Contractor in the manner described in subparagraph (a)(6) of this clause.

(i) Name and address of the Contractor.

(ii) Invoice date.

(iii) Contract number or other authorization for supplies delivered or services performed (including order number and contract line item number).

(iv) Description, quantity, unit of measure, unit price, and extended price of supplies delivered or services performed.

(v) Shipping and payment terms (e.g., shipment number and date of shipment, prompt payment discount terms). Bill of lading number and weight of shipment will be shown for shipments on Government bills of lading.

(vi) Name and address of Contractor official to whom payment is to be sent (must be the same as that in the contract or in a proper notice of assignment).

(vii) Name (where practicable), title, phone number and mailing address of person to be notified in event of a defective invoice.

(viii) Any other information or documentation required by other requirements of the contract (such as evidence of shipment).

(5) An interest penalty shall be paid automatically by the Government, without request from the Contractor, if payment is not made by the due date and the conditions listed in subdivisions (a)(5)(i) through (a)(5)(iii) of this clause are met, if applicable.

(i) A proper invoice was received by the designated billing office.

(ii) A receiving report or other Government documentation authorizing payment was processed and there was no disagreement over quantity, quality, or Contractor compliance with any contract term or condition.

(iii) In the case of a final invoice for any balance of funds due the Contractor for supplies delivered or services performed, the amount was not subject to further contract settlement actions between the Government and the Contractor.

(6) The interest penalty shall be at the rate established by the Secretary of the Treasury under section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611) that is in effect on the day after the due date, except where the interest penalty is prescribed by other governmental authority. This rate is referred to as the "Renegotiation Board Interest Rate," and it is published in the *Federal Register* semiannually on or about January 1 and July 1. The interest penalty shall accrue daily on the invoice payment amount approved by the Government and be compounded in 30-day increments inclusive from the first day after the due date through the payment date. That is, interest accrued at the end of any 30-day period will be added to the approved invoice payment amount and be subject to interest penalties if not paid in the succeeding 30-day period. If the designated billing office failed to notify the Contractor of a defective invoice within the periods prescribed in paragraph (a)(4) of this clause, then the due date on the corrected invoice will be adjusted by subtracting the number of days taken beyond the prescribed notification of defects period. Any interest penalty owed the Contractor will be based on this adjusted due date. Adjustments will be made by the designated payment office for errors in calculating interest penalties, if requested by the Contractor.

(i) For the sole purpose of computing an interest penalty that might be due the Contractor, Government acceptance shall be deemed to have occurred constructively on the 7th day (unless otherwise specified in this contract) after the Contractor delivered the supplies or performed the services in accordance with the terms and conditions of the contract, unless there is a disagreement over quantity, quality, or contractor compliance with a contract provision. In the event that actual acceptance occurs within the constructive acceptance period, the determination of an interest penalty shall be based on the actual date of acceptance. The constructive acceptance requirement does not, however, compel Government officials to accept supplies or services, perform contract administration functions, or make payment prior to fulfilling their responsibilities.

(ii) The following periods of time will not be included in the determination of an interest penalty:

(A) The period taken to notify the Contractor of defects in invoices submitted to the Government, but this may not exceed 7 days (3 days for meat, meat food products, or fish, and 5 days for perishable agricultural commodities, dairy products, edible fats or oils, and food products prepared from edible fats or oils).

(B) The period between the defects notice and resubmission of the corrected invoice by the Contractor.

(iii) Interest penalties will not continue to accrue after the filing of a claim for such penalties under the clause at 52.233-1, Disputes, or for more than 1 year. Interest penalties of less than \$1.00 need not be paid.

(iv) Interest penalties are not required on payment delays due to disagreement between the Government and Contractor over the payment amount or other issues involving contract compliance or on

amounts temporarily withheld or retained in accordance with the terms of the contract. Claims involving disputes, and any interest that may be payable, will be resolved in accordance with the clause at 52.233-1, Disputes.

(7) An interest penalty shall also be paid automatically by the designated payment office, without request from the Contractor, if a discount for prompt payment is taken improperly. The interest penalty will be calculated as described in subparagraph (a)(6) of this clause on the amount of discount taken for the period beginning with the first day after the end of the discount period through the date when the Contractor is paid.

(8) If this contract was awarded on or after October 1, 1989, a penalty amount, calculated in accordance with regulations issued by the Office of Management and Budget, shall be paid in addition to the interest penalty amount if the Contractor -

- (i) Is owed an interest penalty;
- (ii) Is not paid the interest penalty within 10 days after the date the invoice amount is paid; and
- (iii) Makes a written demand, not later than 40 days after the date the invoice amount is paid, that the agency pay such a penalty.

(b) *Contract Financing Payments.*

(1) For purposes of this clause, "contract financing payment" means a Government disbursement of monies to a Contractor under a contract clause or other authorization prior to acceptance of supplies or services by the Government. Contract financing payments include advance payments, progress payments based on cost under the clause at 52.232-16, Progress Payments, progress payments based on a percentage or stage of completion (32.102(e)(1)) other than those made under the clause at 52.232-5, Payments Under Fixed-Price Construction Contracts, or the clause at 52.232-10, Payments Under Fixed-Price Architect-Engineer Contracts, and interim payments on cost type contracts.

(2) For contracts that provide for contract financing, requests for payment shall be submitted to the designated billing office as specified in this contract or as directed by the Contracting Officer. Contract financing payments shall be made on the 30th day after receipt of a proper contract financing request by the designated billing office. In the event that an audit or other review of a specific financing request is required to ensure compliance with the terms and conditions of the contract, the designated payment office is not compelled to make payment by the due date specified.

(3) For advance payments, loans, or other arrangements that do not involve recurrent submissions of contract financing requests, payment shall be made in accordance with the corresponding contract terms or as directed by the Contracting Officer.

(4) Contract financing payments shall not be assessed an interest penalty for payment delays.

(c) If this contract contains the clause at 52.213-1, Fast Payment Procedure, payments will be made within 15 days after the date of receipt of the invoice.

I.11 AUTHORIZED DEVIATIONS IN CLAUSES (FAR 52.252-6) (APR 1984)

(a) The use in this solicitation or contract of any Federal Acquisition Regulation (48 CFR Chapter 1) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the date of the clause.

(b) The use in this solicitation or contract of any NASA/FAR Supplement (48 CFR Chapter 18) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS**SECTION J - LIST OF ATTACHMENTS**

- Exhibit A **Contract Documentation Requirements, 4 pages**
- Exhibit B **Collective Bargaining Agreement and Fringe Benefits, dated August 19, 1992**
120 pages
- Exhibit C **Subcontracting Plan, March 29, 1996, 7 pages**

EXHIBIT A - CONTRACT DOCUMENTATION REQUIREMENTS

I. DOCUMENTATION PREPARATION/SUBMISSION INSTRUCTIONS

A. Safety and Health Plan--Within 30 calendar days after the effective date of the contract, the Contractor shall submit a detailed safety and health plan showing how the Contractor intends to protect the life, health, and well being of NASA and Contractor employees as well as property and equipment. This plan, as approved by the Contracting Officer, should contain, as a minimum the following:

1. **Points of Contact and Responsibility--**Organizational flow chart and description of responsibilities of each employee in your organization for safety.

2. **Employee Safety Training, Certification and Programs--**Detailed information on type of training required, parties responsible for certification, and outline of applicable regulations. Detail company programs which emphasize personal safety and motivate employees to be safety conscious.

3. **LaRC Safety Policies/Procedures--**Recognition of applicable LaRC safety policies and procedures such as Langley Handbook 1710.10, LaRC Red Tag System.

4. **Accident Investigation and Reporting--**Procedures for investigating and reporting accidents/incidents including immediate notification to the NASA LaRC Safety Manager of all injuries and damage to equipment or facilities.

5. **Hazardous Operations--**

(a) Description of hazardous operations involved in contract performance.

(b) Plans for apprising employees of all hazards to which they may be exposed.

(c) Proper conditions and precautions for safe use and exposure to hazardous operations. Include recognition of LHB 1710.12, Potentially Hazardous Materials.

6. **People with Disabilities--**In accordance with the Americans with Disabilities Act, the plans should specify that prior to assigning a person with disabilities to this contract, the Contractor shall contact the Disability Program Manager at (804) 864-7718.

7. **Other Safety Considerations--**Any other safety considerations unique to your operation.

B. Collective Bargaining Agreements--The Contractor shall provide the Contracting Officer with copies of any collective bargaining agreements, and amendments thereto, which arise during the course of the contract and which apply to Contractor employees assigned to the contract.

C. Subcontracting Reports--The Contractor shall submit Standard Form 294, Subcontracting Report for Individual Contracts, Standard Form 295, Summary Subcontractor Report, in accordance with the instructions on the reverse of the form. In addition to other instructions on the reverse of the SF 294, the Contractor is required to report awards to Historically Black Colleges and Universities (HBCUs) and other Minority Educational Institutions (MEIs). This information shall be detailed in Block 13 as follows:

Subcontract awards to HBCUs and/or MEIs this reporting period: \$

The total subcontract dollars to HBCUs, and MEIs shall be included in Blocks 10A and 11.

In addition to the instructions on the reverse of the SF 295, the Contractor is required to comply with Clause 18-52.219-75, Small and Small Disadvantaged Subcontracting Reporting.

Pursuant to the contract clause entitled "Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan" (FAR 52.219-9 and 19.704(a)(5)), you are required to submit a letter progress report on a quarterly basis. The "Quarterly Progress Report for Socioeconomic Goals" shall be limited to the quarterly data only (excluding cumulative data from beginning of Subcontract Plan) as required for Lines 10A, 10B, 10C, 11, 12 and 13 of the Standard Form 294. Letter progress reports may be signed by the Contract Administrator or equivalent organizational level, and each report is due by the 10th calendar day of the month following the close of the reporting period.

D. Federal Contractor Veterans Employment Report--In compliance with Clause 52.222-37, Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era, the Contractor shall submit the Federal Contractor Veterans Employment Reports (VETS-100) as required by this clause.

E. Evidence of Insurance--The Contractor shall submit evidence of the insurance coverage, required by the NASA Clause 18-52.228-75 in Section I entitled "Minimum Insurance Coverage" (i.e., a Certificate of Insurance or other confirmation), to the Contracting Officer prior to performing under this contract. In the event the Government exercises its options to extend the term of the contract, the Contractor shall also present such evidence to the Contracting Officer prior to commencement of performance under the extension.

F. Conformable Wage Rate Agreement--Within 15 operating days after the effective date of the contract, the Contractor shall submit a report confirming conformable wage rate agreement as this subject is addressed in the Section I clause entitled "Service Contract Act of 1965," for those individuals employed by the Contractor who are covered by the Service Contract Act, but are not listed in Exhibit B.

G. Quarterly Accident/Injury Report--The Contractor shall submit a Quarterly Accident/Injury Report within 10 operating days after the end of each quarter.

H. Report of Government-Owned/Contractor Held Property (NASA FORM 1018)--The Contractor shall submit the NASA Form 1018 no later than October 31 of each year in accordance with the Section I clause entitled "Financial Reporting of Government-owned/Contractor-held Property."

II. DOCUMENT DISTRIBUTION REQUIREMENTS

A. Unless otherwise specified elsewhere in this contract, reports and other documentation shall be submitted F.O.B. destination as specified below, addressed as follows:

National Aeronautics and Space Administration
Langley Research Center
Attn: _____, Mail Stop __
Contract NAS1- 96038
Hampton, VA 23681-0001

B. The following letter codes designate the recipients of reports and other documentation which are required to be delivered prepaid to Langley Research Center by the Contractor:

A--Contract Specialist, Mail Stop 126

B--Contracting Officer Technical Representative, Mail Stop 255

C--Safety Manager, Mail Stop 429

D--Industry Relations Office, Mail Stop 144

E--Industrial Property Office, Mail Stop 377

F--Small Business Specialist, Mail Stop 144

G--According to Instruction on the Form

C. The following are the distribution requirements for reports and other documentation required with the numeral following the letter code specifying the number of copies to be provided:

<u>DOCUMENT</u>	<u>LETTER CODE AND DISTRIBUTION</u>
Collective Bargaining Agreement	A-1, B-1, D-1
Subcontracting Report for Individual Contracts (Standard Form 294)	A-1, F-1
Summary Subcontractor Report (Standard Form 295)	A-1, F-1, G
Quarterly Progress Report for Socioeconomic Goals	A-1, F-1
Federal Contractor Veterans Employment Report (VETS-100)	D-1
Safety and Health Plan	A-1, B-1, C-1
Quarterly Accident Report	A-1, B-1, C-1
Report of Government-Owned/Contractor Held Property (NASA Form 1018)	E-1
Conformable Wage Rate Agreement	A-1, B-1, D-1

D. When the Contract Administrator (A) is not designated above to receive a copy of a report or document, the Contractor shall furnish a copy of the report/ document transmittal letter to the Contract Administrator.



SMALL BUSINESS

AND

SMALL DISADVANTAGED BUSINESS

PLAN

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- I. Introduction
- II. Establishment of Goals
- III. Implementation Efforts
- IV. Company's Small Business Representative
- V. Flow-Down Clauses
- VI. Records
- VII. Reporting

Small Business and Small Disadvantaged Business Subcontracting Plan

I. Introduction

Pemco World Air Services is committed to the principles of Public Law 95-507 and the Defense Federal and Federal Acquisition Regulations (DFAR/FAR'S) and directs that its business policies and procedures conform to these Federal laws and regulations. This commitment as stated in the Corporate Policy on Procurement is:

“to provide competitive opportunity to small business and small disadvantaged business and to cooperate with them in becoming qualified to earn a share of the company's purchase.”

This policy reflects the determination that the National interest requires increased involvement of minority business enterprises. When price, quality, delivery, reliability and other factors are evaluated as equal in competition, the order should be awarded to the minority business concern.

II. Establishment of Goals

In establishing goals, it is the intent to provide maximum subcontracting opportunity to small business and small disadvantaged business consistent with the effective performance of the company's contract. Consideration is given to the type of subcontracting effort that will result from this contract. The opportunity for subcontracting under the NASA contract is in overhead and maintenance materials and a significant amount of “direct” parts and materials.

Aircraft cleaning chemicals and paint are large volume items expected to be the

responsibility of the company to procure. A large portion of these chemicals will be purchased from a small business that is also a labor surplus area concern. The company plans to purchase some of the sealants that will be required from a small disadvantaged business concern. Raw material metals bids will be solicited from two woman-owned business concerns.

The company also plans to utilize to the greatest extent possible, small and small disadvantaged concerns for other items and materials that become the responsibility of the company to procure. Tools and tooling items that are the responsibility of the company to procure will be screened to ensure the fullest participation of small and small disadvantaged concerns.

The following are the goals for award to Small Business and Small Disadvantaged Business, excluding those supplies and

services that must be subcontracted directly from the Government:

Seventy-five percent of the total subcontract amount to small business. Eight percent of the total subcontract amount to Small Disadvantaged Business.

Progress in achievement of these goals will be monitored, and the result will be recorded and distributed to concerned personnel.

III. Implementation Efforts

Standard form 129, "Solicitation Mailing List Application", is to be issued to selected vendors from the company vendor list. This form requests that the vendor advise their company size and type of ownership. Upon receipt of response, the procurement department vendor list will be updated to show business size/ownership codes for all vendors on the list. Those vendors that fall within the categories of Small Business or

Small Disadvantaged Business will be placed on as many Requests for Bid as is feasible.

A special review to upgrade "qualifiable" potential sources will be initiated and additional Small Business or Small Disadvantaged Businesses may be added to the procurement vendor list.

The following is a list of directories that are maintained and available in the division's Procurement Department for use by each buyer:

- "Pemco Minority Business Directory"
- "Black Business Directory" by Birmingham Urban League
- "Minority Business Directory" by the Defense Logistics Agency
- "Try Us" by the National Minority Business Campaign

All agencies of interest, within the Federal Acquisition Community, with primary

emphasis on the Defense Department and the National Aeronautics and Space Administration (NASA) will be contacted for continued exchange of source and potential source data. A primary interface for the company is through the assigned Small Business Representative and the Defense Contract Administration Office.

All Make/Buy items will be reviewed by the Small Business Representative both to identify Buy potentials and to examine Make decisions that could be converted to opportunities for small business and small disadvantaged business concern.

IV. Small Business Representative

The Dothan Division has appointed Carlton G. McKnight Jr. as its Small Business and Small Disadvantaged Business Representative. Mr. McKnight's address is:

Pemco World Air Services

PO Drawer 929

Dothan, Alabama 36302-0929 USA

(334) 983-7008

(334) 983-7036 [fax]

As the company Small Business Representative, Carlton is responsible for:

- Coordinating the Small Business and Small Disadvantaged Business programs
- Screening each procurement for subcontract opportunities
- Accumulating the statistical information, preparing and submitting the required reports
- Facilitating the placement of minority owned firms on source lists to assure that they are solicited
- Counseling appropriate individuals and firms with respect to procurement policies and procedures and business opportunities, so as to enhance their potential participation

- Informing these individuals and firms of subcontracting opportunities.

V. Flow-Down Clauses

Company Form P-550-4A incorporates all applicable clauses for:

- All company subcontractors/purchase orders and amendments/ modifications thereto expected to exceed \$10,000.

VI. Record

The company will maintain the following records:

- Small Business and Small Disadvantaged Business Source List.
- List of organizations contracted for Small Business and Small Disadvantaged Business Sources.
- Record of all solicitations, subcontracts, and purchase orders over \$10,000.00.
- Documentation of company's outreach efforts.

- Lists of activities used to train the individual buyers.
- Number of awards and amount to Small Disadvantaged Business.
- Number of awards and amount to Small Business.
- Number of awards and amount to Large Business.
- Amount of awards to Labor Surplus Area Concerns.

Each Subcontract/Purchase order will be coded so that a determination can be made as to whether the concern is a Small Business, Small Disadvantaged Business, or Large Business, and whether the concern is located in a labor surplus area. Details of this procedure can be found in the company's Division Standard Practice 0600.08 and the company Procurement Manual.

VII. Reporting

The company will submit Quarterly Individual Subcontracting Reports and cooperate in any studies or surveys as may be required by the Contracting Federal Agency or Small Business Administration, in order to determine the extent of compliance with this plan.

AGREEMENT

between

PEMCO AEROPLEX, INC.

DOTHAN FACILITY

DOTHAN, ALABAMA

and

THE INTERNATIONAL ASSOCIATION OF MACHINISTS

AND

AEROSPACE WORKERS, (AFL-CIO)

and its

LOCAL LODGE NO. 1632

AUGUST 19, 1992



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AGREEMENT

THIS AGREEMENT MADE AND ENTERED INTO AT DOTHAN, ALABAMA, THIS 19TH DAY OF AUGUST, 1992 BY AND BETWEEN PEMCO AEROPLEX, INC., HAVING A PLACE OF BUSINESS AND MAIN PLANT AT BIRMINGHAM, ALABAMA (HEREINAFTER SOMETIMES REFERRED TO AS "COMPANY"), AND THE INTERNATIONAL ASSOCIATION OF MACHINISTS & AEROSPACE WORKERS, AFL-CIO AND ITS LOCAL LODGE NO. 1632 (HEREINAFTER SOMETIMES REFERRED TO AS "UNION"), AS REPRESENTATIVE FOR THE PURPOSE OF COLLECTIVE BARGAINING OF THE EMPLOYEES HEREINAFTER DEFINED, LOCATED AT DOTHAN-HOUSTON COUNTY AIRPORT.

THE PURPOSE OF THIS AGREEMENT IS TO PROVIDE ORDERLY COLLECTIVE BARGAINING RELATIONS BETWEEN THE COMPANY AND THE UNION, TO SECURE A PROMPT AND FAIR DISPOSITION OF GRIEVANCES AND TO STABILIZE EMPLOYMENT RELATIONS FOR THE DURATION OF THIS AGREEMENT.

FOR PURPOSES OF SIMPLICITY, THE MASCULINE GENDER IS USED THROUGHOUT THIS AGREEMENT ALTHOUGH IT IS UNDERSTOOD THAT ALL REFERENCES TO GENDER INCLUDE BOTH SEXES.

WITNESSETH

THE TERMS "EMPLOYEE" OR "EMPLOYEES" AS USED IN THIS AGREEMENT (EXCEPT WHERE THE CONTEXT CLEARLY INDICATES OTHERWISE), SHALL MEAN AN EMPLOYEE OR EMPLOYEES OF THE COMPANY WITHIN THE BARGAINING UNIT HEREINAFTER DESCRIBED IN THE RECOGNITION CLAUSE. THIS AGREEMENT SHALL PERTAIN ONLY TO SUCH EMPLOYEES.

IT IS AGREED FOR THE MUTUAL PROTECTION OF THE PARTIES THAT THIS AGREEMENT CAN ONLY BE CHANGED OR MODIFIED BY A DOCUMENT IN WRITING SIGNED ON BEHALF OF THE PARTIES HERETO BY THEIR DULY AUTHORIZED REPRESENTATIVES, PROVIDED, HOWEVER, THAT WRITTEN AGREEMENTS REGARDING PARTICULAR MATTERS OR UNDERSTANDINGS MAY BE MADE BETWEEN THE COMPANY AND THE UNION AND SHALL BE BINDING UPON THE EMPLOYEE OR EMPLOYEES CONCERNED, THE COMPANY AND THE UNION.

ARTICLE I
RECOGNITION

WHEREAS, THE NATIONAL LABOR RELATIONS BOARD, BY ITS CERTIFICATION OF REPRESENTATIVES, IN CASE NO. 15-RC-1921, DATED NOVEMBER 4, 1959, CERTIFIED THE UNION AS EXCLUSIVE BARGAINING REPRESENTATIVE FOR ALL PRODUCTION AND MAINTENANCE EMPLOYEES, INCLUDING PLANT CLERICAL EMPLOYEES AT THE EMPLOYER'S NAPIER FIELD OPERATION, NAPIER FIELD, ALABAMA, BUT EXCLUDING ALL OFFICE CLERICAL, PROFESSIONAL AND TECHNICAL EMPLOYEES, WATCHMEN, GUARDS, AND SUPERVISORS AS DEFINED IN THE ACT, FOR THE PURPOSE OF COLLECTIVE BARGAINING WITH RESPECT TO WAGES, HOURS OF WORK AND OTHER CONDITIONS OF EMPLOYMENT, THEREFORE, THE COMPANY SO RECOGNIZES THE UNION AS THE EXCLUSIVE COLLECTIVE BARGAINING REPRESENTATIVE OF THE EMPLOYEES DESCRIBED IN SAID CERTIFICATION.

ARTICLE II
RIGHTS OF MANAGEMENT

THE RIGHT TO HIRE, DISCIPLINE, SUSPEND, DISCHARGE FOR CAUSE, TRANSFER, MAINTAIN EFFICIENCY OF EMPLOYEES, PROMOTE, AND THE RIGHT TO LAY OFF EMPLOYEES BECAUSE OF LACK OF WORK OR FOR OTHER LEGITIMATE REASONS, IS VESTED EXCLUSIVELY IN THE COMPANY PROVIDED THAT THIS WILL NOT BE EXERCISED IN VIOLATION OF THE TERMS OF THIS AGREEMENT OR TO BE USED FOR THE PURPOSE OF DISCRIMINATION AGAINST ANY MEMBER OF THE UNION AS SUCH. IN ADDITION, THE MANAGEMENT OF THE PLANT, THE CONTROL AND REGULATION OF THE USE OF ALL EQUIPMENT AND OTHER PROPERTY OF THE COMPANY, THE DIRECTION OF THE WORKING FORCE, THE MAKING OF RULES NOT IN CONFLICT WITH THIS AGREEMENT, AND THE OPERATIONS OF THE PLANT, THE PRODUCTS TO BE MANUFACTURED, THE LOCATION OF THE PLANT, THE SCHEDULES OF PRODUCTION, THE METHODS, PROCESSES AND MEANS OF MANUFACTURING ARE SOLELY AND EXCLUSIVELY THE RESPONSIBILITY AND RIGHT OF THE COMPANY. IT IS NOT INTENDED BY THE FOREGOING RECITATION TO LIMIT ANY OF THE NORMAL OR USUAL FUNCTION OF MANAGEMENT OR TO DEFINE ALL SUCH FUNCTIONS.

ARTICLE III

UNION SECURITY AND RIGHTS OF EMPLOYEES

SECTION 1. DURING THE EXISTENCE OF THIS AGREEMENT, THE COMPANY, INSOFAR AS PERMITTED BY STATE AND FEDERAL LAWS, WILL DEDUCT OUT OF THE CURRENT NET EARNINGS PAYABLE TO AN EMPLOYEE COVERED BY THIS AGREEMENT, UNION DUES AND AN INITIATION FEE OR REINSTATEMENT FEE UPON RECEIPT OF AND IN ACCORDANCE WITH A DEDUCTION AUTHORIZATION, DULY EXECUTED BY THE EMPLOYEE, ON A CARD AS AGREED UPON BETWEEN THE COMPANY AND THE UNION AND SHALL CONTINUE DEDUCTIONS UNTIL SUCH AUTHORIZATION IS DULY REVOKED BY THE EMPLOYEE. AUTHORIZATION MUST BE ON A CARD BEFORE SAID AUTHORIZATION WILL BE ACCEPTED BY THE COMPANY.

ANY DISPUTE AS TO THE VALIDITY OR REVOCATION OF SUCH CHECK-OFF MAY BE SUBMITTED TO ARBITRATION IN ACCORDANCE WITH ARTICLE VIII OF THIS AGREEMENT, STARTING WITH STEP 3 OF THE GRIEVANCE PROCEDURE.

SECTION 2. (A) DEDUCTIONS FROM MONEY DUE THE EMPLOYEE PURSUANT TO THIS ARTICLE WILL BE MADE FROM THE NET EARNINGS DUE THE EMPLOYEE, PAYABLE TO HIM ON THE FIRST REGULAR PAY DAY IN EACH MONTH, PROVIDED THE COMPANY HAS RECEIVED SUCH AUTHORIZATION CARD FROM THE FINANCIAL SECRETARY OF LOCAL LODGE NO. 1632 BY THE EIGHTEENTH (18TH) DAY OF THE PRECEDING MONTH IN WHICH SUCH DEDUCTIONS ARE MADE.

(B) EMPLOYEES RECALLED FROM LAYOFF, FOR WHOM THE COMPANY HAS A VALID DEDUCTION AUTHORIZATION, WILL HAVE DUES DEDUCTED FOR THE CURRENT MONTH, PROVIDED, HOWEVER, SUCH RECALL WAS EFFECTIVE ON OR BEFORE THE TWENTY-FIFTH (25TH) DAY OF THE PRECEDING MONTH.

(C) IN THE EVENT AN EMPLOYEE DOES NOT HAVE SUFFICIENT EARNINGS DUE HIM ON THE FIRST REGULAR PAY DAY IN THE MONTH TO COVER THE AMOUNT OF SAID DEDUCTIONS FOR THAT MONTH, THE COMPANY AGREES TO MAKE SUCH DEDUCTIONS FROM THE EARNINGS DUE THE EMPLOYEES ON THE THIRD REGULAR PAY DAY OF THE MONTH.

SECTION 3. DEDUCTIONS SHALL BE REMITTED TO THE FINANCIAL SECRETARY OF THE LOCAL UNION NOT LATER THAN TEN (10) DAYS FOLLOWING THE PAY DAY ON WHICH THE DEDUCTIONS WERE MADE. THE COMPANY SHALL FURNISH TO THE FINANCIAL SECRETARY OF THE LOCAL UNION AT THE SAME TIME A LIST COMPILED IN ALPHABETICAL SEQUENCE SHOWING THOSE MEMBERS FOR WHOM DEDUCTIONS HAVE BEEN MADE AND THE AMOUNT THEREOF.

SECTION 4. SHOULD AN EMPLOYEE BE PROMOTED OR TRANSFERRED TO A JOB NOT COVERED BY THIS AGREEMENT, THE COMPANY SHALL CEASE DEDUCTING DUES FROM SUCH EMPLOYEE. IN THE EVENT THE EMPLOYEE IS TRANSFERRED BACK INTO THE BARGAINING UNIT, AND THE COMPANY RECEIVES A THEN VALID DEDUCTION AUTHORIZATION, THE COMPANY SHALL AGAIN DEDUCT DUES FROM THE PAY OF SUCH EMPLOYEE, IN ACCORDANCE WITH SECTION 2 (A) OF THIS ARTICLE.

WHEN CEASING TO DEDUCT DUES FOR ANY REASONS, THE COMPANY WILL SUBMIT THE NAMES OF SUCH EMPLOYEES, AND THE REASONS FOR NO DEDUCTION TO THE FINANCIAL SECRETARY OF THE LOCAL UNION.

SECTION 5. IN MAKING DEDUCTIONS AND REMITTANCES FOR INITIATION FEES, REINSTATEMENT FEES, AND DUES TO THE UNION, THE COMPANY IS ENTITLED TO RELY UPON THE AUTHORIZATION CARDS SUBMITTED BY THE FINANCIAL SECRETARY OF LOCAL LODGE NO. 1632. THE AMOUNT OF MONEY DUE THE UNION BY AN EMPLOYEE, SHALL BE IN ACCORDANCE WITH THE EXISTING DUES STRUCTURE. THE COMPANY IS ENTITLED TO RELY ON NOTIFICATION SUBMITTED IN WRITING BY THE FINANCIAL SECRETARY OF LOCAL LODGE NO. 1632 OF ANY CHANGE IN THE PRESENT DUES STRUCTURE OR OF ANY CHANGE IN THE AMOUNT DUE THE UNION BY AN EMPLOYEE. THE UNION AGREES TO AND DOES HEREBY HOLD AND SAVE THE COMPANY HARMLESS FROM ANY AND ALL LIABILITY, RESPONSIBILITY OR DAMAGE FOR ANY DEDUCTION, PAYMENT, AUTHORIZATION, OR NOTIFICATION AS PROVIDED FOR IN THIS ARTICLE, AND ASSUMES FULL RESPONSIBILITY FOR THE DISPOSITION OF THE FUNDS SO DEDUCTED WHEN TURNED OVER TO THE FINANCIAL SECRETARY OF THE UNION. THE COMPANY WILL HAVE THIRTY (30) DAYS TO CORRECT ANY ERRORS BROUGHT TO THEIR ATTENTION BY THE UNION.

SECTION 6. THE UNION AND ITS MEMBERS SHALL NOT INTERFERE WITH, RESTRAIN, INTIMIDATE OR COERCE ANY EMPLOYEE WHO DOES NOT EXECUTE OR WHO REVOKES A CHECK-OFF AUTHORIZATION AS PROVIDED IN SECTION 1. ALLEGED DISCRIMINATORY ACTION REPORTED TO THE UNION WILL BE INVESTIGATED, AND IF CONFIRMED, CORRECTIVE ACTION WILL BE TAKEN.

SECTION 7. THE COMPANY WILL NOT INTERFERE WITH, RESTRAIN, INTIMIDATE OR COERCE ANY OF ITS EMPLOYEES BECAUSE OF MEMBERSHIP OR NON-MEMBERSHIP IN THE UNION. ALLEGED DISCRIMINATORY ACTION REPORTED TO THE COMPANY WILL BE INVESTIGATED, AND IF CONFIRMED, CORRECTIVE ACTION WILL BE TAKEN.

SECTION 8. IN THE EVENT OF THE AMENDMENT OR REPEAL DURING THE EXISTENCE OF THIS AGREEMENT OF THE ALABAMA SO CALLED "RIGHT TO WORK BILL," APPROVED AUGUST 28, 1953, THE UNION RESERVES AND SHALL HAVE THE RIGHT, UPON GIVING NOTICE TO THE COMPANY, TO NEGOTIATE WITH IT A UNION SECURITY CLAUSE IF PERMITTED BY THE THEN EXISTING STATE OR FEDERAL LAW.

ARTICLE IV

SENIORITY

SECTION 1. (A) SENIORITY SHALL BE DEEMED TO CONSIST OF LENGTH OF CONTINUOUS SERVICE WITH THE COMPANY. IN THE APPLICATION OF THE PRINCIPLES OF SENIORITY AS PROVIDED IN THIS AGREEMENT, THE EMPLOYEE INVOLVED MUST HAVE THE ABILITY, PHYSICAL FITNESS, EFFICIENCY, DEPENDABILITY AND BE QUALIFIED TO PERFORM THE WORK INVOLVED. THE COMPANY, IN THE APPLICATION OF SENIORITY PRINCIPLES, WILL GIVE PREFERENCE TO LENGTH OF CONTINUOUS SERVICE IF THE OTHER FACTORS ARE SUBSTANTIALLY EQUAL.

(B) THE COMPANY MAY DEVIATE IN THE APPLICATION OF THE PRINCIPLES HEREIN SET FORTH IN PARAGRAPH 1 OF THIS SECTION WHEN IT IS NECESSARY TO HIRE, RETAIN, OR TRANSFER EMPLOYEES WHO HAVE THE ABILITY AND QUALIFICATIONS TO PERFORM ALL OF THE JOB DUTIES OF WORK INVOLVED WHEN THE COMPANY ASSUMES NEW CONTRACTS (A NEW OPERATION OR AIRCRAFT ON WHICH THE WORK INVOLVED HAS NOT PREVIOUSLY BEEN DONE BY THE COMPANY AT DOTHAN-HOUSTON COUNTY AIRPORT) OR FOR SCHEDULED EXPANSION, PROVIDED SENIORITY EMPLOYEES DO NOT HAVE THE REQUIRED ABILITY AND QUALIFICATIONS TO PERFORM ALL OF THE WORK INVOLVED. IF ALL VACANCIES CANNOT BE FILLED BY EMPLOYEES OR NEW HIRES WHO POSSESS THE ABILITY AND QUALIFICATIONS TO PERFORM ALL OF THE JOB DUTIES OF THE WORK INVOLVED, THE ADDITIONAL VACANCIES WILL BE FILLED IN ACCORDANCE WITH THE SENIORITY PRINCIPLES HEREIN SET FORTH.

SECTION 2. (A) LENGTH OF SERVICE IN CONNECTION WITH AN EMPLOYEE'S SENIORITY SHALL BE COMPUTED FROM THE FIRST DATE OF HIRE EXCEPT THAT IF THERE HAS BEEN A BREAK IN HIS CONTINUOUS SERVICE RECORD AS PROVIDED IN THIS AGREEMENT, SENIORITY THEN WILL BE COMPUTED FROM THE LAST DATE OF REHIRE OR RETURN.

SECTION 3. (A) A NEW EMPLOYEE AND ONE WHO SHALL BE RE-EMPLOYED AFTER A BREAK IN HIS CONTINUOUS SERVICE SHALL NOT ACQUIRE ANY SENIORITY UNDER THIS AGREEMENT UNTIL THE EXPIRATION OF THE PERIOD OF TEN (10) WEEKS OF CONTINUOUS SERVICE FOLLOWING EMPLOYMENT. IF SUCH EMPLOYEE SHALL BE CONTINUED IN THE EMPLOY OF THE COMPANY AFTER THE EXPIRATION OF SUCH TEN (10) WEEKS PERIOD, THE LENGTH OF CONTINUOUS SERVICE SHALL BE COMPUTED FROM THE DATE OF EMPLOYMENT OR RE-EMPLOYMENT IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF THE AGREEMENT. ANY SEPARATION OF EMPLOYMENT DURING SAID TEN (10) WEEKS PROBATIONARY PERIOD SHALL NOT BE MADE THE BASIS OF A CLAIM OR GRIEVANCE AGAINST THE COMPANY AND THERE SHALL BE NO OBLIGATION TO RE-EMPLOY SUCH PERSON, PROVIDED, HOWEVER, THAT THIS PROVISION WILL NOT BE USED FOR THE PURPOSE OF DISCRIMINATION BECAUSE OF MEMBERSHIP IN THE UNION.

(B) IN THE EVENT, HOWEVER, THAT A PROBATIONARY EMPLOYEE IS REHIRED WITHIN TEN (10) WEEKS AFTER SEPARATION, HE WILL RECEIVE CREDIT FOR HIS PREVIOUS LENGTH OF CONTINUOUS SERVICE AS PROBATIONARY EMPLOYEE, PROVIDED SAID PROBATIONARY EMPLOYEE WORKED AT LEAST ONE (1) MONTH PRIOR TO SAID TERMINATION IN THE SAME OCCUPATIONAL GROUP THAT HE IS PLACED IN AT REHIRE.

(C) IF A PROBATIONARY EMPLOYEE IS GRANTED A LEAVE OF ABSENCE OR IS ABSENT IN EXCESS OF FIVE (5) WORK DAYS DURING THE PROBATIONARY PERIOD, THE EFFECTIVE DATE OF ACQUIRING SENIORITY MAY BE POSTPONED BY A PERIOD OF TIME NO LONGER THAN THE EMPLOYEE HAS BEEN ABSENT OR ON LEAVE.

SECTION 4. AN EMPLOYEE'S CONTINUOUS SERVICE RECORD SHALL BE CONSIDERED BROKEN AND ALL RIGHTS UNDER THIS AGREEMENT FORFEITED EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED HEREIN WHEN THE EMPLOYEE:

(A) QUILTS,

(B) IS DISCHARGED,

(C) FAILS OR REFUSES TO REPORT TO THE COMPANY'S EMPLOYMENT OFFICE HIS ACCEPTANCE OF JOB WITHIN SIX (6) CALENDAR DAYS AFTER BEING RECALLED, AND FAILS OR REFUSES TO ACTUALLY REPORT FOR WORK WITHIN TEN (10) CALENDAR DAYS AFTER BEING RECALLED UNLESS A SATISFACTORY REASON IS GIVEN TO WARRANT LENIENCY.

NOTIFICATION FOR THE PURPOSE OF THIS SECTION WILL BE MADE BY CERTIFIED MAIL OR TELEGRAM ADDRESSED TO THE EMPLOYEE'S LAST KNOWN ADDRESS SHOWN ON THE EMPLOYEE'S HUMAN RELATIONS DEPARTMENT RECORD. FOR THE PURPOSE OF COMPUTING THE SIX (6) CALENDAR DAYS AND TEN (10) CALENDAR DAYS FOR THE ABOVE PARAGRAPH, THE DAY THE NOTICE IS SENT BY THE COMPANY SHALL NOT BE INCLUDED.

(D) IS ABSENT FOR THREE (3) CONSECUTIVE WORKING DAYS WITHOUT REPORTING TO THE COMPANY DURING THE ABSENCE A REASON WHICH IS SUFFICIENT TO JUSTIFY SUCH ABSENCE; OTHERWISE, SUCH ABSENCE SHALL CONSTITUTE A

VOLUNTARY QUIT. COMPLIANCE WITH THIS PARAGRAPH IS NOT TO BE CONSTRUED TO MEAN THAT EXCESSIVE ABSENTEEISM WILL BE TOLERATED.

(E) IS ABSENT DUE TO LAYOFF OR DISABILITY (COVERED BY A LEAVE OF ABSENCE, AS PROVIDED IN ARTICLE V), OR BOTH, FOR A PERIOD EQUAL TO HIS LENGTH OF CONTINUOUS SERVICE WITH THE COMPANY AT THE TIME OF SUCH LAYOFF OR LEAVE, BUT IN NO EVENT IN EXCESS OF THREE (3) YEARS, EXCEPT AS SPECIFICALLY PROVIDED HEREIN, OR

(F) FAILS TO NOTIFY THE EMPLOYMENT DEPARTMENT BY CERTIFIED MAIL AT LEAST ONCE EVERY FOUR (4) MONTHS' PERIOD FOLLOWING THE DATE OF LAYOFF OF HIS DESIRE TO BE RECALLED, PROVIDED THE COMPANY SENDS TO THE LAID OFF EMPLOYEE DURING SAID FOUR (4) MONTHS PERIOD, AT THE EMPLOYEE'S LAST KNOWN ADDRESS AS SHOWN ON THE PERSONNEL DEPARTMENT RECORDS, A CERTIFIED LETTER REQUESTING THE EMPLOYEE TO NOTIFY THE COMPANY OF THE EMPLOYEE'S DESIRE TO REMAIN ON THE RECALL LIST. THE EMPLOYEE HAS THE OBLIGATION OF NOTIFYING THE COMPANY WITHIN THREE (3) WEEKS FROM NOTIFICATION BY THE COMPANY, AND THE COMPANY SHALL INCUR NO LIABILITY FOR FAILING TO RECEIVE A REPLY FROM THE EMPLOYEE WITHIN SUCH THREE (3) WEEKS.

SECTION 5. FOR THE PURPOSE OF AN INDEFINITE LAYOFF OF EMPLOYEES IN CONNECTION WITH DECREASING THE WORK FORCE, PROBATIONARY EMPLOYEES WILL BE TERMINATED OR SENIORITY EMPLOYEES WILL BE LAID OFF AS FOLLOWS:

(A) BEGINNER PROBATIONARY EMPLOYEES WORKING IN THE AFFECTED OCCUPATIONAL GROUP WILL BE TERMINATED FIRST, THEN CLASSIFIED PROBATIONARY EMPLOYEES WILL BE TERMINATED PROVIDED THERE ARE AVAILABLE SENIORITY EMPLOYEES REMAINING IN THE OCCUPATIONAL GROUP AFFECTED WHO ARE WILLING

AND QUALIFIED TO PERFORM THE WORK OF THE PROBATIONARY EMPLOYEE TO BE DISPLACED.

(B) THEREAFTER, BEGINNER SENIORITY EMPLOYEES WORKING IN THE AFFECTED OCCUPATION AND CLASSIFIED EMPLOYEES IN THE AFFECTED OCCUPATIONAL GROUP WILL BE LAID OFF IN ACCORDANCE WITH THEIR RESPECTIVE SENIORITY, PROVIDED THERE ARE AVAILABLE EMPLOYEES REMAINING IN THE OCCUPATIONAL GROUP AFFECTED WHO ARE WILLING AND QUALIFIED TO PERFORM THE WORK OF THE EMPLOYEES TO BE DISPLACED. AN EMPLOYEE WHO WOULD OTHERWISE BE LAID OFF WILL BE RECLASSIFIED, SENIORITY PERMITTING, TO THE HIGHEST CLASSIFICATION PREVIOUSLY HELD IN ANOTHER OCCUPATIONAL GROUP IN WHICH HE WAS CLASSIFIED AND SATISFACTORILY PERFORMED WORK IMMEDIATELY PRIOR TO HIS PRESENT OCCUPATIONAL GROUP, PROVIDED HE IS QUALIFIED. AN EMPLOYEE WHO REFUSES TO ACCEPT A JOB IN ANOTHER OCCUPATIONAL GROUP WILL FORFEIT ALL RIGHTS TO SUCH OTHER OCCUPATIONAL GROUP.

(C) EMPLOYEES WHO ARE RECLASSIFIED IN LIEU OF LAYOFF WILL BE PAID THE MAXIMUM RATE OF THE CLASSIFICATION, OR HIS PRESENT RATE, WHICHEVER IS LOWER.

(D) AN EMPLOYEE SHALL RETAIN SENIORITY RIGHTS IN ONLY TWO (2) OCCUPATIONAL GROUPS AT ANY ONE TIME:

- (1) THE CURRENT OCCUPATIONAL GROUP TO WHICH HE IS ASSIGNED.
- (2) THE OCCUPATIONAL GROUP TO WHICH HE WAS ASSIGNED IMMEDIATELY PRIOR TO HIS CURRENT OCCUPATIONAL GROUP.

SECTION 6. SECTION 5 OF THIS ARTICLE SHALL NOT APPLY TO TEMPORARY LAYOFFS OF SIX (6) WORK DAYS DURATION OR LESS OR FOR A LONGER PERIOD EXTENDED BY MUTUAL AGREEMENT; PROVIDED, HOWEVER, THAT IN MAKING TEMPORARY LAYOFFS EMPLOYEES WILL BE LAID OFF BY SHIFT, BY PROJECT MANAGER, (MILITARY, COMMERCIAL, BACKSHOP) BY OCCUPATIONAL GROUP, IN ACCORDANCE WITH THEIR SENIORITY, UNLESS THE EMPLOYEES ARE LAID OFF BY SHIFT IN ACCORDANCE WITH PLANT WIDE PRINCIPLES OF SENIORITY ON THAT SHIFT. HOWEVER, NO EMPLOYEE WILL BE LAID OFF ON A TEMPORARY BASIS FOR MORE THAN SIX (6) WORK DAYS IN A FORTY (40) DAY PERIOD UNLESS HE WOULD OTHERWISE HAVE BEEN PLACED ON INDEFINITE LAYOFF.

SECTION 7. (A) WHEN THERE IS AN INCREASE IN AN OCCUPATIONAL GROUP AFTER (1) AN INDEFINITE LAYOFF FOR THE PURPOSE OF DECREASING THE WORK FORCE (SECTION 5) OR (2) REMANNING (SECTION 8), THE EMPLOYEE WITH THE MOST SENIORITY, WHETHER HE WAS LAID OFF OR REMANNED FROM SUCH OCCUPATIONAL GROUP WILL BE FIRST OFFERED THE JOB, PROVIDED HE IS QUALIFIED.

(B) AN EMPLOYEE WHO HAS BEEN LAID OFF OR REMANNED AND IS RECALLED TO THE SAME JOB FROM WHICH HE WAS LAID OFF, WILL BE PAID HIS FORMER RATE OF PAY PLUS ANY GENERAL INCREASES WHICH HE WOULD HAVE RECEIVED IN SUCH JOB HAD HE NOT BEEN LAID OFF.

IF HE IS RECALLED TO A LOWER RATED JOB WHICH IS IN THE LINE OF NORMAL PROGRESSION FOR HIS FORMER JOB, HE WILL BE PAID THE MAXIMUM RATE OF SUCH LOWER RATED JOB OR THE AMOUNT HE WOULD RECEIVE IF RECALLED TO THE HIGHER RATED JOB FROM WHICH HE WAS LAID OFF OR REMANNED, WHICHEVER IS LOWER.

(C) IN THE EVENT AN EMPLOYEE REFUSES RECALL OR RECLASSIFICATION OFFERED IN ACCORDANCE WITH THE ABOVE PROCEDURE, HE WILL FORFEIT ALL RIGHTS TO ANY FUTURE RECALL OR RECLASSIFICATION TO SUCH OCCUPATIONAL GROUP OR CLASSIFICATION.

SECTION 8. DUE TO THE PRODUCTION REQUIREMENTS, IT WILL BE NECESSARY IN REMANNING PART OF OR AN ENTIRE OCCUPATIONAL GROUP TO CLASSIFY EXCESS EMPLOYEES TO LOWER RATED JOBS. WHEN THIS IS DONE, THE PROCEDURE HEREIN SET FORTH WILL BE APPLIED.

EMPLOYEES WHO ARE EXCESS IN THEIR JOB CLASSIFICATION WILL BE RECLASSIFIED, IN ACCORDANCE WITH THEIR SENIORITY, TO THE NEXT LOWER RATED JOB IN THEIR NORMAL PROGRESSION ROUTE, AS PROVIDED BY AND ACCORDING TO APPENDIX A.

AFFECTED EMPLOYEES WILL BE PAID THE MAXIMUM RATE OF SAID LOWER RATED JOB OR HIS PRESENT RATE, WHICHEVER IS LOWER.

SECTION 9. IN MAKING PROMOTIONS OR RECLASSIFYING EMPLOYEES TO HIGHER RATED NON-SUPERVISORY JOBS, THE FOLLOWING PROCEDURE WILL PREVAIL:

(A) EMPLOYEES WHO HAVE BEEN RECLASSIFIED TO LOWER RATED JOBS IN ACCORDANCE WITH SECTION 8 OF THIS ARTICLE, WILL BE RECLASSIFIED TO HIGHER RATED JOBS HELD BY THEM AS SHOWN ON THE PERSONNEL DEPARTMENT RECORDS OF THE COMPANY, IN ACCORDANCE WITH SENIORITY, PROVIDED THEY ARE QUALIFIED TO PERFORM THE WORK BEFORE OTHER EMPLOYEES ARE PROMOTED, TRANSFERRED OR HIRED TO SUCH JOBS.

(B) AN EMPLOYEE SO RECLASSIFIED UNDER PARAGRAPH (A) HEREOF SHALL BE PAID EITHER HIS PRESENT RATE, OR THE RATE HE PREVIOUSLY RECEIVED WHEN SO

CLASSIFIED PLUS ANY GENERAL INCREASES WHICH HE WOULD HAVE RECEIVED IN SUCH HIGHER RATED JOB HAD HE NOT BEEN DOWNGRADED, WHICHEVER IS HIGHER.

(C) REMAINING PROMOTIONS WILL BE MADE ACCORDING TO THE PROGRESSION FOR JOBS AS SHOWN BY APPENDIX A, FROM EMPLOYEES HAVING THE MOST SENIORITY, IN ACCORDANCE WITH THE APPLICATION OF THE PRINCIPLES OF SENIORITY AS SET FORTH IN SECTION 1.

(D) THE COMPANY IN THE APPLICATION OF SENIORITY PRINCIPLES WILL NOTIFY IN WRITING THE EMPLOYEE OR EMPLOYEES INVOLVED PROVIDED AN EMPLOYEE OR EMPLOYEES WITH SENIORITY IN THE NORMAL LINE OF PROGRESSION AS SHOWN BY APPENDIX A IS "BYPASSED" FOR PROMOTION TO THE NEXT HIGHER RATED JOB NO LATER THAN THREE (3) WORK DAYS FROM THE EFFECTIVE DATE OF SUCH PROMOTION, EXCEPT AS PROVIDED IN SECTION 17.

IN THE EVENT A BYPASSED EMPLOYEE IS ABSENT FROM WORK FOR ANY REASON, THE COMPANY WILL NOTIFY HIM BY MAILING THE BYPASS NOTICE TO THE EMPLOYEE'S LAST KNOWN ADDRESS, AS SHOWN ON PERSONNEL DEPARTMENT RECORDS, BY CERTIFIED MAIL. IF AN EMPLOYEE IS BYPASSED AGAIN AFTER HAVING BEEN NOTIFIED OF BYPASS, THE COMPANY WILL NOT HAVE TO GIVE HIM NOTIFICATION UNLESS HE SO REQUESTS IN WRITING TO THE COMPANY AFTER EACH NOTIFICATION.

SECTION 10. (A) THE COMPANY MAY, IN CASE OF ERROR, DEVIATE FROM APPLYING THE PROVISIONS STATED IN THIS ARTICLE WITH RESPECT TO INDEFINITE LAYOFFS, PROMOTIONS, DOWNGRADES AND RECALLS FOR A PERIOD OF TEN (10) WORK DAYS. THE COMPANY AGREES, HOWEVER, TO CORRECT ANY ERRORS WITH RESPECT THERETO AS SOON AS POSSIBLE, BUT NOT TO EXCEED THREE (3) WORK DAYS AFTER THE MATTER HAS BEEN CALLED TO ITS ATTENTION IN WRITING BY THE UNION.

(B) IN INSTANCES OF AN INDEFINITE LAYOFF, THE COMPANY SHALL SUBMIT TO THE UNION A LIST OF EMPLOYEES LAID OFF OR RECALLED WITHIN FIVE (5) WORK DAYS AFTER SUCH LAYOFF OR RECALL UNLESS THE COMPANY IS UNABLE TO DO SO BECAUSE OF CIRCUMSTANCES BEYOND ITS CONTROL. IN THE EVENT THAT THIS LIST CANNOT BE PROVIDED WITHIN FIVE (5) DAYS BECAUSE OF CIRCUMSTANCES BEYOND THE COMPANY'S CONTROL, THE COMPANY WILL PROMPTLY NOTIFY THE UNION OF SUCH DELAY AND OF THE REASON FOR SUCH DELAY.

THE LIST SHALL CONTAIN THE EMPLOYEE'S NAME, LAST SENIORITY DATE, BADGE NUMBER, CLASSIFICATION AND EFFECTIVE DATE OF SUCH LAYOFF OR RECALL.

WITHIN TEN (10) DAYS OF SUCH LAYOFF OR RECALL, THE COMPANY WILL ALSO PROVIDE THE UNION A LIST OF ADDRESSES OF EMPLOYEES LAID OFF OR RECALLED.

SECTION 11. (A) THE COMPANY AND THE UNION AGREE TO THE PRINCIPLE THAT SHIFT AND ODD WORK WEEK PREFERENCE FOR AVAILABLE JOBS SHOULD BE GIVEN TO SENIOR EMPLOYEES IN EACH CLASSIFICATION PLANT WIDE.

(B) IT IS RECOGNIZED, HOWEVER, THAT IT IS IMPOSSIBLE TO OPERATE THE PLANT EFFICIENTLY WITH ALL THE SENIOR EMPLOYEES IN A PARTICULAR OCCUPATION ON ANY SHIFT OR WORK WEEK AND THAT SENIORITY CANNOT BE THE SOLE DETERMINING FACTOR IN SHIFT ASSIGNMENTS.

(C) ACCORDINGLY, EFFICIENCY PERMITTING, SENIOR SENIORITY EMPLOYEES WHO HAVE MADE WRITTEN APPLICATION TO THEIR FOREMEN FOR TRANSFER TO ANOTHER SHIFT OR WORK WEEK SHALL HAVE PREFERENCE TO AVAILABLE OPENINGS; HOWEVER, IN THE ABSENCE OF WRITTEN APPLICATION FOR TRANSFERS, THE COMPANY SHALL TRANSFER FROM ONE SHIFT OR WORK WEEK TO ANOTHER SHIFT OR

WORK WEEK THE LEAST SENIOR EMPLOYEES IN ANY GIVEN CLASSIFICATION TO THE AVAILABLE OPENINGS.

(D) IN MAKING SHIFT AND WORK WEEK CHANGES OTHER THAN THOSE PROVIDED FOR IN THE ABOVE, THE COMPANY WILL REVIEW CHANGE REQUESTS AT THE END OF EACH MONTH, AND THE CHANGES PERMITTED WILL BE MADE WITHIN THE FOLLOWING THIRTY (30) DAYS FROM THOSE EMPLOYEES WHO HAVE COMPLETED THEIR PROBATIONARY PERIOD.

SECTION 12. (A) OCCUPATIONAL CHANGE REQUEST PROCEDURE FOR CLASSIFIED SENIORITY EMPLOYEES.

(B) A CLASSIFIED EMPLOYEE HAVING SIX (6) MONTHS OR MORE SENIORITY IN THE PRODUCTION AND MAINTENANCE UNIT MAY REQUEST A CHANGE FROM HIS PRESENT OCCUPATIONAL GROUP TO AN ENTRY LEVEL JOB IN ANOTHER OCCUPATIONAL GROUP, PROVIDED, SUCH EMPLOYEE REQUESTING CHANGE IS QUALIFIED TO PERFORM THE WORK OF THE REQUESTED JOB ACCORDING TO AND SHOWN BY THE PERSONNEL DEPARTMENT RECORDS OF THE COMPANY, SENIORITY PERMITTING. CHANGES RECEIVED ON OR AFTER THE DATE OF RATIFICATION OF THIS AGREEMENT WILL BE CONSIDERED IN ACCORDANCE WITH THE FOLLOWING PROCEDURES:

- (1) THE COMPANY WILL MAKE AVAILABLE IN THE WORK AREA OCCUPATIONAL CHANGE REQUEST FORMS. ANY EMPLOYEE DESIRING TO CHANGE TO ANOTHER OCCUPATIONAL GROUP MUST DESIGNATE ON SUCH FORM THE OCCUPATIONAL GROUP WHICH HE DESIRES. THE FORM MUST BE SUBMITTED TO THE PERSONNEL

OFFICE WHERE THEY WILL BE DATED AND SIGNED, ACKNOWLEDGING RECEIPT. (A COPY SHALL BE GIVEN TO THE EMPLOYEE.)

- (2) TRANSFERS UNDER THIS PROCEDURE WILL BE MADE WHEN AN OPENING OCCURS IN THE ENTRY LEVEL JOB OF THE REQUESTED OCCUPATIONAL GROUP FROM THOSE APPLICATIONS WHICH HAVE BEEN ON FILE THIRTY (30) DAYS AND THE EMPLOYEE IS QUALIFIED TO PERFORM THE WORK ACCORDING TO AND SHOWN BY PERSONNEL DEPARTMENT RECORDS OF THE COMPANY. DUTIES OF PREVIOUSLY HELD CLASSIFICATIONS WHICH THE EMPLOYEE SATISFACTORILY PERFORMED SHALL BE CONSIDERED.
- (3) WHEN AN OPENING OCCURS IN THE ENTRY LEVEL JOB AND TWO OR MORE EMPLOYEES QUALIFIED TO PERFORM THE WORK HAVE REQUESTED SUCH JOB, THE COMPANY SHALL FILL THE OPENING IN ACCORDANCE WITH THE PRINCIPLES OF SENIORITY AS SET FORTH IN ARTICLE IV, SECTION 1.
- (4) THE THIRTY (30) DAY PROVISION FOR HONORING TRANSFER REQUESTS SHALL NOT APPLY TO EMPLOYEES WHO ARE BEING PLACED ON INDEFINITE LAYOFF. REQUESTS FROM SUCH EMPLOYEES MAY BE FILED PRIOR TO DEPARTURE AND THEY SHALL BE HONORED PROVIDED THE EMPLOYEE IS QUALIFIED AS STATED ABOVE AND OPENINGS IN THE ENTRY LEVEL JOB OF THE REQUESTED OCCUPATION EXIST.

- (5) THE COMPANY WILL NOTIFY AN EMPLOYEE THAT HIS OCCUPATIONAL CHANGE REQUEST IS GOING TO BE HONORED. THE EMPLOYEE WILL THEN HAVE UNTIL THE END OF HIS NEXT REGULAR SHIFT TO WITHDRAW HIS REQUEST, AFTER SUCH TIME, THE EMPLOYEE MUST ACCEPT THE OCCUPATIONAL JOB CHANGE.
- (6) A. AN EMPLOYEE WHO CHANGES OCCUPATIONS UNDER THE PROVISIONS OF THIS SECTION SHALL RECEIVE HIS SAME STRAIGHT TIME BASIC RATE OF PAY AT THE TIME OF THE CHANGE IF THE LABOR GRADES ARE THE SAME.
- B. AN EMPLOYEE WHO CHANGES OCCUPATIONS UNDER THIS PROCEDURE TO A JOB IN A LOWER GRADE SHALL RECEIVE HIS BASIC STRAIGHT TIME RATE OF PAY AT THE TIME OF SUCH CHANGE OR THE HIGHEST STRAIGHT TIME BASIC RATE OF PAY IN THE ENTRY LEVEL JOB TO WHICH HE IS TRANSFERRED, WHICHEVER IS LOWER.
- C. AN EMPLOYEE WHO CHANGES JOBS UNDER THE PROVISIONS OF THIS SECTION TO A JOB IN A HIGHER LABOR GRADE SHALL RECEIVE EITHER HIS STRAIGHT TIME BASIC RATE OF PAY AT THE TIME OF SUCH TRANSFER OR THE HIGHEST STRAIGHT TIME BASIC RATE OF PAY IN THE ENTRY LEVEL JOB TO WHICH HE CHANGES, WHICHEVER IS LOWER, PROVIDED THAT SUCH EMPLOYEE WILL BE PAID NOT LESS THAN THE MINIMUM STRAIGHT TIME BASIC RATE OF PAY FOR THE JOB TO WHICH HE TRANSFERS.

(7) IT IS RECOGNIZED HOWEVER, THAT AN EMPLOYEE WITH SPECIAL SKILLS CANNOT BE MOVED FROM HIS PRESENT JOB TO A REQUESTED OCCUPATIONAL GROUP UNTIL A QUALIFIED REPLACEMENT IS OBTAINED FOR SUCH EMPLOYEE; HOWEVER, THE COMPANY WILL HONOR THE REQUEST AND PROMPTLY TAKE STEPS TO OBTAIN A QUALIFIED REPLACEMENT. WHEN REPLACED, THE EMPLOYEE WILL THEN BE MOVED TO HIS REQUESTED OCCUPATIONAL GROUP.

(8) NO BEGINNERS SHALL BE CLASSIFIED IN AN OCCUPATIONAL GROUP WHICH HAS BEEN SELECTED FOR CHANGE UNDER THIS PROCEDURE BY ANY QUALIFIED AND ELIGIBLE EMPLOYEE.

SECTION 13. TEMPORARY TRANSFERS - TEMPORARY TRANSFERS WILL BE MADE WITHOUT CHANGE IN CLASSIFICATION OR BASE RATE OF PAY, AND FOR A MAXIMUM OF TEN (10) WORK DAYS, UNLESS EXTENDED BY MUTUAL AGREEMENT. IN MAKING TEMPORARY TRANSFERS FROM ONE OCCUPATIONAL GROUP OF A WORK GROUP TO ANOTHER OCCUPATIONAL GROUP, EMPLOYEES WITH THE LOWEST SENIORITY WHO ARE QUALIFIED TO PERFORM THE WORK INVOLVED WILL BE SELECTED FOR THE ASSIGNMENT EXCEPT WHEN HIGHER SENIORITY EMPLOYEES ARE REQUESTED AND ACCEPT THE ASSIGNMENT.

NO EMPLOYEE WILL BE TEMPORARILY TRANSFERRED TO AN OCCUPATION DURING ANY SHIFT WHEN OTHER EMPLOYEES ON THAT SHIFT HAVE BEEN TEMPORARILY TRANSFERRED OUT OF OR TEMPORARILY LAID OFF FROM THAT OCCUPATION DURING THAT SHIFT EXCEPT BY MUTUAL AGREEMENT. WHEN SUCH TRANSFERS ARE MADE, THE SUPERVISOR SHALL NOTIFY THE AREA STEWARD IN

WRITING IF THE STEWARD IS AVAILABLE. IF NO STEWARD IS AVAILABLE, HE SHALL BE NOTIFIED UPON HIS RETURN.

SECTION 14. PERMANENT TRANSFERS - THE COMPANY MAY PERMANENTLY TRANSFER AN EMPLOYEE FROM ONE OCCUPATIONAL GROUP TO ANOTHER IN THE ENTRY LEVEL JOB, PROVIDED NO EMPLOYEE IS LAID OFF FROM THE OCCUPATIONAL GROUP TO WHICH THE TRANSFER IS MADE OR HAS AN OCCUPATIONAL CHANGE REQUEST FORM ON FILE, HOWEVER, NO EMPLOYEE WILL BE FORCED TO TRANSFER.

SECTION 15. WHEN DECREASING THE WORK FORCE IN CONNECTION WITH AN INDEFINITE LAYOFF OR REMANNING EXCESS EMPLOYEES, THE COMPANY WILL GIVE EMPLOYEES AFFECTED NOTICE AS SOON AS FINAL DETERMINATION IS MADE OR AT LEAST TWENTY-FOUR (24) HOURS NOTICE, UNLESS AFFECTED EMPLOYEE IS ABSENT FROM WORK AT THE TIME SUCH NOTICE IS GIVEN. EMPLOYEES TEMPORARILY LAID OFF MAY BE NOTIFIED OF AN INDEFINITE LAYOFF BY LETTER TO BE SENT TO THEIR LAST KNOWN ADDRESS AS IT APPEARS ON THE PERSONNEL RECORDS OF THE COMPANY.

SECTION 16. ON OR AFTER THE EFFECTIVE DATE OF THE AGREEMENT DATED MAY 21, 1965, IF AN EMPLOYEE IS TRANSFERRED TO A JOB OUTSIDE OF THE COLLECTIVE BARGAINING UNIT, AND IS LATER TRANSFERRED TO A JOB WITHIN THE UNIT, HE WILL RETAIN SENIORITY WHILE WORKING OUTSIDE THE COLLECTIVE BARGAINING UNIT.

AN EMPLOYEE WHO WAS TRANSFERRED OUTSIDE THE COLLECTIVE BARGAINING UNIT, PRIOR TO THE AGREEMENT DATED MAY 21, 1965, WILL RETAIN AND ACCUMULATE SENIORITY WHILE WORKING OUTSIDE OF THE COLLECTIVE BARGAINING UNIT.

SECTION 17. IF AN EMPLOYEE IS OFFERED A PROMOTION TO A HIGHER CLASSIFICATION AS PROVIDED IN APPENDIX A, AND REFUSES, SAID EMPLOYEE SHALL NOT BE ENTITLED TO CONSIDERATION FOR PROMOTION FOR THIRTY (30) CALENDAR DAYS FROM THE DATE PROMOTION WAS LAST OFFERED.

SECTION 18. "QUALIFIED" AND "QUALIFIED TO PERFORM THE WORK INVOLVED" AS USED IN THIS AGREEMENT SHALL BE DEEMED TO CONSIST OF ABILITY TO PERFORM SATISFACTORILY THE REQUIRED DUTIES OF THE JOB AND TO MEET STANDARDS OF QUANTITY AND QUALITY WITHOUT THE NEED OF FURTHER TRAINING. IT IS UNDERSTOOD, HOWEVER, THAT THE EMPLOYEE WILL RECEIVE THE USUAL AND NORMAL EXPLANATIONS TO PERFORM THE WORK INVOLVED.

SECTION 19. THE UNIT FOR THE APPLICATION OF SENIORITY PRINCIPLES SHALL BE BY SENIORITY WITHIN THE OCCUPATIONAL GROUP AS SET FORTH IN APPENDIX A HEREINAFTER REFERRED TO.

SECTION 20. (A) THE COMPANY SHALL FURNISH THE UNION THE ESTABLISHED SENIORITY LIST TO BE COMPILED, INDICATING THE EMPLOYEE'S STATUS BY CLASSIFICATION WITHIN THEIR OCCUPATIONAL GROUP, AND REFLECTING THEIR RELATIVE STATUS IN THE RESPECTIVE CLASSIFICATION EACH TWO (2) MONTHS. SUCH STATUS WILL BE BASED UPON THE EMPLOYEE'S SENIORITY AS PROVIDED IN THIS AGREEMENT. LEADMEN WILL BE IDENTIFIED ON SUCH LIST.

(B) ANY ALLEGED ERROR IN A SENIORITY LISTING MAY BE REPORTED TO THE COMPANY BY THE UNION AND THE EMPLOYEE. IF THE LISTING IS PROVED TO BE IN ERROR, IT WILL BE CORRECTED AND THE COMPANY WILL NOT BE OBLIGATED FOR ANY APPLICATION OR RETROACTIVITY. PROVEN ERRORS IN SENIORITY TO BE CORRECTED MUST OCCUR DURING THE TERM OF THIS AGREEMENT.

(C) EACH SENIORITY STATUS LIST WILL BE APPLIED ACCORDING TO THE PROVISIONS AS SPECIFICALLY PROVIDED IN THIS AGREEMENT.

SECTION 21. THE PHRASE "OCCUPATIONAL GROUP" INCLUDED ALL CLASSIFICATIONS (INCLUDING EMPLOYEES DESIGNATED AS LEADMEN) WITHIN AN OCCUPATION. FOR EXAMPLE, AIRCRAFT MECHANIC IS AN OCCUPATIONAL GROUP AND INCLUDES AIRCRAFT MECHANIC "A" AND AIRCRAFT MECHANIC "B". "CLASSIFICATION" DESIGNATES AN OCCUPATION; AND IN ADDITION, A SPECIFIC GRADE OF THAT OCCUPATION. FOR EXAMPLE, AIRCRAFT MECHANIC "A" AND AIRCRAFT MECHANIC "B".

WHERE THERE IS ONLY ONE GRADE IN AN OCCUPATIONAL GROUP, SUCH GRADE IS ASSUMED TO BE THE "A" GRADE UNLESS OTHERWISE DESIGNATED. FOR EXAMPLE, "TANK SEALER".

ARTICLE V

LEAVE OF ABSENCE

SECTION 1. EMPLOYEES ELECTED OR SELECTED TO FULL TIME JOBS IN THE LOCAL UNION OR THE INTERNATIONAL UNION, WHICH TAKES THEM FROM THEIR EMPLOYMENT WITH THE COMPANY, SHALL UPON WRITTEN REQUEST TO THE COMPANY, RECEIVE LEAVES OF ABSENCE WITHOUT PAY FOR A PERIOD OF FOUR (4) YEARS OR LESS. UPON COMPLETION OF THEIR LEAVES OF ABSENCE DURING THE EXISTENCE OF THIS AGREEMENT, THEY SHALL BE REEMPLOYED ACCORDING TO THEIR LENGTH OF CONTINUOUS SERVICE IN WORK GENERALLY SIMILAR TO THAT WHICH THEY DID LAST PRIOR TO THEIR LEAVING AT THE WAGE RATES EXISTING IN THE PLANT AT THE TIME OF THEIR RETURN, PROVIDED SUCH WORK IS AVAILABLE FOR THEM ACCORDING TO THEIR LENGTH OF CONTINUOUS SERVICE, AND THEY ARE QUALIFIED TO PERFORM SUCH WORK. LENGTH OF CONTINUOUS SERVICE SHALL ACCUMULATE DURING SUCH LEAVES OF ABSENCE. SUCH LEAVES OF ABSENCE WILL BE EXTENDED BY MUTUAL AGREEMENT BETWEEN THE COMPANY AND THE UNION.

LEAVES OF ABSENCE WITHOUT PAY WILL BE GRANTED BY THE COMPANY ON THREE (3) DAYS WRITTEN REQUEST OF THE UNION, TO ELECTED UNION REPRESENTATIVES IN A NUMBER NOT TO EXCEED THAT ALLOTTED BY THE INTERNATIONAL UNION, IN ACCORDANCE WITH ITS CONSTITUTION FOR THE PURPOSE OF ATTENDING NATIONAL CONVENTIONS, CONFERENCES AND UP TO ONE (1) WEEK DURATION EDUCATIONAL COURSES OF THE UNION, AND TO ELECTED UNION REPRESENTATIVES IN NUMBER NOT TO EXCEED THAT ALLOTTED BY THE STATE FEDERATION OF LABOR, IN ACCORDANCE WITH ITS CONSTITUTION FOR THE PURPOSE

OF ATTENDING STATE CONVENTIONS, CONFERENCES AND UP TO ONE (1) WEEK DURATION EDUCATIONAL COURSES OF THE UNION, BUT IN NO EVENT IS THE NUMBER TO EXCEED TEN (10) EMPLOYEES. IT IS THE INTENTION OF THE UNION TO HONOR AND RESPECT THE REQUIREMENTS OF PRODUCTION IN REQUESTS FOR LEAVES OF ABSENCE FOR SUCH DELEGATES.

SECTION 2. LEAVES OF ABSENCE FOR SICKNESS INCLUDING MATERNITY OR ACCIDENT WILL BE GRANTED EMPLOYEES WITHOUT PAY FOR A PERIOD NOT EXCEEDING THIRTY (30) DAYS, PROVIDED THE EMPLOYEE FURNISHES SATISFACTORY PROOF OF SUCH DISABILITY PRIOR TO GRANTING OF SUCH LEAVE. IF THE DISABILITY FOR SICKNESS OR ACCIDENT CONTINUES BEYOND THE THIRTY (30) DAYS, THE LEAVE OF ABSENCE WILL BE EXTENDED ON THE APPROVAL OF THE DIRECTOR OF HUMAN RELATIONS, PROVIDED THE EMPLOYEE FURNISHES THE COMPANY WITH A REPORT FROM A REPUTABLE PHYSICIAN STATING THE NECESSITY FOR SUCH EXTENSION.

SECTION 3. LEAVES OF ABSENCE WITHOUT PAY FOR RELATIVELY SHORT PERIODS MAY BE GRANTED BY THE COMPANY TO EMPLOYEE FOR PERSONAL REASONS, AND LENGTH OF CONTINUOUS SERVICE SHALL ACCUMULATE DURING SUCH LEAVES.

SECTION 4. EMPLOYEES AWAY FROM THEIR JOBS BECAUSE OF A COMPENSABLE INJURY OR COMPENSABLE DISEASE AS DEFINED BY THE WORKMAN'S COMPENSATION ACT OF ALABAMA WILL BE GIVEN LEAVES OF ABSENCE AND SHALL ACCRUE LENGTH OF CONTINUOUS SERVICE WHILE ON SUCH LEAVE.

SECTION 5. ANY LEAVE OF ABSENCE OBTAINED THROUGH FALSE PRETENSE SHALL BE INVALID AND THE EMPLOYEE'S ABSENCE SHALL BE RECORDED AS UNAUTHORIZED AND SUCH DISCIPLINARY ACTION SHALL BE TAKEN AS THE COMPANY BELIEVES WARRANTED.

SECTION 6. ALL APPLICATIONS FOR A LEAVE OF ABSENCE SHALL BE MADE IN WRITING BY THE EMPLOYEE ON A FORM PROVIDED BY THE COMPANY, AND IF APPROVED, OR DISAPPROVED, THE EMPLOYEE WILL BE SO NOTIFIED IN WRITING.

SECTION 7. TO THE EXTENT THAT THE COMPANY SHOULD REQUIRE AN ADDITIONAL MEDICAL EXAMINATION(S) OR OPINION(S) IN ADDITION TO THE OPINION(S) OF THE EMPLOYEE'S TREATING PHYSICIAN(S), THE COST OF SUCH ADDITIONAL EXAMINATION(S) OR OPINION(S) SHALL BE PAID BY THE COMPANY.

ARTICLE VI
REPRESENTATION

SECTION 1. (A) SHOP STEWARDS AND ZONE COMMITTEEMEN SHALL BE ASSIGNED TO GEOGRAPHICAL AREAS DESIGNATED BY MUTUAL AGREEMENT BETWEEN THE COMPANY AND THE UNION.

(B) THERE SHALL BE SHOP STEWARDS AND ZONE COMMITTEEMEN AS AGREED UPON BY THE COMPANY AND THE UNION AS SET FORTH IN APPENDIX B ATTACHED HERETO, WHICH SHALL BE THE BASIS FOR THE ASSIGNMENT OF SHOP STEWARDS AND ZONE COMMITTEEMEN.

(C) NO STEWARD OR ZONE COMMITTEEMAN WILL BE ASSIGNED TO AN AREA UNLESS THE SHOP STEWARD OR ZONE COMMITTEEMAN IS PERMANENTLY ASSIGNED TO WORK IN SUCH AREA. NO SHOP STEWARD OR ZONE COMMITTEEMAN SHALL BE TRANSFERRED TO ANOTHER SHIFT OR OUT OF HIS PERMANENT ASSIGNED WORK AREA AS LONG AS THERE IS WORK AVAILABLE IN HIS CLASSIFICATION WHICH HE IS QUALIFIED AND WILLING TO PERFORM, EXCEPT BY AGREEMENT BETWEEN THE COMPANY AND THE UNION; PROVIDED, HOWEVER, THAT NO PROMOTION SHALL RESULT FROM HIS RETENTION IN SUCH AREA.

(D) SHOP STEWARDS AND ZONE COMMITTEEMEN WILL NOT BE REQUIRED TO TRANSFER FROM THEIR AREA IN ORDER TO ACCEPT A PROMOTION SO LONG AS THERE IS WORK IN THEIR AREA FOR SUCH CLASSIFICATION.

SECTION 2. THE UNION SHALL FURNISH THE DIRECTOR OF HUMAN RELATIONS WITHIN FIFTEEN (15) DAYS AFTER THE EFFECTIVE DATE OF THIS AGREEMENT, A COMPLETE LIST IN WRITING, CONTAINING THE NAMES OF ITS FINANCIAL SECRETARY,

ZONE COMMITTEEMEN, AND ITS SHOP STEWARDS. SUCH LIST SHALL DESIGNATE THE OFFICE HELD AND THE GEOGRAPHICAL AREA EACH SHOP STEWARD IS ASSIGNED AS PROVIDED IN THIS AGREEMENT. THEREAFTER, THE UNION SHALL NOTIFY THE DIRECTOR OF HUMAN RELATIONS PROMPTLY, IN WRITING, OF ANY CHANGES, AND THE COMPANY SHALL NOT BE OBLIGATED TO RECOGNIZE OR DEAL WITH THE FINANCIAL SECRETARY, ZONE COMMITTEEMEN, OR SHOP STEWARDS UNTIL RECEIPT OF WRITTEN NOTIFICATION. ALL SUCH NOTIFICATION SHALL BE ON THE OFFICIAL STATIONERY OF THE UNION. IN SUCH CASES, THE DIRECTOR OF HUMAN RELATIONS SHALL GIVE IMMEDIATE RECOGNITION.

SECTION 3. ONLY EMPLOYEES WHO HAVE SENIORITY SHALL BE ELIGIBLE TO SERVE AS SHOP STEWARDS AND ZONE COMMITTEEMEN.

SECTION 4. A SHOP STEWARD AND ZONE COMMITTEEMAN SHALL NOT HANDLE ANY GRIEVANCE ARISING OUTSIDE OF HIS RESPECTIVE ASSIGNED AREA, EXCEPT HOWEVER, UPON NOTICE TO THE DIRECTOR OF HUMAN RELATIONS, A SHOP STEWARD MAY REPRESENT THE AREA OF ANOTHER DULY ELECTED SHOP STEWARD WHO IS ABSENT FROM WORK OR A ZONE COMMITTEEMAN MAY REPRESENT THE AREA OF ANOTHER ZONE COMMITTEEMAN WHO IS ABSENT FROM WORK.

SECTION 5. THERE SHALL BE A GRIEVANCE COMMITTEE CONSISTING OF THREE (3) MEMBERS MADE UP OF TWO ZONE COMMITTEEMEN FROM THE FIRST SHIFT AND ONE ZONE COMMITTEEMAN FROM THE SECOND SHIFT TO HANDLE GRIEVANCES IN THE THIRD STEP.

SECTION 6. FULL TIME REPRESENTATIVES OF THE UNION SHALL HAVE ACCESS TO GRIEVANCE MEETINGS IN STEP 3 OF THE GRIEVANCE PROCEDURE AND TO ARBITRATION HEARINGS. A FULL TIME REPRESENTATIVE OF THE UNION SHALL BE

GRANTED ACCESS ONLY TO THE PERSONNEL OFFICE OF THE COMPANY. IF IT IS NECESSARY FOR THE FULL TIME REPRESENTATIVE, IN ORDER TO HAVE A BETTER UNDERSTANDING OF A GRIEVANCE OR ALLEGED VIOLATION OF THIS CONTRACT, TO VISIT THE ACTUAL WORKING AREA, HE SHALL FIRST CONTACT THE DIRECTOR OF HUMAN RELATIONS, AND BE ASSIGNED A REPRESENTATIVE THEREFROM TO ACCOMPANY HIM ON HIS VISIT TO THE AREA.

SECTION 7. A PERMANENT AND DULY ELECTED SHOP STEWARD AND ZONE COMMITTEEMAN SHALL BE THE LAST TO BE LAID OFF IN HIS LINE OF PROGRESSION, PROVIDED HE IS WILLING AND QUALIFIED TO PERFORM THE AVAILABLE WORK.

THE PRESIDENT, RECORDING SECRETARY AND SECRETARY-TREASURER SHALL HAVE SENIORITY PREFERENCE FOR WORK WEEK AND SHIFT. SHOP STEWARDS AND ZONE COMMITTEEMEN SHALL HAVE SENIORITY PREFERENCE TO REMAIN ON WORK WEEK AND SHIFT THEY ARE ELECTED TO REPRESENT.

ARTICLE VII

GRIEVANCE PROCEDURE

SECTION 1. THE TERM "GRIEVANCE" AS USED IN THIS AGREEMENT MEANS ANY DISPUTE ARISING REGARDING THE INTERPRETATION, APPLICATION, CLAIM OR BREACH OR VIOLATION OF THIS AGREEMENT WHICH AN EMPLOYEE HAS NOT BEEN ABLE TO ADJUST WITH HIS FOREMAN WITH OR WITHOUT HIS STEWARD, WHICH SHALL BE AT THE EMPLOYEE'S DISCRETION. SUCH GRIEVANCES SHALL BE HANDLED AS PROMPTLY AS POSSIBLE IN ACCORDANCE WITH THE FOLLOWING PROCEDURE.

STEP 1. THE GRIEVANCE SHALL BE REDUCED TO WRITING BY THE EMPLOYEE OR SHOP STEWARD ON A FORM TO BE MUTUALLY AGREED UPON BY THE PARTIES, TO BE FURNISHED BY THE COMPANY, AND PRESENTED TO THE IMMEDIATE FOREMAN BY THE SHOP STEWARD. THE GRIEVANCE SHALL BE ANSWERED IN WRITING WITHIN TWO (2) WORKING DAYS AFTER IT IS SO PRESENTED.

STEP 2. IN THE EVENT THE GRIEVANCE IS NOT SATISFACTORILY DISPOSED OF UNDER STEP 1 HEREOF, IT MAY BE APPEALED BY THE ZONE COMMITTEEMAN TO THE PROJECT MANAGER, DEPARTMENT HEAD OR HIS DESIGNEE, IN THE DEPARTMENT WHERE THE GRIEVANCE AROSE. THE GRIEVANCE SHALL BE ANSWERED IN WRITING WITHIN TWO (2) WORKING DAYS AFTER IT IS SO PRESENTED.

STEP 3. IF THE GRIEVANCE HAS NOT BEEN SATISFACTORILY DISPOSED OF UNDER STEP 2 HEREOF, IT MAY BE REFERRED BY THE ZONE COMMITTEEMAN TO THE DIRECTOR OF HUMAN RELATIONS OR HIS REPRESENTATIVE AND LOGGED IN. THE GRIEVANCE WILL BE CONSIDERED AT THE NEXT MEETING OF THE GRIEVANCE COMMITTEE PROVIDED IT HAS BEEN LOGGED IN AT LEAST FORTY-EIGHT (48) HOURS PRIOR TO SUCH MEETING. GRIEVANCE COMMITTEE MEETINGS WILL NORMALLY BE HELD ON ALTERNATE WEEKS, AND EITHER PARTY MAY REQUEST THAT THE GRIEVANT ATTEND THE MEETING WHEN FACTS ARE IN DISPUTE. THE PERSONS ATTENDING THE MEETING IN BEHALF OF THE COMPANY AND THE UNION MUST HAVE AUTHORITY TO RESOLVE AND SETTLE THE GRIEVANCE AT THE MEETING, WHETHER BY CONCESSION, WITHDRAWAL OR COMPROMISE. IF THE GRIEVANCE IS SETTLED, SUCH SETTLEMENT SHALL BE REDUCED TO WRITING AND SIGNED AT THE MEETING AND THE GRIEVANCE SHALL NOT THEREAFTER BE PROCESSED FURTHER. IF THE GRIEVANCE IS NOT SETTLED IN STEP III, THE COMPANY SHALL GIVE A WRITTEN ANSWER TO THE UNION WITHIN FIVE (5) WORK DAYS AFTER THE STEP III MEETING. A FULL TIME REPRESENTATIVE OF THE UNION SHALL BE PERMITTED TO BE PRESENT AND PARTICIPATE IN ALL THIRD STEP MEETINGS IF THE UNION SO DESIRES. THE CHAIRMAN OF THE GRIEVANCE COMMITTEE OR HIS DESIGNEE SHALL BE SPOKESMAN FOR THE UNION. THE DIRECTOR OF HUMAN RELATIONS OR HIS

REPRESENTATIVE SHALL BE SPOKESMAN FOR THE COMPANY. THERE SHALL BE NO OBLIGATION ON THE PART OF THE DIRECTOR OF HUMAN RELATIONS OR THE GRIEVANCE COMMITTEE TO DISCUSS ANY GRIEVANCE WHICH HAS NOT BEEN LOGGED IN, EXCEPT BY MUTUAL AGREEMENT.

SECTION 2. UNLESS A GRIEVANCE SHALL BE APPEALED WITHIN TWO (2) WORK DAYS AFTER THE DECISION IN STEP 1 OR 2 OF THE GRIEVANCE PROCEDURE, SUCH GRIEVANCE SHALL BE DEEMED TO HAVE BEEN SETTLED. SUCH DECISION SHALL BE FINAL AND BINDING ON THE COMPANY, THE UNION AND THE EMPLOYEE OR EMPLOYEES INVOLVED. A DECISION RENDERED ON A GRIEVANCE IN STEP 3 OF THE GRIEVANCE PROCEDURE SHALL BE FINAL AND BINDING UPON THE COMPANY, THE UNION AND THE EMPLOYEE OR EMPLOYEES INVOLVED, AND THE GRIEVANCE DEEMED SETTLED IN ACCORDANCE THEREWITH, UNLESS IT IS SUBJECT TO AND ARBITRATED AS PROVIDED IN ARTICLE VIII OF THIS AGREEMENT. THE TIME LIMITS IN THIS ARTICLE MAY BE EXTENDED BY WRITTEN MUTUAL AGREEMENT.

SECTION 3. (A) GRIEVANCES MUST BE TAKEN UP PROMPTLY, AND EXCEPT AS PROVIDED IN SECTION 10 OF THIS ARTICLE, ANY GRIEVANCE MUST BE FILED AS PROVIDED IN THIS ARTICLE WITHIN TEN (10) WORKING DAYS AFTER THE UNION OR THE EMPLOYEE KNEW OR WAS INFORMED OF THE OCCURRENCE OF THE CONDITION UPON WHICH THE GRIEVANCE IS BASED. NO WAGE CLAIM SHALL BE VALID FOR A PERIOD OF MORE THAN THIRTY (30) CALENDAR DAYS PRIOR TO THE DATE OF FILING THE GRIEVANCE.

(B) ANY CLAIM OR AWARD FOR BACK WAGES UNDER THIS AGREEMENT SHALL BE LESS ANY UNEMPLOYMENT OR OTHER COMPENSATION PAYABLE TO OR EARNED BY THE EMPLOYEE DURING THE PERIOD IN QUESTION.

(C) THERE SHALL BE NO RETROACTIVE APPLICATION OF THE GRIEVANCE PROCEDURE OF THIS AGREEMENT, AND NO GRIEVANCE WHICH EXISTED PRIOR TO THE DATE HEREOF SHALL BE TAKEN UP UNDER THE AGREEMENT, EXCEPT THOSE MUTUALLY AGREED UPON.

SECTION 4. (A) ALL GRIEVANCES SHALL BE PRESENTED IN WRITING, IN TRIPLICATE, ON A FORM FURNISHED BY THE COMPANY.

(B) THE WRITTEN GRIEVANCE SHALL SET FORTH THE COMPLAINT AND REMEDY SOUGHT, THE NUMBER OF THE ARTICLE AND SECTION OF THE AGREEMENT WHICH IS CLAIMED TO BE THE BASIS FOR THE FILING OF THE GRIEVANCE, AND THIS TOGETHER WITH ANY ACCOMPANYING STATEMENTS, SHALL BE DATED AND SIGNED BY THE COMPLAINING EMPLOYEE AND BY THE SHOP STEWARD PRESENTING THE GRIEVANCE, PROVIDED, HOWEVER, THAT THE SHOP STEWARD OR ZONE COMMITTEEMAN AND THE COMPLAINING EMPLOYEE, MAY AMEND THE GRIEVANCE AND THE COMPANY MAY AMEND THE ANSWERS PRIOR TO THE DECISIONS IN STEP 2. THEREAFTER, AMENDMENTS SHALL BE MADE ONLY BY MUTUAL AGREEMENT.

(C) AFTER THE COMPANY REPRESENTATIVE HAS MADE A REPLY TO A GRIEVANCE IN ANY STEP OF THE FOREGOING PROCEDURE, THERE SHALL BE NO OBLIGATION OF SUCH REPRESENTATIVE TO DISCUSS OR CONSIDER THE MATTER FURTHER.

(D) IN REGARD TO THE GRIEVANCE PROCEDURE AND THE INVESTIGATION OF A GRIEVANCE, AFTER A GRIEVANCE HAS BEEN REDUCED TO WRITING BY THE EMPLOYEE AND PRESENTED TO THE FOREMAN IN THE FIRST STEP BY THE STEWARD, THE COMPANY WILL NOT CONFER WITH THE EMPLOYEE FOR THE PURPOSE OF SETTling SUCH GRIEVANCE WITH THE EMPLOYEE UNLESS THE STEWARD OR ZONE COMMITTEEMAN IS NOTIFIED AND GIVEN AN OPPORTUNITY TO BE PRESENT, HOWEVER, THIS IS NOT TO BE CONSTRUED TO MEAN THAT THE COMPANY CANNOT DISCUSS OR INVESTIGATE THE GRIEVANCE, CIRCUMSTANCES OF FACTS PERTAINING TO SUCH GRIEVANCE WITH THE EMPLOYEE WITHOUT THE STEWARD OR ZONE COMMITTEEMAN BEING NOTIFIED OR PRESENT.

SECTION 5. (A) TO OBTAIN A SHOP STEWARD, THE COMPLAINING EMPLOYEE SHOULD REQUEST OF HIS FOREMAN TO REQUEST OF THE SHOP STEWARD'S FOREMAN FOR THE SHOP STEWARD TO BE SENT TO THE LOCATION OF THE COMPLAINING EMPLOYEE. THE SHOP STEWARD SHALL OBTAIN FROM HIS IMMEDIATE FOREMAN A WRITTEN PASS BEFORE LEAVING HIS WORK. THE PASS SHALL STATE THE DESTINATION, GRIEVANCE TO BE HANDLED, AND THE TIME OF LEAVING. THE STEWARD, UPON REACHING HIS DESTINATION AS SHOWN ON THE PASS, SHALL REPORT TO THE COMPLAINING EMPLOYEE'S FOREMAN AT SUCH DESTINATION, WHO WILL NOTE UPON THE PASS THE TIME OF ARRIVAL OF THE SHOP STEWARD.

THE GRIEVANCE SHALL BE HANDLED AS EXPEDITIOUSLY AS POSSIBLE. UPON COMPLETION OF WHICH, THE SHOP STEWARD SHALL REPORT AGAIN TO THE COMPLAINING EMPLOYEE'S FOREMAN, WHO WILL THEN ENTER UPON THE PASS THE TIME OF DEPARTURE. THE SHOP STEWARD SHALL THEN RETURN PROMPTLY TO HIS FOREMAN, WHO WILL NOTE UPON THE PASS THE TIME OF RETURNING TO WORK.

IN THE EVENT THE FIRST STEP ANSWER IS NOT ACCEPTABLE, THE STEWARD MAY THEN REQUEST THAT THE ZONE COMMITTEEMAN BE OBTAINED SO THAT THE GRIEVANCE MAY BE PROCESSED TO THE SECOND STEP.

(B) SHOULD IT BE NECESSARY FOR THE ZONE COMMITTEEMAN TO CONTACT A PROJECT MANAGER OR HIS DESIGNEE FOR THE PURPOSE OF PROCESSING A GRIEVANCE TO STEP 2, IN ACCORDANCE WITH SECTION 1, STEP 2 OF THIS ARTICLE, THE ZONE COMMITTEEMAN SHALL OBTAIN FROM HIS FOREMAN PERMISSION TO PHONE THE PROJECT MANAGER OR HIS DESIGNEE, FOR AN APPOINTMENT. IMMEDIATELY PRIOR TO THE TIME OF THE APPOINTMENT WITH THE PROJECT MANAGER, THE ZONE COMMITTEEMAN SHALL OBTAIN FROM HIS FOREMAN A WRITTEN PASS BEFORE LEAVING HIS WORK. THE PASS SHALL STATE HIS DESTINATION, GRIEVANCE TO BE HANDLED, AND THE TIME OF LEAVING. WHEN THE ZONE COMMITTEEMAN REACHES THE PROJECT MANAGER'S OFFICE, THE PROJECT MANAGER SHALL NOTE UPON THE PASS THE TIME OF ARRIVAL OF THE ZONE COMMITTEEMAN. THE GRIEVANCE SHALL BE HANDLED AS EXPEDITIOUSLY AS POSSIBLE, AND UPON COMPLETION OF WHICH THE PROJECT MANAGER WILL ENTER UPON THE PASS THE TIME OF DEPARTURE. THE ZONE COMMITTEEMAN SHALL THEN RETURN PROMPTLY TO HIS FOREMAN, WHO WILL NOTE ON THE PASS THE TIME OF RETURN TO WORK.

IN THE EVENT THE SECOND STEP ANSWER IS NOT ACCEPTABLE, THE ZONE COMMITTEEMAN (IF NOT THE CHAIRMAN) MAY REQUEST THAT THE ZONE COMMITTEE CHAIRMAN BE OBTAINED SO THAT HE MAY PROCESS THE GRIEVANCE TO THIRD STEP.

(C) WHEN IT IS NECESSARY FOR A MEMBER OF THE GRIEVANCE COMMITTEE TO LEAVE HIS JOB FOR THE PURPOSE OF ATTENDING THIRD STEP MEETINGS AS PROVIDED HEREIN, SUCH UNION REPRESENTATIVE SHALL FIRST NOTIFY HIS FOREMAN

(OR WHEN NOT AVAILABLE, HIS GENERAL FOREMAN OR PROJECT MANAGER) AND OBTAIN A PASS INDICATING PERMISSION TO LEAVE.

(D) UNION SHOP STEWARDS OR ZONE COMMITTEEMEN WILL BE ALLOWED TO SPEND SUCH TIME AS MAY BE NECESSARY OR REASONABLE IN HANDLING GRIEVANCES AS PROVIDED IN STEP 1 AND STEP 2 OF SECTION 1 OF THIS ARTICLE WITHOUT DEDUCTION OF PAY PROVIDED THAT NO PART OF SUCH TIME SHALL BE SPENT IN SOLICITING GRIEVANCES. THE GRIEVANCE COMMITTEE WILL BE ALLOWED TO SPEND SUCH TIME AS MAY BE NECESSARY OR REASONABLE IN ATTENDING MEETINGS WITH MANAGEMENT, AS PROVIDED IN STEP 3 OF SECTION 1 OF THIS ARTICLE WITHOUT DEDUCTION OF PAY, PROVIDED THAT NO PART OF SUCH TIME SHALL BE SPENT IN SOLICITING GRIEVANCES.

SECTION 6. AN EMPLOYEE HAVING A GRIEVANCE SHALL BE GIVEN A REASONABLE TIME TO TAKE THE GRIEVANCE UP WITH THE PROPER UNION REPRESENTATIVE DURING WORKING HOURS WITHOUT LOSS OF PAY TO THE EMPLOYEE, BUT HE SHALL FIRST OBTAIN PERMISSION OF HIS FOREMAN.

SECTION 7. EACH OF THE PARTIES HERETO AGREE TO COOPERATE WITH THE OTHER TO REDUCE TO A MINIMUM THE ACTIVE TIME SPENT BY UNION REPRESENTATIVES IN HANDLING, PRESENTING AND ADJUSTING GRIEVANCES.

SECTION 8. IN COMPUTING TIME LIMITS UNDER THIS ARTICLE, EXCEPT AS OTHERWISE PROVIDED, UNSCHEDULED WORK DAYS AND HOLIDAYS SHALL NOT BE COUNTED.

SECTION 9. POLICY GRIEVANCES MAY BE PRESENTED AT THE THIRD STEP.

SECTION 10. SHOULD THE COMPANY FIND IT NECESSARY TO DISCHARGE AN EMPLOYEE FOR CAUSE, IT SHALL GIVE TWENTY-FOUR (24) HOURS NOTICE TO THE UNION BEFORE THE DISCHARGE BECOMES EFFECTIVE UNLESS THE COMPANY DEEMS IT NECESSARY THAT THE EMPLOYEE BE IMMEDIATELY REMOVED FROM THE PREMISES.

UNDER NORMAL CIRCUMSTANCES, A SUSPENDED OR DISCHARGED EMPLOYEE, WILL HAVE A REASONABLE TIME TO DISCUSS THE MATTER WITH A ZONE COMMITTEEMAN PRIOR TO LEAVING THE COMPANY'S PREMISES IF THE ZONE COMMITTEEMEN ARE AT WORK. IF THE ZONE COMMITTEEMEN ARE ABSENT, THE APPROPRIATE SHOP STEWARD WILL BE CONTACTED.

A GRIEVANCE ARISING OUT OF A DISCHARGE OR DISCIPLINARY SUSPENSION WHICH IS FELT TO HAVE BEEN MADE WITHOUT CAUSE, MUST BE FILED WITH THE DIRECTOR OF HUMAN RELATIONS OR HIS DESIGNEE, OF THE COMPANY, WITHIN THREE (3) WORK DAYS AFTER SUCH DISCHARGE OR SUSPENSION. THE DIRECTOR OF HUMAN RELATIONS OR HIS DESIGNEE SHALL RENDER A WRITTEN DECISION WITHIN FIVE (5) DAYS AFTER THE GRIEVANCE HAS BEEN FILED WITH HIM.

IF REQUESTED BY THE EMPLOYEE, HIS SHOP STEWARD WILL BE PRESENT AT THE TIME OF ISSUANCE TO THE EMPLOYEE OF ANY WRITTEN WARNING NOTICE.

ARTICLE VIII

ARBITRATIONS

INSOFAR AS A GRIEVANCE SHALL INVOLVE THE INTERPRETATION OR APPLICATION OF THE PROVISIONS OF THIS AGREEMENT AND HAS NOT BEEN DISPOSED OF SATISFACTORILY IN ACCORDANCE WITH STEP 3 OF THE GRIEVANCE PROCEDURE AS SET FORTH IN ARTICLE VII, IT MAY BE SUBMITTED TO AN IMPARTIAL ARBITRATOR IN ACCORDANCE WITH THE PROVISIONS OF THIS ARTICLE, BY EITHER PARTY TO THIS AGREEMENT.

(A) THE PARTY DESIRING SUCH ARBITRATION SHALL, WITHIN THIRTY (30) DAYS OF THE DECISION IN STEP 3 OF SAID GRIEVANCE PROCEDURE, GIVE WRITTEN NOTICE OF SUCH INTENTION TO THE OTHER PARTY, TOGETHER WITH A WRITTEN STATEMENT OF FACTS UPON WHICH THE CASE IS BEING SUBMITTED, INCLUDING THE POSITION OF ARBITRATING PARTY WITH RESPECT TO THE ISSUES. THE PARTY DESIRING ARBITRATION SHALL ALSO REQUEST THE FEDERAL MEDIATION & CONCILIATION SERVICE TO FURNISH A LIST OF IMPARTIAL ARBITRATORS. UPON RECEIPT OF AND FROM SUCH LIST, THE PARTIES WILL ATTEMPT TO MUTUALLY SELECT AN ARBITRATOR ACCEPTABLE TO BOTH PARTIES. SHOULD THE COMPANY AND THE UNION NOT MUTUALLY AGREE UPON AN ARBITRATOR FROM THE LIST, WITHIN FIVE (5) WORK DAYS AFTER RECEIPT OF SUCH LIST, THE PARTY DESIRING ARBITRATION SHALL REQUEST THE FEDERAL MEDIATION & CONCILIATION SERVICE TO FURNISH A SECOND LIST OF SEVEN (7) ARBITRATORS, FROM WHICH THE COMPANY AND THE UNION WILL ATTEMPT TO MUTUALLY SELECT ONE (1) TO SERVE AS ARBITRATOR. IF AN ARBITRATOR FROM SUCH LIST IS NOT MUTUALLY SELECTED WITHIN FIVE (5) WORK DAYS AFTER RECEIPT

OF SUCH LIST, THE COMPANY AND THE UNION WILL CHOOSE THE ARBITRATOR BY ALTERNATELY STRIKING ONE NAME FROM SUCH LIST UNTIL ONLY ONE NAME REMAINS, AND THAT PERSON SHALL BE THE ARBITRATOR. (THE RIGHT TO STRIKE THE FIRST NAME TO BE DETERMINED BY LOT.) ONCE CHOSEN, SUCH ARBITRATOR SHALL CONTINUE TO SERVE IN ALL CASES ARISING UNDER THIS SECTION FOR THE DURATION OF THIS AGREEMENT, PROVIDED, HOWEVER, THAT EITHER THE COMPANY OR UNION, OR BOTH, MAY AT ANY TIME REQUEST THAT A NEW ARBITRATOR BE CHOSEN IN ACCORDANCE WITH THE ABOVE PROCEDURE.

(B) THE ARBITRATOR SHALL CONSIDER ONLY THOSE ISSUES, INCLUDING ANY AMENDMENTS THAT WERE MADE PURSUANT TO SECTION 4 OF ARTICLE VII, WHICH HAVE BEEN PROPERLY CARRIED THROUGH ALL STEPS OF THE GRIEVANCE PROCEDURE. THE ARBITRATOR SHALL AFFORD TO THE COMPANY, THE UNION, AND THE EMPLOYEE OR EMPLOYEES INVOLVED, A REASONABLE OPPORTUNITY TO PRESENT EVIDENCE, WITNESSES AND ARGUMENTS. PERSONS TESTIFYING MAY BE SWORN AT THE REQUEST OF EITHER PARTY. THE JURISDICTION OF THE ARBITRATOR AND HIS DECISION SHALL BE CONFINED TO A DETERMINATION OF THE FACTS AND THE INTERPRETATION OR APPLICATION OF THE SPECIFIC PROVISION OR PROVISIONS OF THIS AGREEMENT AT ISSUE. THE ARBITRATOR SHALL BE BOUND BY THE TERMS AND PROVISIONS OF THIS AGREEMENT AND SHALL HAVE AUTHORITY TO CONSIDER ONLY GRIEVANCES PRESENTING SOLELY AN ARBITRABLE ISSUE UNDER THIS AGREEMENT. THE ARBITRATOR SHALL HAVE NO AUTHORITY TO ADD TO, SUBTRACT FROM, MODIFY OR AMEND ANY PROVISIONS OF THIS AGREEMENT. THE ARBITRATOR SHALL HAVE NO AUTHORITY TO INTERPRET ANY STATE OR FEDERAL LAW WHEN THE COMPLIANCE OR NON-COMPLIANCE THEREWITH SHALL BE INVOLVED IN THE CONSIDERATION OF THE

GRIEVANCE. THE DECISION OF THE ARBITRATOR SHALL BE RENDERED AS SOON AS PRACTICABLE AFTER THE HEARING, BUT IN NO EVENT BEYOND THIRTY (30) DAYS AFTER THE CLOSE OF SAID HEARING. THE ARBITRATOR'S DECISION SHALL BE FINAL AND BINDING ON THE COMPANY, THE UNION AND THE EMPLOYEE OR EMPLOYEES INVOLVED, SUBJECT TO THE LIMITATIONS SPECIFIED IN THIS AGREEMENT.

(C) THE COMPENSATION OF SUCH ARBITRATOR FOR HIS SERVICES AND EXPENSES IN CONNECTION WITH THE CASE OR CASES SUBMITTED TO HIM SHALL BE SHARED EQUALLY BETWEEN THE COMPANY AND THE UNION.

(D) THE COMPANY AND THE UNION MAY MUTUALLY AGREE TO SUBMIT ANY OTHER QUESTIONS THAN HEREIN EXPRESSLY PROVIDED TO THE ARBITRATOR FOR DETERMINATION.

ARTICLE IX

STRIKES, LOCKOUTS AND WORK STOPPAGES

THE UNION, ITS OFFICERS AND MEMBERS AGREE FOR THE DURATION OF THIS AGREEMENT THERE SHALL BE NO STRIKES, SIT-DOWNS, SLOW-DOWNS, STOPPAGES OF WORK OR ANY ACTS OF ANY NATURE WHICH WOULD INTERFERE WITH PRODUCTION AND NO PICKETING OF ANY KIND. FAILURE OR REFUSAL ON THE PART OF ANY EMPLOYEE OF THE COMPANY TO COMPLY WITH ANY AND ALL PROVISIONS OF THIS SECTION, SHALL BE SUFFICIENT GROUNDS FOR PENALTY OR DISCHARGE. THE COMPANY AGREES THAT FOR THE DURATION OF THIS AGREEMENT THERE SHALL BE NO LOCKOUTS. A LOCKOUT AS MENTIONED HEREIN SHALL NOT BE CONSTRUED AS THE CLOSING DOWN OF THE OPERATION OR ANY PART THEREOF OR CURTAILING ANY OPERATIONS FOR BUSINESS REASONS.

THE RESPONSIBILITY OF THE COMPANY OR THE UNION FOR ACTS OF EMPLOYEES, MEMBERS OR OTHER PERSONS SHALL DEPEND UPON THE AGENCY OF SUCH PERSONS.

ARTICLE X

HOURS OF WORK

SECTION 1. 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 HOURS OF WORK FOR ANY PERIOD.

SECTION 2. (A) THE NORMAL WORK DAY FOR FIRST AND SECOND SHIFT SHALL CONSIST OF EIGHT (8) HOURS, EXCLUSIVE OF LUNCH, FOR EACH SUCH SHIFT IN THE TWENTY-FOUR (24) CONSECUTIVE HOUR PERIOD FOLLOWING THE STARTING TIME OF THE RESPECTIVE SHIFTS.

(B) THE NORMAL WORK DAY FOR THIRD SHIFT SHALL CONSIST OF SEVEN (7) HOURS, EXCLUSIVE OF LUNCH, FOR SUCH SHIFT IN THE TWENTY-FOUR (24) CONSECUTIVE HOUR PERIOD FOLLOWING THE STARTING TIME OF THE RESPECTIVE SHIFT.

(C) THE CALENDAR DAY WORKED FOR THE RESPECTIVE SHIFT SHALL BE DETERMINED AS OF THE DAY THE FIRST SHIFT STARTS TO WORK.

(D) THE WORK WEEK SHALL BEGIN WITH THE HOUR THAT THE RESPECTIVE SHIFTS START TO WORK ON MONDAY AND SHALL END ONE HUNDRED AND SIXTY-EIGHT (168) HOURS LATER.

SECTION 3. (A) THE NORMAL WORK WEEK SHALL CONSIST OF FORTY (40) HOURS FOR FIRST AND SECOND SHIFTS EACH ON FIVE (5) CONSECUTIVE DAYS, MONDAY, TUESDAY, WEDNESDAY, THURSDAY AND FRIDAY.

(B) THE NORMAL WORK WEEK SHALL CONSIST OF THIRTY-FIVE (35) HOURS FOR THIRD SHIFT ON FIVE (5) CONSECUTIVE DAYS, MONDAY, TUESDAY, WEDNESDAY, THURSDAY AND FRIDAY.

(C) THE NORMAL WORK WEEK AS PROVIDED IN THIS AGREEMENT SHALL NOT APPLY TO EMPLOYEES ASSIGNED TO AN ODD WORK WEEK WHICH SHALL CONSIST OF FIVE (5) CONSECUTIVE DAYS IN WHICH THE EMPLOYEES' SIXTH (6TH) AND SEVENTH (7TH) DAY WOULD BE OTHER THAN SATURDAY AND SUNDAY.

SECTION 4. 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 BUSINESS. THE STARTING TIMES OF THE VARIOUS SHIFTS WILL BE AS FOLLOWS:

**FIRST SHIFT - BEGINNING AT OR AFTER 5:00 A.M.,
BUT BEFORE 9:00 A.M.**

**SECOND SHIFT - BEGINNING AT OR AFTER 9:00 A.M.,
BUT BEFORE 6:00 P.M.**

**THIRD SHIFT - BEGINNING AT OR AFTER 6:00 P.M.,
BUT BEFORE 5:00 A.M.**

ARTICLE XI

OVERTIME AND HOLIDAY PAY

SECTION 1. OVERTIME WILL BE PAID AT THE RATE OF ONE AND ONE-HALF (1 1/2) TIMES THE REGULAR RATE OF PAY AS FOLLOWS:

(A) FOR ALL AUTHORIZED HOURS WORKED IN EXCESS OF EIGHT (8) HOURS IN ANY REGULAR WORK DAY, OR IN EXCESS OF FORTY (40) HOURS IN ANY REGULAR WORK WEEK FOR WHICH OVERTIME HAS NOT PREVIOUSLY BEEN PAID. FOR THE PURPOSE OF COMPUTING OVERTIME IT IS UNDERSTOOD THAT PAID VACATION TIME WITHIN A REGULAR WORK WEEK SHALL BE COUNTED AS TIME WORKED.

(B) FOR ALL AUTHORIZED WORK PERFORMED ON THE SIXTH (6TH) DAY WORKED DURING THE EMPLOYEE'S ASSIGNED WORK WEEK.

SECTION 2. (A) OVERTIME WILL BE PAID AT THE RATE OF TWO (2) TIMES THE REGULAR RATE OF PAY FOR AUTHORIZED WORK PERFORMED BY EMPLOYEES ON SHIFTS STARTING ON THE SEVENTH (7TH) DAY OF THE EMPLOYEE'S ASSIGNED WORK WEEK.

(B) FOR ALL AUTHORIZED HOURS WORKED IN EXCESS OF TWELVE (12) HOURS IN ANY WORK DAY.

SECTION 3. IN THE EVENT WORK IS SCHEDULED ON A HOLIDAY (AS PROVIDED FOR IN SECTION 7 OF THIS ARTICLE), AN EMPLOYEE WORKING SHALL RECEIVE IN ADDITION TO HIS STRAIGHT TIME HOLIDAY PAY, PREMIUM PAY FOR HOURS WORKED AS FOLLOWS:

(A) TIME AND ONE AND ONE-HALF (1 1/2) TIMES HIS REGULAR RATE FOR ALL AUTHORIZED HOURS WORKED ON THE HOLIDAY(S) EXCEPT WHEN THE HOLIDAY

OCCURS ON A SUNDAY OR THE DESIGNATED SEVENTH (7TH) DAY OF THE ODD WORK WEEK EMPLOYEES WORK WEEK.

IN SUCH INSTANCES OF SEVENTH (7TH) DAY WORK (ON A HOLIDAY) THE PREMIUM PAY SHALL BE TWO (2) TIMES THE REGULAR STRAIGHT TIME RATE.

SECTION 4. THE COMPANY RECOGNIZES THE FOLLOWING ELEVEN (11) HOLIDAYS IN THE CALENDAR YEAR:

1. NEW YEAR'S DAY
2. GOOD FRIDAY
3. MEMORIAL DAY
4. INDEPENDENCE DAY
5. LABOR DAY
6. COLUMBUS DAY
7. THANKSGIVING DAY
8. FRIDAY FOLLOWING THANKSGIVING
9. CHRISTMAS EVE
10. CHRISTMAS DAY
11. NEW YEAR'S EVE

(A) WHEN A RECOGNIZED HOLIDAY FALLS ON SATURDAY, FRIDAY WILL BE OBSERVED AS THE HOLIDAY, AND WHEN A RECOGNIZED HOLIDAY FALLS ON SUNDAY, MONDAY WILL BE RECOGNIZED AS THE HOLIDAY WITH THE FOLLOWING EXCEPTIONS:

- (1) CHRISTMAS DAY HOLIDAY WILL BE OBSERVED ON THE DAY ON WHICH IT FALLS.
- (2) WHEN CHRISTMAS EVE DAY FALLS ON SUNDAY, TUESDAY WILL BE OBSERVED AS THE HOLIDAY.

(B) AN EMPLOYEE WORKING AN ODD WORK WEEK SCHEDULE SHALL OBSERVE HIS NEXT REGULAR WORK DAY FOLLOWING A HOLIDAY, AS THE HOLIDAY, IF SAID HOLIDAY SHOULD OCCUR ON HIS REGULAR DAY OFF.

(C) AN EMPLOYEE ON THE ACTIVE PAYROLL OF THE COMPANY, HAVING SENIORITY AS PROVIDED IN ARTICLE IV OF THIS AGREEMENT, SHALL RECEIVE AS HEREINAFTER PROVIDED EIGHT (8) HOURS PAY AT HIS REGULAR RATE OF PAY.

SECTION 5. (A) AN EMPLOYEE, IN ORDER TO BE ELIGIBLE TO RECEIVE PAY FOR HOURS NOT WORKED ON A RECOGNIZED HOLIDAY, AS ABOVE SPECIFIED, MUST HAVE WORKED HIS SCHEDULED SHIFT, UNLESS EXCUSED THEREFROM, ON THE LAST WORK DAY IMMEDIATELY PRECEDING SUCH HOLIDAY AND MUST HAVE WORKED HIS SCHEDULED SHIFT, UNLESS EXCUSED THEREFROM, ON THE FIRST WORK DAY IMMEDIATELY FOLLOWING SUCH HOLIDAY.

(B) TIME SPENT ON APPROVED MEDICAL LEAVE OF NOT MORE THAN SEVEN (7) CALENDAR DAYS WILL BE CONSIDERED AN EXCUSED ABSENCE FOR THE PURPOSE OF RECEIVING HOLIDAY PAY ONLY.

(C) AN EMPLOYEE SHALL NOT RECEIVE HOLIDAY PAY IF:

- (1) SUCH HOLIDAY OCCURS DURING AN EMPLOYEE'S LEAVE OF ABSENCE.
- (2) SUCH HOLIDAY OCCURS DURING AN INDEFINITE LAYOFF.

SECTION 6. IF WORK IS SCHEDULED FOR ANY HOLIDAY AND AN EMPLOYEE IS NOTIFIED BUT FAILS TO WORK AS SCHEDULED, UNLESS EXCUSED THEREFROM:

(A) HE SHALL NOT RECEIVE ANY PAY FOR SAID HOLIDAY, AND

(B) SAID HOLIDAY SHALL NOT BE COUNTED AS A DAY WORKED FOR THE PURPOSE OF COMPUTING OVERTIME PAY FOR THE SIXTH (6TH) CONSECUTIVE DAY WORKED DURING THE EMPLOYEE'S ASSIGNED WORK WEEK.

SECTION 7. THE COMPANY MAY, AT ITS OPTION, OBSERVE THE ABOVE RECOGNIZED HOLIDAYS BY CLOSING THE PLANT OR SCHEDULING WORK ON THEM.

SECTION 8. IF ONE OR MORE OF THE ABOVE HOLIDAYS OCCURS WHILE AN EMPLOYEE IS ON AN AUTHORIZED VACATION, HE SHALL RECEIVE PAY FOR SUCH HOLIDAY OR HOLIDAYS AS SPECIFIED IN THIS ARTICLE.

SECTION 9. PAID DAYS OF VACATION AS PROVIDED IN ARTICLE XIII, PAID DAYS OF SICK/PERSONAL LEAVE AS PROVIDED IN ARTICLE XIII AND THE HOLIDAYS DESIGNATED IN SECTION 4 OF THIS ARTICLE, EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE, SHALL BE COUNTED AS DAYS WORKED FOR THE PURPOSE OF COMPUTING PAY FOR THE SIXTH (6TH) DAY WORKED UNDER SECTION 1 OF THIS ARTICLE, SUBJECT TO SECTION 6 THEREOF, WHETHER OR NOT WORK IS ACTUALLY PERFORMED ON THEM; PROVIDED, HOWEVER, THAT HOLIDAY PAY FOR ANY OF SAID HOLIDAYS FOR WORK NOT PERFORMED SHALL IN NO EVENT EXCEED EIGHT (8) HOURS REGULAR RATE OF PAY.

IF AN EMPLOYEE REPORTS TO WORK WHICH HAS BEEN PREVIOUSLY SCHEDULED AND IS SENT HOME BY THE COMPANY DUE TO LACK OF WORK, SUCH DAY SHALL BE COUNTED AS A DAY WORKED IN COMPUTING PAY FOR THE SIXTH (6TH) DAY WORKED.

SECTION 10. THERE SHALL BE NO PYRAMIDING OF PREMIUM OR OVERTIME PAY AND NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED SO AS TO REQUIRE THE PAYMENT OF PREMIUM OR OVERTIME PAY MORE THAN ONCE FOR THE SAME HOURS WORKED.

SECTION 11. (A) THE COMPANY WILL, INSOFAR AS IT IS PRACTICABLE AND WITH DUE REGARD TO PRODUCTION, EQUALIZE OVERTIME AMONG EMPLOYEES REGULARLY ASSIGNED TO AND WORKING ON THE SAME SHIFT IN THE SAME CLASSIFICATION IN THE SAME WORK GROUP. (REF. - SCHEDULE I).

OVERTIME ROSTERS AND OVERTIME BYPASS RECORDS SHALL BE MAINTAINED FOR EACH WORK GROUP, AND SHALL UPON REQUEST, BE MADE AVAILABLE FOR OBSERVATION BY AFFECTED PERSONS AND/OR THE APPROPRIATE SHOP STEWARD.

IT IS UNDERSTOOD BY THE PARTIES HERETO THAT AN EMPLOYEE MUST BE QUALIFIED AND CAPABLE OF PERFORMING EFFICIENTLY THE OVERTIME WORK INVOLVED.

(B) PURSUANT TO THE ABOVE, AVAILABLE OVERTIME WILL BE EQUALIZED AMONG EMPLOYEES IN ACCORDANCE WITH THE FOLLOWING PROCEDURES:

- (1) EMPLOYEES WHO HAVE THE LOWEST NUMBER OF OVERTIME HOURS CHARGED ON OVERTIME RECORDS IN THE SAME CLASSIFICATION AND WORK GROUP TO BE WORKED WILL BE OFFERED AN OPPORTUNITY TO WORK OVERTIME. AN EMPLOYEE WHO REQUESTS BYPASS OF OVERTIME OFFERED IN ACCORDANCE WITH THIS PARAGRAPH WILL AT THE TIME OF REFUSAL INITIAL THE OVERTIME ROSTER, IF AT WORK. EMPLOYEES ABSENT ON THE DAY DAILY OVERTIME ARISES WILL NOT COMPETE FOR THE OVERTIME.**
- (2) OVERTIME WHEN OFFERED WILL BE POSTED TO THE OVERTIME ROSTER AS HOURS WORKED. (EXCEPT THAT DAILY OVERTIME WHICH IF OFFERED LESS THAN 1 1/2 HOURS PRIOR TO END OF SHIFT**

WILL NOT BE CHARGED IF REFUSED). FOR THIS PURPOSE, HOURS POSTED SHALL BE THE HOURS AVAILABLE TO AN EMPLOYEE IN EXCESS OF HIS REGULAR SCHEDULE. (BASED ON HIS STRAIGHT TIME RATE) AND ADJUSTED TO THE NEAREST HOUR, (DOWN IF LESS THAN 1/2 HOUR, UP IF 1/2 HOUR OR MORE).

- (3) NEW HIRES WILL, UPON COMPLETION OF TWO WEEKS OF SERVICE, BE PLACED ON THE OVERTIME ROSTER, IF NOT PLACED SOONER. THE POSITION GIVEN TO THE EMPLOYEE BEING PLACED ON THE OVERTIME ROSTER FOR THE FIRST TIME SHALL BE THE NUMBER OF HOURS CHARGED TO THE HIGHEST OVERTIME EMPLOYEE OF HIS CLASSIFICATION ON THE ROSTER, PLUS TWO HOURS. ALL EMPLOYEES OF HIS CLASSIFICATION ON THE ROSTER SHALL BE OFFERED THE OPPORTUNITY TO WORK OVERTIME PRIOR TO THE NEWLY PLACED EMPLOYEE.
- (4) WHEN AN EMPLOYEE ON THE OVERTIME ROSTER OF A WORK GROUP IS PERMANENTLY TRANSFERRED TO ANOTHER OVERTIME WORK GROUP, OR RECLASSIFIED INTO A NEW OVERTIME GROUP, HE SHALL BE IMMEDIATELY REMOVED FROM HIS FORMER OVERTIME WORK GROUP ROSTER, AND PLACED ON THE ROSTER OF THE NEW WORK GROUP. THE POSITION TO BE GIVEN SUCH NEWLY PLACED EMPLOYEE SHALL BE TWO (2) HOURS HIGHER THAN THE HIGHEST OVERTIME EMPLOYEE OF HIS CLASSIFICATION ON THE ROSTER. ALL EMPLOYEES HAVING THE SAME CLASSIFICATION WHO WERE PREVIOUSLY ASSIGNED TO THE OVER TIME WORK GROUP SHALL BE

OFFERED THE OPPORTUNITY TO WORK OVERTIME PRIOR TO THE NEWLY PLACED EMPLOYEE.

- (5) EMPLOYEES TEMPORARILY ASSIGNED TO A WORK GROUP WILL RETAIN THEIR POSITION ON THE OVERTIME ROSTER IN THEIR REGULARLY ASSIGNED WORK GROUP.
- (6) WRITTEN NOTICE SHALL BE GIVEN TO EMPLOYEES UPON PERMANENT TRANSFER FROM ONE OVERTIME WORK GROUP TO ANOTHER. EMPLOYEES WILL BE CONSIDERED TO BE PERMANENTLY TRANSFERRED AFTER WORKING TEN CONSECUTIVE WORK DAYS IN A DIFFERENT WORK GROUP UNLESS EXTENDED BY MUTUAL AGREEMENT.
- (7) EMPLOYEES RETURNING FROM A LEAVE OF ABSENCE OR LAYOFF IN EXCESS OF THIRTY (30) CALENDAR DAYS, SHALL HAVE THEIR OVERTIME POSITION RECOMPUTED TO TWO (2) HOURS HIGHER THAN THE HIGHEST OVERTIME EMPLOYEE OF HIS CLASSIFICATION ON THE ROSTER IN THE WORK GROUP TO WHICH THEY ARE ASSIGNED UPON RETURN.
- (8) WHEN ALL EMPLOYEES IN A CLASSIFICATION OF AN OVERTIME WORK GROUP HAVE BEEN OFFERED AN OPPORTUNITY TO WORK OVERTIME AND THERE IS A NEED FOR ADDITIONAL EMPLOYEES, THE COMPANY WILL SCHEDULE EMPLOYEES OR OBTAIN ADDITIONAL QUALIFIED EMPLOYEES FROM OTHER OVERTIME WORK GROUPS IN ACCORDANCE WITH PARAGRAPH (B) OF THIS SECTION.

(9) EMPLOYEES ON WEEKLY VACATIONS WILL NOT BE OFFERED OR SCHEDULED OVERTIME DURING THE WEEKEND(S) FOLLOWING THE VACATION PERIOD.

(10) FOR THE PURPOSE OF OVERTIME ON WEEKENDS, INCLUDING THE SIXTH AND SEVENTH OFF DAYS FOR ODD WORK WEEK EMPLOYEES, THANKSGIVING DAY AND FRIDAY FOLLOWING THANKSGIVING, CHRISTMAS EVE AND CHRISTMAS DAY, NEW YEARS' EVE AND NEW YEARS' DAY HOLIDAYS, AND LONG WEEKENDS AS A RESULT OF HOLIDAYS FALLING ON OR BEING OBSERVED ON THE DAY BEFORE OR THE DAY AFTER A WEEKEND, THE FOLLOWING PROCEDURE WILL BE UTILIZED:

(1) ALL OVERTIME HOURS WORKED OR CHARGED THROUGH THE SCHEDULED WORK DAY BEFORE THE DAY WEEKEND OVERTIME IS OFFERED WILL BE POSTED TO THE OVERTIME ROSTER AND THE RELATIVE POSITION OF EACH EMPLOYEE FROZEN UNTIL THE FIRST SCHEDULED REGULAR WORK DAY AFTER THE WEEKEND.

(2) AVAILABLE OVERTIME ON THE LAST SCHEDULED REGULAR WORK DAY AND THE WEEKEND WILL BE OFFERED TO THE LOW OVERTIME EMPLOYEE IN THE SAME CLASSIFICATION SHIFT, AND WORK GROUP TO BE WORKED.

(3) OVERTIME ROSTERS WILL BE UPDATED ON THE FIRST SCHEDULED REGULAR WORK DAY AFTER THE WEEKEND AND ALL OVERTIME HOURS WORKED OR OFFERED POSTED TO THE ROSTER.

(11) NO EMPLOYEE SHALL BE REQUIRED TO WORK THE SIXTH AND SEVENTH DAY OF TWO (2) CONSECUTIVE WEEKS WITHOUT BEING ALLOWED THE FOLLOWING SIXTH AND SEVENTH DAY OFF. IF AN EMPLOYEE ELECTS TO WORK SUCH "TIME OFF", HE MUST WORK ON THE SIXTH AND SEVENTH DAY OF TWO (2) CONSECUTIVE FOLLOWING WEEKS BEFORE HE IS ENTITLED TO "TIME OFF".

(C) IN THE EVENT OF NEW WORK OR NEW TYPE WORK, THE COMPANY WILL ESTABLISH A NEW OR REVISED WORK GROUP OR GROUPS ONLY AFTER DISCUSSING THE MATTER WITH THE UNION.

THE FOREGOING IN NO WAY LIMITS THE COMPANY'S RIGHT TO MAKE WORK ASSIGNMENTS, CONTROL AMOUNT OF OVERTIME, OR CONTROL EXCESSIVE ABSENTEEISM.

SECTION 12. SO LONG AS HIS REGULARLY ASSIGNED WORK WEEK IS AVAILABLE NO EMPLOYEE SHALL BE DEPRIVED OF HIS REGULAR SCHEDULED EMPLOYMENT FOR THE PURPOSE OF AVOIDING OVERTIME.

ARTICLE XII
BULLETIN BOARDS

THE COMPANY AGREES TO PROVIDE BULLETIN BOARDS TO BE MUTUALLY AGREED UPON BY THE COMPANY AND THE UNION FOR EXCLUSIVE USE OF THE UNION AT APPROPRIATE PLACES IN THE PLANT, FOR THE PURPOSE OF LEGITIMATE BUSINESS OF INTEREST TO THE EMPLOYEES AS FOLLOWS:

- (1) NOTICE OF MEETINGS.
- (2) NOTICE OF OFFICIAL UNION ELECTIONS AND RESULTS.
- (3) NOTICE OF OFFICIAL UNION APPOINTMENTS.
- (4) OFFICIAL NOTICE OF UNION RECREATIONAL AND SOCIAL EVENTS.
- (5) ANY OTHER NOTICE WHICH SHALL BE SPECIFICALLY APPROVED IN WRITING BY THE DIRECTOR OF HUMAN RESOURCES.

IT SHALL BE THE RESPONSIBILITY OF THE SHOP STEWARDS TO POST AUTHORIZED NOTICES ON THEIR OWN TIME AND SUCH NOTICES SHALL INCLUDE ONLY THOSE SPECIFIED ABOVE.

ARTICLE XIII

VACATIONS

SECTION 1. THE VACATION YEAR SHALL BE DEEMED AS COMMENCING ON FEBRUARY 1ST AND ENDING ON JANUARY 31ST OF THE FOLLOWING YEAR.

SECTION 2. (A) AN EMPLOYEE WHO HAS WORKED AT LEAST ONE THOUSAND (1000) HOURS DURING THE PREVAILING VACATION YEAR, (FIVE HUNDRED (500) HOURS IN THE CASE OF EMPLOYEES WITH LESS THAN ONE YEAR OF SERVICE) SHALL BE ELIGIBLE FOR VACATION PAY IN ACCORDANCE WITH HIS LENGTH OF CONTINUOUS SERVICE AS OF THE END OF THE VACATION YEAR, JANUARY 31ST, AS SET FORTH IN THE FOLLOWING TABLE:

<u>LENGTH OF SERVICE</u>	<u>AMOUNT OF VACATION</u>
LESS THAN SIX (6) MONTHS	NONE
SIX (6) MONTHS BUT LESS THAN ONE (1) YEAR	ONE (1) WEEK VACATION WITH THREE AND THREE-TENTHS (3.3) HOURS VACATION PAY FOR EACH MONTH OF ACTIVE SERVICE DURING THE VACATION YEAR.

**ONE (1) YEAR BUT
LESS THAN TWO (2)
YEARS**

**ONE (1) WEEK VACATION, WITH
THREE AND FOUR-TENTHS (3.4)
HOURS VACATION PAY FOR EACH
MONTH OF ACTIVE SERVICE DURING
THE VACATION YEAR.**

**TWO (2) YEARS BUT
LESS THAN TEN (10)
YEARS**

**TWO (2) WEEKS VACATION, WITH
SIX AND SEVEN-TENTHS (6.7)
HOURS VACATION PAY FOR EACH
MONTH OF ACTIVE SERVICE DURING
THE VACATION YEAR.**

**TEN (10) YEARS BUT
LESS THAN TWENTY
(20) YEARS**

**THREE (3) WEEKS VACATION, WITH
TEN (10.0) HOURS VACATION PAY
FOR EACH MONTH OF ACTIVE SERVICE
DURING THE VACATION YEAR.**

**TWENTY (20) YEARS OR
MORE**

**FOUR (4) WEEKS VACATION, WITH
THIRTEEN AND THREE HUNDRED
THIRTY-FOUR THOUSANDTHS (13.334)
HOURS VACATION PAY FOR EACH
MONTH OF ACTIVE SERVICE DURING
THE VACATION YEAR.**

ACTIVE SERVICE AS USED HEREIN MEANS EIGHTY (80) OR MORE HOURS WORKED.

SECTION 3. PAYMENTS UNDER THIS VACATION PLAN SHALL BE COMPUTED AT THE REGULAR HOURLY RATE, WHICH THE EMPLOYEE IS RECEIVING AT THE TIME THE VACATION IS TAKEN.

SECTION 4. (A) VACATIONS SHALL BE TAKEN ONLY DURING THE VACATION PERIOD, FEBRUARY 1ST TO JANUARY 31ST OF THE VACATION YEAR. VACATIONS SHALL BE SCHEDULED BY THE DEPARTMENT HEAD AND APPROVED BY THE HUMAN RELATIONS DEPARTMENT BEFORE BEING TAKEN. IN SCHEDULING VACATIONS, THE COMPANY WILL ATTEMPT TO MEET THE DESIRES OF THE EMPLOYEES CONSISTENT WITH THE REQUIREMENTS OF ITS OPERATION. IF A DISPUTE ARISES BETWEEN EMPLOYEES IN THE SAME OCCUPATIONAL GROUP AS TO THE TIME OF TAKING A VACATION, LENGTH OF CONTINUOUS SERVICE SHALL PREVAIL.

(B) SUCH VACATION MUST BE TAKEN WITHIN THE YEAR FOLLOWING THE EMPLOYEE'S ELIGIBILITY DATE AND SHALL NOT ACCUMULATE OR BE CARRIED OVER INTO A SUBSEQUENT YEAR.

(C) THE COMPANY MAY, DUE TO PRODUCTION REQUIREMENTS, CANCEL AN EMPLOYEE'S VACATION, AND IF THE COMPANY DOES NOT PERMIT HIM TO RESCHEDULE HIS VACATION, HE SHALL RECEIVE VACATION PAY IN LIEU THEREOF AT HIS "REGULAR" RATE IN EFFECT ON FEBRUARY 1ST FOLLOWING THE CLOSE OF THE VACATION PERIOD.

SECTION 5. AUTHORIZED MILITARY LEAVE OF TWO (2) WEEKS OR LESS, OFFICIAL UNION BUSINESS OF TWO (2) WEEKS OR LESS, JURY DUTY LEAVES, PAID HOLIDAYS, PAID VACATIONS, AND ABSENCES DUE TO COMPENSABLE INJURIES, AS

DEFINED BY THE WORKMEN'S COMPENSATION ACT OF ALABAMA, WILL BE CONSIDERED AS HOURS WORKED FOR THE PURPOSE OF COMPUTING MONTHLY CREDIT SERVICE FOR VACATION ACCRUAL.

SECTION 6. (A) A PRO-RATA ALLOWANCE IN LIEU OF VACATION SHALL, UPON RESIGNATION, INDUCTION, LAYOFF OR DISCHARGE DURING THE VACATION YEAR, OR SUBSEQUENT TO THE END OF THE VACATION YEAR, BUT BEFORE TAKING THE VACATION, BE PAID IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

LESS THAN SIX (6) MONTHS OF CONTINUOUS SERVICE

RESIGNATION	0
INDUCTION	ONE-TWELFTH (1/12) FOR EACH MONTH OF COMPANY SERVICE IN CURRENT VACATION YEAR.
LAYOFF	ONE-TWELFTH (1/12) FOR EACH MONTH OF COMPANY SERVICE IN CURRENT VACATION YEAR.
DISCHARGE	0

SIX (6) MONTHS TO TWELVE (12) MONTHS OF CONTINUOUS SERVICE

RESIGNATION	ONE-TWELFTH (1/12) FOR EACH MONTH OF COMPANY SERVICE IN CURRENT VACATION YEAR.
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INDUCTION

**ONE-TWELFTH (1/12) FOR EACH MONTH
OF COMPANY SERVICE IN CURRENT
VACATION YEAR.**

LAYOFF

**ONE-TWELFTH (1/12) FOR EACH MONTH
OF COMPANY SERVICE IN CURRENT
VACATION YEAR.**

DISCHARGE

**ONE-TWELFTH (1/12) FOR EACH MONTH
OF COMPANY SERVICE IN CURRENT
VACATION YEAR**

MONTHS WORKED IN VACATION YEAR TWELVE (12) MONTHS

RESIGNATION

FULL

INDUCTION

FULL

LAYOFF

FULL

DISCHARGE

FULL

(B) PRO-RATA ALLOWANCE WILL BE COMPUTED ON THE BASIS OF ONE-TWELFTH (1/12) OF THE VACATION THE EMPLOYEE WOULD HAVE BEEN ENTITLED TO HAD HE COMPLETED THE VACATION YEAR, FOR EACH MONTH OF SERVICE WITH THE COMPANY DURING THE INCOMPLETE YEAR. ANY EMPLOYEE TERMINATED ON OR AFTER THE 15TH OF THE MONTH SHALL BE CREDITED FOR A FULL MONTH OF SERVICE.

(C) EMPLOYEES WHO ARE PAID PRO-RATA VACATION AND ARE SUBSEQUENTLY RECALLED DURING THE SAME VACATION YEAR, SHALL HAVE THEIR VACATION ALLOWANCE RECOMPUTED AT THE END OF SAID VACATION YEAR. EMPLOYEES SHALL RECEIVE SUCH ADDITIONAL VACATION PAY AS MAY BE DUE THEM AT THAT TIME IN ACCORDANCE WITH THEIR LENGTH OF SERVICE AS OF THE COMPLETION OF THE VACATION YEAR.

SECTION 7. IN THE EVENT THE NUMBER OF EMPLOYEES WHO SCHEDULE THEIR VACATION IN ANY OCCUPATIONAL GROUP IN ANY WORK WEEK WOULD IMPAIR PRODUCTION, THE COMPANY WILL NOT BE OBLIGATED TO SCHEDULE MORE THAN SIX PERCENT (6%) OF THE EMPLOYEES IN ANY OCCUPATIONAL GROUP FOR VAGATION DURING ANY WEEK OF THE VACATION YEAR, BY SENIORITY.

ARTICLE XIV

SICK/PERSONAL LEAVE PAY

SECTION 1. (A) THE SICK/PERSONAL LEAVE PAY YEAR SHALL BE DEEMED AS COMMENCING ON JANUARY 1 AND ENDING DECEMBER 31, DURING THE EXISTENCE OF THIS AGREEMENT.

SECTION 2. (A) SICK/PERSONAL LEAVE PAY WILL BE ACCRUED AT THREE AND THREE HUNDRED AND THIRTY-FOUR THOUSANDTHS (3.334THS) HOURS PER MONTH, PROVIDED THE EMPLOYEE WORKED EIGHTY (80) STRAIGHT TIME HOURS DURING THE CALENDAR MONTH.

(B) AUTHORIZED MILITARY LEAVE OR OFFICIAL UNION BUSINESS OF TWO (2) WEEKS OR LESS, JURY DUTY LEAVES, PAID HOLIDAYS, PAID VACATIONS, AND ABSENCES DUE TO COMPENSABLE INJURIES AS DEFINED BY THE WORKMAN'S COMPENSATION ACT OF ALABAMA, WILL BE CONSIDERED AS HOURS WORKED FOR THE PURPOSE OF COMPUTING MONTHLY CREDIT SERVICE FOR SICK/PERSONAL PAY.

SECTION 3. (A) A SENIORITY EMPLOYEE WILL BE ELIGIBLE FOR SICK/PERSONAL LEAVE PAY FOR TIME LOST AS IT BECOMES CREDITED TO HIS SICK/PERSONAL LEAVE RECORD. SUCH TIME MAY BE TAKEN IN INCREMENTS OF FOUR (4) HOURS LIMITED TO SIXTEEN (16) HOURS PER CALENDAR YEAR, OR IN INCREMENTS OF EIGHT (8) HOURS PROVIDED THE EMPLOYEE PERSONALLY SUBMITS A REQUEST FOR SUCH PAY TO THE HUMAN RESOURCES DEPARTMENT WITHIN FORTY-EIGHT (48) HOURS FROM THE TIME HE RETURNS TO WORK.

(B) THE FIRST PAY PERIOD AFTER JANUARY 1, OF EACH YEAR, AN EMPLOYEE'S SICK/PERSONAL LEAVE RECORD WILL BE REVIEWED AND EACH EMPLOYEE WITH TWENTY-FOUR (24) OR MORE MONTHS OF CONTINUOUS SERVICE WILL BE PAID FOR ALL UNUSED SICK/PERSONAL LEAVE PAY CREDITED TO HIM IN EXCESS OF EIGHTY (80) HOURS.

(C) EMPLOYEES HAVING SENIORITY WHO TERMINATE DURING THE SICK/PERSONAL LEAVE PAY YEAR WILL BE PAID ACCUMULATED BUT UNUSED SICK/PERSONAL LEAVE PAY AT THE STRAIGHT TIME RATE IN EFFECT AT THE TIME OF TERMINATION.

SECTION 4. (A) SICK/PERSONAL LEAVE PAY WILL BE PAID AT THE BASIC STRAIGHT TIME RATE IN EFFECT AT THE TIME THE EMPLOYEE USES SUCH ACCUMULATED SICK/PERSONAL LEAVE PAY OR IS PAID IN LIEU THEREOF.

(B) SICK/PERSONAL LEAVE PAY FOR USED SICK/PERSONAL LEAVE WILL BE PAID FOR SCHEDULED WORK DAYS ONLY AND SUCH DAYS SHALL BE COUNTED AS EXCUSED ABSENCES.

(C) SICK/PERSONAL LEAVE PAY SHALL NOT BE ACCUMULATIVE FROM YEAR TO YEAR, OTHER THAN AS DEFINED IN SECTION 3(B) ABOVE.

(D) WHEN AN EMPLOYEE DESIRES TO USE SICK/PERSONAL LEAVE FOR REASONS OTHER THAN ILLNESS OR EMERGENCY, SUCH TIME OFF MUST BE REQUESTED IN ADVANCE AND APPROVED PRIOR TO TAKING.

ARTICLE XV

JURY DUTY PAY

(A) WHEN AN EMPLOYEE IS REQUIRED TO SERVE ON JURY DUTY AND REPORTS FOR SAME ON A REGULARLY SCHEDULED WORK DAY, HE SHALL RECEIVE EIGHT (8) HOURS PAY EACH DAY AT HIS REGULAR RATE, LESS ANY FEES HE RECEIVED. SUCH PAYMENT FOR JURY DUTY SHALL BE LIMITED TO THREE (3) WEEKS IN ANY CALENDAR YEAR UNLESS THE ALABAMA STATE LAW PROVIDES FOR A GREATER AMOUNT.

(B) NOTICE OF SUCH SERVICES MUST BE GIVEN TO THE COMPANY UPON RECEIPT OF JURY SUMMONS AND PROOF OF JURY DUTY MUST BE SUBMITTED TO THE SATISFACTION OF THE COMPANY BEFORE THIS SECTION SHALL APPLY.

(C) IF ALABAMA STATE LAW IS ALTERED SO AS TO PERMIT LIMITATIONS GOVERNING ELIGIBILITY OF EMPLOYEES FOR JURY DUTY PAY, THEN ONLY THOSE EMPLOYEES WHO HAVE COMPLETED ONE (1) YEAR OF SERVICE WITH THE COMPANY SHALL BE ELIGIBLE TO RECEIVE PAYMENT FOR JURY DUTY IN ACCORDANCE WITH THIS SECTION.

ARTICLE XVI

MILITARY LEAVE PAY

SECTION 1. (A) EMPLOYEES ORDERED TO ACTIVE DUTY FOR TRAINING PURPOSES (SUMMER CAMP) WITH THE NATIONAL GUARD OR ORGANIZED MILITARY RESERVE UNITS, WILL BE GRANTED A LEAVE OF ABSENCE NOT TO EXCEED TWO (2) WEEKS EACH YEAR, PROVIDED THE EMPLOYEE FURNISHES THE COMPANY A COPY OF HIS MILITARY ORDERS AT THE TIME THE LEAVE OF ABSENCE IS REQUESTED.

(B) EMPLOYEES GRANTED SUCH LEAVE, WILL BE PAID THE DIFFERENCE IN THE EARNED MILITARY PAY HE RECEIVED WHILE ON MILITARY LEAVE AND THE PAY HE WOULD HAVE RECEIVED HAD HE WORKED HIS REGULAR SCHEDULE DURING HIS LEAVE OF ABSENCE. IN ORDER TO BE ELIGIBLE FOR MILITARY LEAVE PAY, THE EMPLOYEE WILL BE REQUIRED TO FURNISH THE ACCOUNTING DEPARTMENT A CERTIFICATE SIGNED BY HIS COMMANDING OFFICER SETTING FORTH THE AMOUNT OF MILITARY PAY HE EARNED DURING HIS LEAVE PERIOD.

(C) SECTION 1 (A) AND (B) OF THIS ARTICLE WILL NOT APPLY TO ANY EMPLOYEE CALLED TO ACTIVE MILITARY DUTY FOR AN EXTENDED PERIOD.

ARTICLE XVII

SAFETY AND HEALTH

THE COMPANY SHALL CONTINUE TO MAINTAIN SAFE AND HEALTHFUL CONDITIONS INCLUDING SAFETY EQUIPMENT AS IS NECESSARY TO PROTECT EMPLOYEES FROM INJURY. IT IS THE DESIRE OF BOTH 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. THE UNION WILL BE REPRESENTED ON THE SAFETY COMMITTEE (FOUR (4) EMPLOYEES WHO WILL MEET TWICE MONTHLY.)

ARTICLE XVIII

WAIVERS

THE WAIVER OF ANY BREACH OR CONDITION OF THIS AGREEMENT BY EITHER PARTY SHALL NOT CONSTITUTE A PRECEDENT FOR ANY FURTHER WAIVER OF SUCH BREACH OR CONDITION.

ARTICLE XIX

WAGES

SECTION 1. EFFECTIVE AUGUST 24, 1992, ALL BEGINNERS AND CLASSIFIED EMPLOYEES WHO RETURN TO WORK WITH THE COMPANY, SHALL RECEIVE AN INCREASE OF FOUR PERCENT (4%) PER HOUR COMPUTED ON THEIR BASIC RATE LESS A/P BONUS AND LEAD PAY. THE HOURLY RATE RANGES FOR LABOR GRADES OF THE VARIOUS JOB CLASSIFICATIONS IN THE PLANT WILL BE AS FOLLOWS:

<u>LABOR GRADE</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>
1	6.43	12.60
2	6.31	12.26
3	6.05	11.82
4	5.92	11.74
5	5.80	11.61
6	5.66	11.52
7	5.60	11.39
8	5.23	11.23
9	5.11	11.08

SECTION 2. (A) A BEGINNER IS A NON-CLASSIFIED EMPLOYEE WHO MAY OR MAY NOT ENGAGE IN PRODUCTION WORK, AND WILL BE PAID NOT LESS THAN THE FEDERAL MINIMUM WAGE RATE PLUS TWENTY-FIVE (25) CENTS PER HOUR. ON THE FIRST MONDAY, FOLLOWING THE COMPLETION OF HIS PROBATIONARY PERIOD, A BEGINNER WILL RECEIVE A FIVE (5) CENTS PER HOUR AUTOMATIC INCREASE. UPON

COMPLETION OF FOUR (4) ADDITIONAL WEEKS OF WORK, A BEGINNER WILL RECEIVE ONE ADDITIONAL FIVE (5) CENTS PER HOUR PROGRESSION INCREASE. EFFECTIVE ON THE FIRST MONDAY FOLLOWING COMPLETION OF SIX AND ONE-HALF (6 1/2) MONTHS OF WORK, A BEGINNER WILL BE CLASSIFIED AND PAID AT LEAST THE MINIMUM RATE OF SUCH CLASSIFICATION, BUT THE COMPANY MAY SO CLASSIFY HIM PRIOR TO THE EXPIRATION OF SUCH PERIOD. IF A BEGINNER IS GRANTED A LEAVE OF ABSENCE OF FIVE (5) DAYS OR MORE, DURING SAID BEGINNER PERIOD, THE BEGINNER PERIOD WILL BE EXTENDED FOR A PERIOD OF TIME NO LONGER THAN THE EMPLOYEE HAS BEEN ABSENT OR ON SUCH LEAVE.

(B) AN EMPLOYEE PROMOTED TO A HIGHER LABOR GRADE WILL RECEIVE AT LEAST A TEN (10) CENTS PER HOUR INCREASE REGARDLESS OF HIS CURRENT RATE.

SECTION 3. (A) AN EMPLOYEE CLASSIFIED WITHIN A LABOR GRADE RATE RANGE AS SET FORTH IN SECTION 1 OF THIS ARTICLE, WILL BE ADVANCED TO THE MAXIMUM RATE OF HIS LABOR GRADE RATE RANGE IN INCREMENTS OF TEN (10) CENTS PER HOUR OR SUCH PART THEREOF AS NECESSARY TO REACH SUCH MAXIMUM AT INTERVALS OF SIXTEEN (16) WEEKS OF WORK.

(B) PAID VACATIONS, OBSERVED HOLIDAYS, TIME SPENT ON LEAVE OF ABSENCE WHICH IS LESS THAN FIVE (5) WORK DAYS AND ACCUMULATED ABSENCE OF LESS THAN FIVE (5) WORK DAYS DURING SAID PROGRESSION PERIOD AS PROVIDED IN SECTION 2 (A) AND PARAGRAPH (A) ABOVE, WILL BE COUNTED IN COMPUTING SUCH PROGRESSION PERIODS.

(C) TIME WORKED IN A PREVIOUS CLASSIFICATION OF A LOWER LABOR GRADE TOWARD AN AUTOMATIC INCREASE SHALL NOT BE TRANSFERRABLE TO THE HIGHER CLASSIFICATION RATE RANGE. WHEN PROMOTED TO A SUCH HIGHER

CLASSIFICATION, AN EMPLOYEE WILL PROGRESS IN THE HIGHER RATE RANGE, NOT TO EXCEED THE MAXIMUM, IN THE SAME MANNER AS SET FORTH IN PARAGRAPHS (A) AND (B) ABOVE WITH SUCH PROGRESSION PERIOD DATING FROM THE EFFECTIVE DATE OF THE PROMOTION.

(D) RECLASSIFICATIONS AND ALL CHANGES IN PAY WILL BE MADE EFFECTIVE ON THE MONDAY FOLLOWING THE TRANSFER OR MOVEMENT OF EMPLOYEES OR DUE DATE OF A CHANGE, UNLESS SUCH IS MADE OR DUE ON MONDAY.

SECTION 4. EFFECTIVE MONDAY, AUGUST 23, 1993, ALL BEGINNERS AND CLASSIFIED EMPLOYEES ON THE ACTIVE PAYROLL OF THE COMPANY WILL RECEIVE A THREE PERCENT (3%) PER HOUR INCREASE COMPUTED ON THEIR BASIC RATE LESS A/P BONUS AND LEAD PAY. SAID RATE ADJUSTMENT SHALL BE ADDED TO THE MINIMUM AND MAXIMUM OF ALL LABOR GRADES 1 THROUGH 9.

SECTION 5. EFFECTIVE MONDAY, AUGUST 22, 1994, ALL BEGINNERS AND CLASSIFIED EMPLOYEES ON THE ACTIVE PAYROLL OF THE COMPANY WILL RECEIVE A 3 PERCENT (3%) PER HOUR INCREASE COMPUTED ON THEIR BASIC RATE LESS A/P BONUS AND LEAD PAY. SAID RATE ADJUSTMENT SHALL BE ADDED TO THE MINIMUM AND MAXIMUM OF ALL LABOR GRADES 1 THROUGH 9.

SECTION 6. EFFECTIVE MONDAY, AUGUST 21, 1995, ALL BEGINNERS AND CLASSIFIED EMPLOYEES ON THE ACTIVE PAYROLL OF THE COMPANY WILL RECEIVE A 3 1/2 PERCENT (3.5%) PER HOUR INCREASE COMPUTED ON THEIR BASIC RATE LESS A/P BONUS AND LEAD PAY. SAID RATE ADJUSTMENT SHALL BE ADDED TO THE MINIMUM AND MAXIMUM OF ALL LABOR GRADES 1 THROUGH 9.

SECTION 7. EFFECTIVE MONDAY, AUGUST 19, 1996, ALL BEGINNERS AND CLASSIFIED EMPLOYEES ON THE ACTIVE PAYROLL OF THE COMPANY WILL RECEIVE A 3 PERCENT (3%) PER HOUR INCREASE COMPUTED ON THEIR BASIC RATE LESS A/P BONUS AND LEAD PAY. SAID RATE ADJUSTMENT SHALL BE ADDED TO THE MINIMUM AND MAXIMUM OF ALL LABOR GRADES 1 THROUGH 9.

SECTION 8. THE RATES OF PAY AS SPECIFIED IN SECTION 1 OF THIS ARTICLE ARE BASED UPON THE JOB CLASSIFICATIONS, DESCRIPTIONS AND LABOR GRADES AS SET FORTH IN APPENDIX "A" TO THIS AGREEMENT. APPENDIX "A" CONTAINS THE AGREED UPON CLASSIFICATIONS AND THE SLOTTING OF ALL JOBS.

SECTION 9. (A) AN EMPLOYEE REGULARLY ASSIGNED TO AND WORKING ON THE SECOND SHIFT AS SET FORTH IN ARTICLE X, SECTION 3, SHALL BE PAID A BONUS OF FIFTEEN (15) CENTS PER HOUR FOR HOURS WORKED ON SUCH SHIFT.

(B) AN EMPLOYEE REGULARLY ASSIGNED TO AND WORKING ON THE THIRD (3RD) SHIFT SHALL BE PAID A BONUS OF EIGHT (8) HOURS STRAIGHT TIME BASIC PAY FOR SEVEN (7) HOURS OF WORK AT THE RATES SET FORTH IN SECTION 1 OF THIS ARTICLE, PLUS A BONUS OF EIGHT (8) CENTS PER HOUR FOR HOURS PAID ON SUCH SHIFT.

THIRD SHIFT HOUR COMPUTATIONS WILL BE BASED ON ONE AND ONE-SEVENTH (1 1/7TH) HOURS FOR EACH STRAIGHT TIME HOUR WORKED, AND ONE AND FIVE-SEVENTHS (1 5/7THS) HOURS FOR EACH TIME AND ONE-HALF HOUR WORKED, AND TWO AND TWO-SEVENTHS (2 2/7THS) HOURS FOR EACH DOUBLE TIME HOUR WORKED.

(C) AN EMPLOYEE REGULARLY ASSIGNED TO AND WORKING AN ODD WORK WEEK AS SET FORTH IN ARTICLE X, SECTION 3, SHALL BE PAID A BONUS OF THIRTY (30) CENTS PER HOUR ABOVE HIS STRAIGHT TIME BASIC RATE.

SECTION 10. (A) THE TERMS "STRAIGHT TIME BASIC RATE" AND "BASIC RATE", "BASE RATE" AND "BASIC HOURLY RATE", AS USED IN THIS AGREEMENT MEANS THE INDIVIDUAL HOURLY RATE OF AN EMPLOYEE EXCLUSIVE OF ANY SHIFT PREMIUM OR OVERTIME PAY.

(B) THE TERM "REGULAR RATE" AS USED IN THIS AGREEMENT MEANS THE EMPLOYEE'S BASIC RATE PLUS ANY SHIFT PREMIUM PAY AND ODD SHIFT PAY.

SECTION 11. (A) THE RATE OF PAY FOR LEADMEN SHALL BE FORTY (40) CENTS PER HOUR ABOVE THE MAXIMUM OF THE "A" JOB GRADE IN THE LINE OF PROGRESSION OF THE EMPLOYEE WITHIN THE GROUP BEING LED.

(B) EMPLOYEES SHALL BE CHOSEN FOR LEAD POSITIONS FROM THE HIGHEST CLASSIFICATIONS IN THE RESPECTIVE OCCUPATIONAL GROUP AND FROM AMONG THOSE EMPLOYEES IN THAT GROUP HAVING EXPRESSED A DESIRE TO BE CONSIDERED FOR LEAD POSITIONS, AS SET FORTH HEREIN BELOW. WHERE TWO OR MORE EMPLOYEES ARE BEING CONSIDERED FOR A LEAD POSITION, THE COMPANY WILL SELECT AN EMPLOYEE TO FILL THE POSITION, CONSISTENT WITH THE PROVISIONS OF SECTION 1(A) AND SECTION 18 OF ARTICLE IV.

(C) IN CONSIDERING EMPLOYEES FOR A LEAD POSITION, THE COMPANY WILL CONSIDER ONLY THOSE EMPLOYEES WITH A REQUEST ON FILE EXPRESSING A DESIRE TO BE CONSIDERED FOR A LEAD POSITION.

(D) DETERMINATION AS TO THE NEED FOR AND DURATION OF ALL LEADMAN ASSIGNMENTS SHALL BE MADE BY THE COMPANY.

(E) LEADS COMPETE ONLY AMONG THEMSELVES (WITHIN THEIR CLASSIFICATION) FOR SHIFT AND WORK WEEK.

(F) AN EMPLOYEE MUST NOTIFY THE COMPANY IN WRITING OF HIS REQUEST TO RELINQUISH LEAD DUTIES. SUCH REQUESTS WILL BE HONORED WITHIN A 10 DAY PERIOD FOLLOWING RECEIPT OF WRITTEN NOTICE.

IF AN EMPLOYEE REFUSES OR RELINQUISHES A LEAD ASSIGNMENT, THE COMPANY WILL BE UNDER NO OBLIGATION TO CONSIDER THAT EMPLOYEE'S REQUEST FOR A LEAD ASSIGNMENT FOR A PERIOD OF SIX MONTHS FROM THE DATE OF SUCH REFUSAL OR RELINQUISHING OF LEAD DUTIES.

ARTICLE XX

FLIGHT PAY BONUS

AN EMPLOYEE DESIGNATED BY THE COMPANY AND SPECIFICALLY ASSIGNED IN WRITING BY HIS PROJECT MANAGER (OR HIS DESIGNEE) TO SPEND TIME IN FLYING, WHO ADJUSTS, RECORDS AND OPERATES EQUIPMENT DURING THE FLIGHTS, WILL BE PAID FOR SUCH FLYING TIME AT THE RATE OF \$3.00 PER HOUR FOR PROPELLED DRIVEN AIRCRAFT (INCLUDING HELICOPTER) AND \$5.00 PER HOUR FOR JET PROPELLED AIRCRAFT (NO PROPS). EMPLOYEES WHO FLY FOR THE PURPOSES OTHER THAN THOSE STATED ABOVE ARE EXPRESSLY EXCLUDED FROM THE BENEFITS PROVIDED IN THIS ARTICLE. SUCH AMOUNT SHALL BE IN ADDITION TO EARNINGS BASED ON THE EMPLOYEE'S BASIC HOURLY WAGE RATE. A MINIMUM OF ONE (1) HOURS FLIGHT PAY WILL BE PAID FOR THE FIRST ASCENSION ON ANY CALENDAR DAY. FOR ADDITIONAL ASCENSIONS ON THE SAME CALENDAR DAY, FLIGHT PAY SHALL BE AT THE RATE SPECIFIED ABOVE COMPUTED TO THE NEAREST ONE-TENTH (1/10) OF AN HOUR. THE COMPANY SHALL CONTINUE TO PROVIDE THE BLANKET LIFE INSURANCE COVERAGE IN THE AMOUNT OF \$25,000 PER EMPLOYEE DESIGNATED BY THE COMPANY TO SPEND TIME IN FLYING, ADJUSTING, RECORDING, AND OPERATING EQUIPMENT DURING THE FLIGHTS.

ARTICLE XXI

INSURANCE AND HOSPITALIZATION

THE COMPANY AGREES TO CONTINUE DURING THE LIFE OF THIS AGREEMENT A GROUP INSURANCE AND HOSPITALIZATION PROGRAM AS AMENDED BY A SEPARATE MEMORANDUM OF AGREEMENT. THE COMPANY WILL PAY THE COST THEREOF FOR BOTH EMPLOYEE AND DEPENDENTS COVERAGE.

ARTICLE XXII

GENERAL

SECTION 1. IT IS NOT THE INTENTION OF THE COMPANY TO HAVE SUPERVISORY, ADMINISTRATIVE, AND PROFESSIONAL EMPLOYEES PERFORM BARGAINING UNIT WORK. BARGAINING UNIT WORK WILL NOT BE ASSIGNED TO, TRANSFERRED TO, OR PERFORMED BY THE AFOREMENTIONED EMPLOYEES EXCEPT FOR:

(A) INSTRUCTION, DEMONSTRATION, EMERGENCIES, OR WHERE NECESSARY FOR ENGINEERING AND SUPERVISORY EMPLOYEES WORKING ON DEVELOPMENT AND EXPERIMENTAL PROJECTS TO MANUALLY HANDLE UNITS, INCLUDING TOOLS, MATERIALS AND EQUIPMENT IN ORDER TO BETTER EVALUATE A GIVEN SITUATION. THE TERM "EMERGENCY" IS DEFINED TO MEAN "AN UNFORESEEN COMBINATION OF CIRCUMSTANCES WHICH CALL FOR IMMEDIATE ACTION."

(B) SERVICE REPRESENTATIVE PERFORMING ASSEMBLY AND DISASSEMBLY OPERATIONS FOR TRAINING PURPOSES TO FAMILIARIZE THEMSELVES WITH THE COMPANY'S PRODUCTS.

HOWEVER, THE UNION AGREES THAT EMPLOYEES NOT COVERED BY THIS AGREEMENT MAY COUNT AND HANDLE MATERIAL AS NECESSARY FOR THE SOLE PURPOSE OF PERFORMING NECESSARY AUDITS OF INVENTORIES AS REQUIRED.

ANY COMPLAINT FROM THE UNION THAT THE PROVISIONS OF THIS SECTION HAVE BEEN VIOLATED MAY BE REFERRED VERBALLY TO SUPERVISION, AND IF SUCH VERBAL COMPLAINT IS NOT SATISFACTORILY SETTLED, THE UNION MAY FILE A WRITTEN GRIEVANCE.

SECTION 2. EMPLOYEES WILL RECEIVE THEIR PAY ON COMPANY PREMISES, IN ACCORDANCE WITH PRESENT PRACTICES, UNLESS SUCH PAY IS MAILED.

SECTION 3. THE COMPANY WILL DESIGNATE SMOKING AREAS NOT IN VIOLATION OF MILITARY AND INSURANCE REGULATIONS, AND EMPLOYEES MAY SMOKE DURING SUCH TIMES AS THE COMPANY MAY DESIGNATE.

SECTION 4. EMPLOYEES WILL BE ALLOWED ONE (1) SCHEDULED TEN (10) MINUTE REST PERIOD BEFORE AND ONE (1) SCHEDULED TEN (10) MINUTE REST PERIOD AFTER LUNCH IN EACH COMPLETE SCHEDULED WORK DAY, THE TIME OF AND ZONES FOR SUCH PERIOD TO BE FIXED BY THE COMPANY. THE COMPANY WILL ATTEMPT TO ESTABLISH THE FIRST REST PERIOD AT APPROXIMATELY MIDWAY BETWEEN THE BEGINNING OF THE SHIFT AND THE LUNCH PERIOD, AND WILL ATTEMPT TO ESTABLISH THE SECOND REST PERIOD APPROXIMATELY MIDWAY BETWEEN THE LUNCH PERIOD AND THE END OF THE SHIFT. EMPLOYEES REQUIRED TO WORK OVERTIME SHALL BE ENTITLED TO THE REGULARLY SCHEDULED REST PERIOD ON THE SHIFT WHERE THE OVERTIME IS WORKED. EMPLOYEES SHALL WORK UP TO THE START OF THE REST PERIOD AND BE AT THEIR PLACE OF WORK AT THE END OF THE REST PERIOD.

EMPLOYEES WILL BE ALLOWED TO CLEAN UP THEIR WORK STATION FIVE (5) MINUTES PRIOR TO THE END OF THE SHIFT.

SECTION 5. THE COMPANY WILL USE ONE-TENTH (1/10) OF AN HOUR (6 MINUTES) AS A UNIT IN COMPUTING TARDINESS. IF AN EMPLOYEE CLOCKS "IN" FROM ONE (1) TO SIX (6) MINUTES LATE, THE EMPLOYEE WILL LOSE ONE-TENTH (1/10) OF AN HOUR (6 MINUTES). ANY TARDINESS BEYOND SIX (6) MINUTES, THE REGULAR PROCEDURE OF COMPUTING TIME IN MULTIPLES OF SIX (6) MINUTE INTERVALS WILL APPLY. EMPLOYEES SHALL NOT BE REQUIRED TO WORK DURING THE PERIOD USED IN

COMPUTING TARDINESS. THE FOREGOING SHALL NOT BE CONSIDERED AS A LIMITATION ON THE RIGHT OF THE COMPANY TO TAKE DISCIPLINARY ACTION FOR REPEATED OR UNEXCUSED TARDINESS.

SECTION 6. WHEN AN EMPLOYEE ARRIVES AT THE PLANT EARLIER THAN THE NORMAL STARTING TIME FOR HIS SHIFT, THE EMPLOYEE SHALL NOT RECORD TIME ON HIS CLOCK CARD PRIOR TO FIFTEEN (15) MINUTES BEFORE THE SHIFT STARTING TIME. NO PAYMENT WILL BE MADE FOR EARLY STARTING UNLESS THE FOREMAN HAS REQUESTED IN WRITING THAT THE EMPLOYEE START TO WORK AT A TIME EARLIER THAN THE NORMAL STARTING TIME AND SUCH TIME IS APPROVED.

SECTION 7. SHOULD AN EMPLOYEE FAIL TO PUNCH HIS TIME CARD, SUCH EMPLOYEE WILL BRING THE MATTER TO THE ATTENTION OF HIS FOREMAN AND THE EMPLOYEE WILL BE REQUIRED TO PROVE TO THE FOREMAN THAT HE WAS AT WORK DURING ANY TIME FOR WHICH THE EMPLOYEE WANTS CREDIT. THE CARD MUST BEAR THE "O.K." OF THE FOREMAN BEFORE ANY SUCH CREDIT IS GIVEN.

SECTION 8. AN EMPLOYEE SHALL BE EXPECTED TO BE AT HIS WORK STATION READY FOR WORK AT THE BEGINNING OF HIS SHIFT AND SHALL BE EXPECTED TO CONTINUE WORKING UNTIL THE END OF SAID SHIFT.

SECTION 9. AN EMPLOYEE WHO IS REGULARLY SCHEDULED AND REPORTS FOR WORK AT THE SCHEDULED TIME WITHOUT HAVING BEEN NOTIFIED NOT TO SO REPORT, SHALL BE GIVEN FOUR (4) HOURS WORK OF ANY TYPE WHICH IS AVAILABLE, OR IF NO SUCH WORK IS AVAILABLE, HE SHALL BE GIVEN FOUR (4) HOURS PAY AT HIS REGULAR RATE; PROVIDED HOWEVER, THAT IF WORK IS NOT AVAILABLE AS A RESULT OF CIRCUMSTANCES BEYOND THE CONTROL OF THE MANAGEMENT, THE COMPANY SHALL NOT BE SO OBLIGATED.

SECTION 10. AN EMPLOYEE THAT IS CALLED AND REPORTS BACK FOR WORK AFTER HE HAS COMPLETED HIS REGULARLY ASSIGNED SHIFT AND DEPARTED FROM THE PREMISES SHALL RECEIVE A MINIMUM OF FOUR (4) HOURS PAY AT THE APPLICABLE RATE, UNLESS SUCH WORK IS TO BE PERFORMED IMMEDIATELY BEFORE AND IN CONNECTION WITH THE EMPLOYEE'S NEXT SHIFT AS PROVIDED IN SECTION 12.

SECTION 11. WHEN AN EMPLOYEE IS NOT SCHEDULED AND IS CALLED AND REPORTS FOR WORK WITHOUT PRIOR NOTICE, OUTSIDE HIS SCHEDULED WORK WEEK, HE SHALL RECEIVE A MINIMUM OF FOUR (4) HOURS WORK OR FOUR (4) HOURS PAY AT THE APPLICABLE RATE.

SECTION 12. IF AN EMPLOYEE IS ESPECIALLY NOTIFIED AND SCHEDULED TO START WORK FOUR (4) HOURS OR LESS BEFORE THE STARTING TIME OF HIS REGULARLY SCHEDULED SHIFT, WITHIN HIS ASSIGNED WORK WEEK AS SET FORTH IN ARTICLE X, SECTION 3, HE SHALL BE GIVEN THE OPPORTUNITY TO REMAIN AT WORK UNTIL THE END OF HIS REGULAR SHIFT.

SECTION 13. LUNCH PERIODS WILL BE ESTABLISHED AND DESIGNATED BY THE COMPANY FOR PERIODS RANGING FROM THIRTY (30) MINUTES TO ONE (1) HOUR, AT APPROXIMATELY THE MID POINT OF THE SHIFTS, IN KEEPING WITH SOUND PLANT PRACTICES AND EFFICIENCY.

SECTION 14. THE COMPANY AGREES TO ISSUE TO NEW HIRES A COPY OF THE LABOR MANAGEMENT AGREEMENT.

SECTION 15. THOSE EMPLOYEES (PAINTERS, WELDERS, AIRCRAFT CONDITIONERS, TANK SEALERS, AND EMPLOYEES PERMANENTLY ASSIGNED TO AND WORKING IN THE DOPE SHOP) ENTITLED TO FREE PHYSICAL EXAMINATIONS

APPROXIMATELY EACH SIX (6) MONTHS WILL BE ENTITLED TO RECEIVE THE EXAMINATION DURING THEIR NORMAL WORK DAY WITHOUT LOSS OF PAY.

AN EMPLOYEE ABSENT ON THE DAY PHYSICAL EXAMINATIONS ARE GIVEN WILL BE GIVEN AN OPPORTUNITY TO RESCHEDULE WITH OTHER GROUPS SO LONG AS THERE IS ONE GROUP REMAINING.

SECTION 16. EACH EMPLOYEE SHALL BE OFFERED A COPY OF "CHANGE IN STATUS" AT THE TIME HE SIGNS STATUS CHANGE EXCEPT FOR AUTOMATIC INCREASE CHANGES, WHICH WILL BE FORWARDED TO HIM THROUGH HIS IMMEDIATE SUPERVISOR.

ARTICLE XXIII

DURATION

SECTION 1. IT IS THE INTENTION OF THE COMPANY AND THE UNION, BY THIS AGREEMENT, TO ENTER INTO A COMPLETE, COMPREHENSIVE BARGAINING AGREEMENT FOR ITS DURATION. IT IS ACCORDINGLY AGREED THAT THIS AGREEMENT, EXCEPT AS MAY BE OTHERWISE EXPRESSLY PROVIDED IN WRITING BETWEEN THE PARTIES HERETO, SETTLES AND RESOLVES ALL BARGAINING MATTERS, ISSUES AND DEMANDS, AND ACTS FOR ALL THE CONTRACT TERMS AND CONDITIONS BY AND BETWEEN THE COMPANY AND THE UNION FOR THE DURATION OF THIS AGREEMENT. ALL MATTERS, REQUEST, ISSUES AND CONDITIONS NOT EXPRESSLY PROVIDED OR INCLUDED IN THIS AGREEMENT, OR IN A SEPARATE WRITTEN MEMORANDUM BETWEEN THE PARTIES, ARE WAIVED AND WITHDRAWN FOR THE DURATION OF THIS AGREEMENT.

SECTION 2. THIS AGREEMENT SHALL BE EFFECTIVE, EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED, ON THE FIRST MONDAY FOLLOWING RATIFICATION BY THE UNION, WRITTEN NOTICE OF WHICH SHALL BE SENT PROMPTLY BY THE UNION TO THE COMPANY, AND SHALL REMAIN IN FORCE ACCORDING TO ITS TERMS AND CONDITIONS UNTIL THE 9TH DAY OF AUGUST, 1997 WITHOUT REOPENING RIGHTS FOR ANY PURPOSES BY EITHER PARTY, EXCEPT AS PROVIDED IN SECTION 8 OF ARTICLE III, AND SHALL AUTOMATICALLY RENEW ITSELF FROM YEAR TO YEAR THEREAFTER UNLESS WRITTEN NOTICE OF DESIRE TO TERMINATE OR TO AMEND ANY PORTION OR ANY OF THE TERMS HEREOF IS GIVEN BY EITHER PARTY TO THE OTHER PARTY AT LEAST SIXTY (60) DAYS PRIOR TO THE 9TH DAY OF AUGUST, 1997 OR AT THE EXPIRATION OF ANY ANNUAL PERIOD THEREAFTER, AND IN SUCH CASE, THIS AGREEMENT SHALL BE OPEN

FOR AMENDMENT OR TERMINATION, SUCH AS THE NOTICE MAY INDICATE AT THE EXPIRATION OF THE 9TH DAY OF AUGUST, 1997 OR OF THE ANNUAL PERIOD THEREAFTER WITHIN WHICH SUCH NOTICE IS GIVEN.

SECTION 3. IF NOTICE OF DESIRE TO TERMINATE OR TO AMEND THIS AGREEMENT SHALL BE GIVEN AS PROVIDED IN SECTION 2 OF THIS ARTICLE, NEGOTIATIONS FOR A NEW OR AMENDED AGREEMENT SHALL BEGIN NOT LATER THAN FIFTY (50) DAYS PRIOR TO THE 9TH DAY OF AUGUST, 1997 OR THE EXPIRATION OF THE CURRENT YEARLY PERIOD WITHIN WHICH SUCH NOTICE IS GIVEN, AND SHALL CONTINUE UNTIL AN AGREEMENT HAS BEEN REACHED, AND DURING SUCH NEGOTIATIONS THIS AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT; PROVIDED, HOWEVER, THAT IF NEGOTIATIONS CONTINUE BEYOND THE 9TH DAY OF AUGUST, 1997, OR OF THE ANNUAL PERIOD THEREAFTER, EITHER PARTY MAY THEN TERMINATE THIS AGREEMENT AT ANY TIME UPON TEN (10) DAYS WRITTEN NOTICE TO THE OTHER PARTY TO THAT EFFECT.

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS AGREEMENT AT
DOTHAN, ALABAMA, THIS 19TH DAY OF AUGUST, 1992.

PEMCO AEROPLEX, INC.

BY

D.R. Fike

M.J. Eldridge

John M. Bessant

INTERNATIONAL ASSOCIATION
OF MACHINISTS & AEROSPACE
WORKERS AFL-CIO AND ITS
LOCAL LODGE NO. 1632

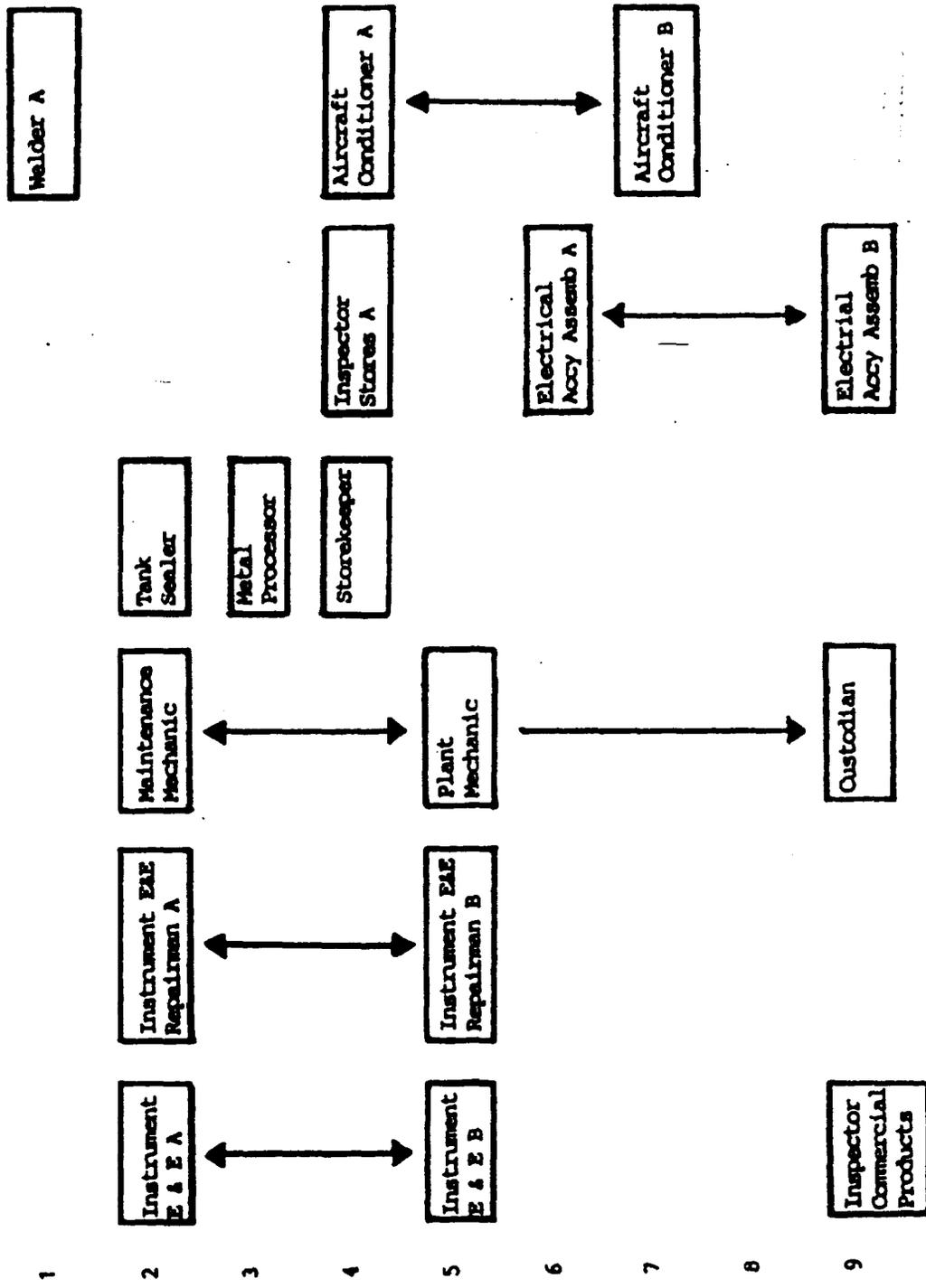
Stephen C. Allen

Roy Hurdley

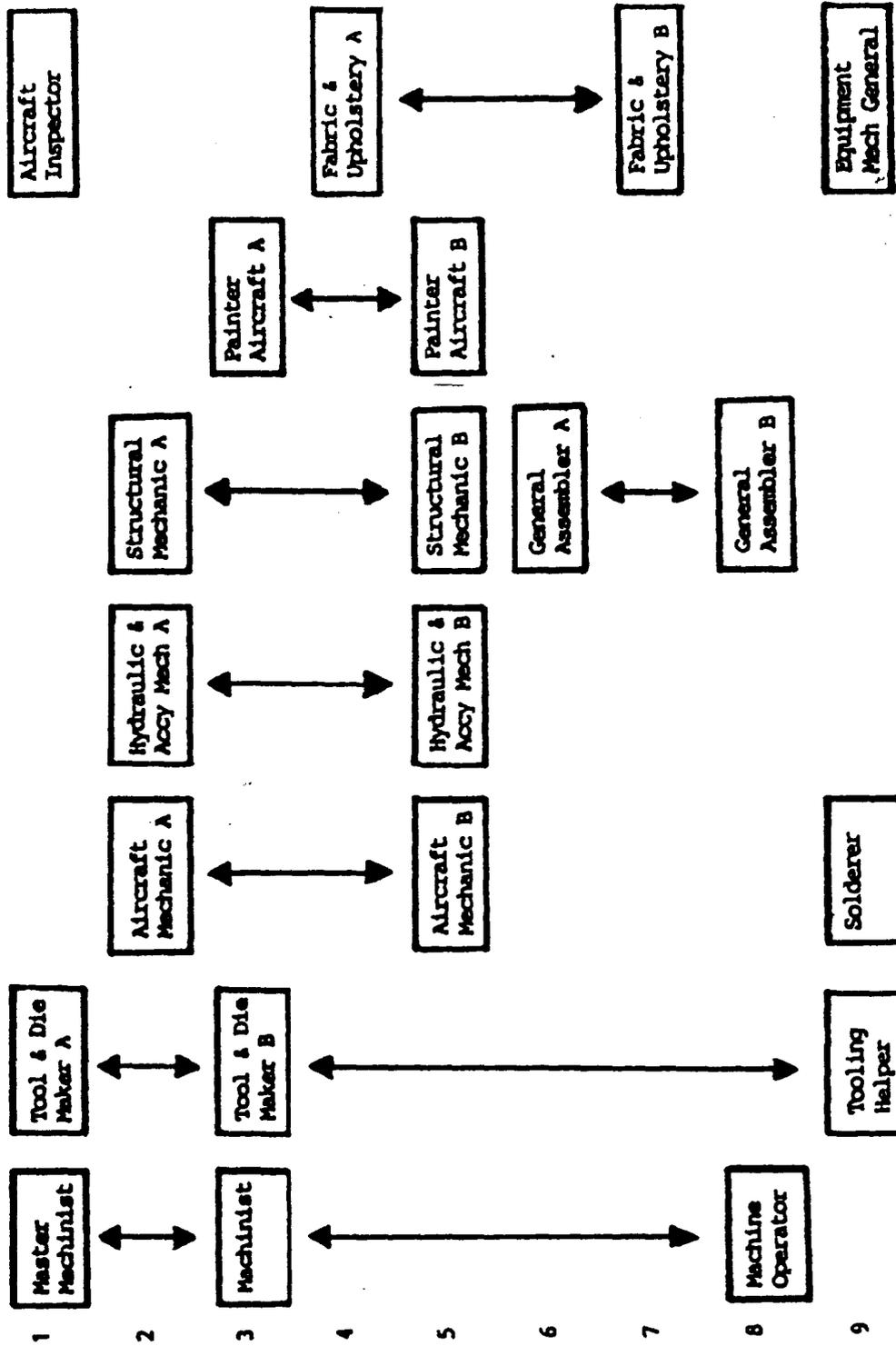
Larry Grattan

William Morgan

APPENDIX A
OCCUPATIONAL GROUP



APPENDIX A
OCCUPATIONAL GROUP



PEMCO AEROPLEX, INC.

DOTHAN FACILITY

APPENDIX "B"

ASSIGNMENT OF UNION SHOP STEWARDS

IT IS HEREBY UNDERSTOOD AND AGREED THAT THE UNION MAY ASSIGN SHOP STEWARDS AND ZONE COMMITTEEMEN IN ACCORDANCE WITH THE FOLLOWING SCHEDULE FOR THE RESPECTIVE SHIFTS.

NO. OF

STEWARDS

AREA & LOCATION

SHIFT

1	AREA "A" - HANGAR NO. 1 AND 2 AND SHOPS OPENING INTO THESE HANGARS.	1ST
1	AREA "B" - HANGAR NO. 3, THE COMPONENT PAINT SHOP AND SHOPS OPENING INTO THIS HANGAR.	1ST
1	AREA "C" - HANGAR NO. 4, 5, 11.	1ST
1	AREA "D" - TRADE SCHOOL (BUILDING 22) ELECTRIC SHOP, PROPELLER SHOP, HARNESS SHOP AND HANGAR 7 AND 8.	1ST
1	ZONE COMMITTEEMAN FROM ABOVE AREAS	1ST

- | | | |
|---|--|-----|
| 1 | <p>AREA "E" - LOWER NOSE DOCK, LOWER FLIGHT LINE, WASH RACK AREA, PLANT MAINTENANCE AND PLANT MAINTENANCE WELDING SHOP.</p> | 1ST |
| 1 | <p>AREA "F" - UPPER NOSE DOCK AND UPPER FLIGHT LINE.</p> | 1ST |
| 1 | <p>AREA "G" - HANGAR 6, HANGER 6 SUPPLY AREA, BULK STORAGE YARD.</p> | 1ST |
| 1 | <p>AREA "H" - HANGER 15.</p> | 1ST |
| 1 | <p>ZONE COMMITTEEMAN FROM ABOVE AREAS.</p> | 1ST |
| 1 | <p>AREA "A", "B", "C", "D", "E", "F", "G", "H"
ODD WORK WEEK</p> | 1ST |
| 1 | <p>AREA "A", "B", "C", "D", "E", "F", "G", "H"
ODD WORK WEEK</p> | 2ND |
| 1 | <p>AREA "A", "B", "C", "D", "E", "F", "G", "H"
(ALL LOCATIONS) (EXCEPT AS PROVIDED).</p> | 2ND |
| 1 | <p>ZONE COMMITTEEMAN FROM ABOVE AREAS</p> | 2ND |

WHEN EMPLOYMENT ON SECOND SHIFT IS LESS THAN 150 EMPLOYEES, THERE SHALL BE ONE STEWARD AND AN ALTERNATE. 150 TO 300 EMPLOYEES, TWO STEWARDS AND AN ALTERNATE, 301 TO 450 EMPLOYEES, THREE STEWARDS AND AN ALTERNATE.

PEMCO AEROPLEX, INC.
DOTHAN FACILITY
MEMORANDUM OF AGREEMENT
19TH DAY OF AUGUST 1992

**THE COMPANY RECOGNIZES THE UNION AS THE EXCLUSIVE REPRESENTATIVE
FOR THE PURPOSE OF COLLECTIVE BARGAINING FOR PRODUCTION LEADMEN AND
MATERIAL EXPEDITERS WORKING ON THE PRODUCTION FLOOR OF THE PLANT.**

PEMCO AEROPLEX, INC.
DOTHAN FACILITY
MEMORANDUM OF AGREEMENT
19TH DAY OF AUGUST 1992

**IT IS HEREBY UNDERSTOOD AND AGREED THAT THE JOB DESCRIPTIONS LISTED
IN APPENDIX "A" DATED AUGUST 1992 ARE A PART OF THE AGREEMENT AND SHALL
REMAIN IN EFFECT FOR THE DURATION OF SAID AGREEMENT.**

PEMCO AEROPLEX, INC.
DOTHAN FACILITY
MEMORANDUM OF AGREEMENT
19TH DAY OF AUGUST 1992

IN THE EVENT A NEW IN-UNIT JOB OR POSITION IS ESTABLISHED BY THE COMPANY, THE COMPANY SHALL DETERMINE AND WRITE THE JOB DESCRIPTION AND ESTABLISH SUCH WITHIN THE EXISTING LABOR GRADES. THE COMPANY WILL IMMEDIATELY FURNISH THE UNION WITH A COPY THEREOF AND ADVISE THE RATE ESTABLISHED. THE UNION WILL HAVE SEVEN (7) CALENDAR DAYS IN WHICH TO TAKE EXCEPTION TO THE RATE IN THE EVENT THE UNION DOES NOT AGREE WITH THE LABOR GRADE. IF THE UNION HAS NOT ADVISED THE COMPANY IN WRITING WITHIN SEVEN (7) CALENDAR DAYS THAT IT DOES NOT AGREE WITH THE LABOR GRADE, THE JOB SHALL BECOME A PART OF THE EXISTING AGREEMENT AT THE LABOR GRADE SET BY THE COMPANY.

SHOULD THE UNION NOT AGREE WITH THE LABOR GRADE, IT MUST ADVISE THE COMPANY WITHIN SEVEN (7) CALENDAR DAYS AND STATE ITS POSITION WITH REGARD TO WHAT IT DEEMS THE LABOR GRADE SHOULD BE. AFTER RECEIPT OF SUCH LETTER FROM THE UNION, THE COMPANY AND THE UNION SHALL ATTEMPT TO AGREE UPON THE LABOR GRADE. IN THE EVENT THE COMPANY AND THE UNION CANNOT AGREE UPON THE LABOR GRADE WITHIN SEVEN (7) CALENDAR DAYS AFTER RECEIPT OF THE UNION LETTER BY THE COMPANY OR WITHIN SUCH ADDITIONAL TIME AS MAY BE MUTUALLY AGREED UPON, THE UNION MAY PRESENT AND PROCESS THE RESPECTIVE

LABOR GRADE GRIEVANCE IN ACCORDANCE WITH ARTICLE VII AT THE THIRD STEP OF THE GRIEVANCE PROCEDURE.

IF THE RESPECTIVE GRIEVANCE IS THEREAFTER PROCESSED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF ARTICLE VIII, THE ARBITRATOR SHALL HAVE THE AUTHORITY TO DETERMINE IF THE JOB SLOTTING WAS PROPERLY ESTABLISHED AND, IF NOT, THE PROPER POSITION THE NEW JOB SHOULD BE ESTABLISHED WITHIN THE AGREED UPON LABOR GRADES. THE JURISDICTION OF THE ARBITRATOR AND HIS DECISION SHALL BE CONFINED TO A DETERMINATION OF THE LABOR GRADE OF THE NEW JOB BY COMPARISON WITH THE DUTIES AND QUALIFICATIONS OF OTHER ESTABLISHED JOBS AT DOTHAN FACILITY.

PEMCO AEROPLEX, INC.

DOTHAN FACILITY

GENERAL PROVISION ON JOB CLASSIFICATION

TO APPLY TO ALL PRODUCTION AND MAINTENANCE JOB DESCRIPTIONS

19TH DAY OF AUGUST 1992

- 1. AN EMPLOYEE MAY BE REQUIRED TO PERFORM THE DUTIES REQUIRED IN A LOWER-LEVEL JOB, IN HIS NORMAL LINE OF PROGRESSION.**
- 2. AN EMPLOYEE SHALL BE REQUIRED TO ASSIST A HIGHER-LEVEL EMPLOYEE, IN HIS NORMAL LINE OF PROGRESSION.**
- 3. AN EMPLOYEE SHALL BE REQUIRED TO INSTRUCT LOWER CLASSIFIED EMPLOYEES, IN HIS NORMAL LINE OF PROGRESSION, IN THE PERFORMANCE OF THEIR WORK.**
- 4. AN EMPLOYEE SHALL BE REQUIRED TO DRAW AND RETURN TOOLS, MATERIALS AND EQUIPMENT REQUIRED TO PROPERLY ACCOMPLISH HIS WORK.**
- 5. AN EMPLOYEE SHALL OCCASIONALLY BE ASSIGNED WORK IN THE NEXT HIGHER CLASSIFICATION FOR PROMOTIONAL PURPOSES.**
- 6. JOB DESCRIPTIONS DO NOT CONTAIN EVERY DETAIL TASK INVOLVED IN THE WORK AN EMPLOYEE WILL BE REQUIRED TO PERFORM.**
- 7. AN EMPLOYEE MUST HAVE OR OBTAIN PERSONAL TOOLS CALLED OUT IN THE TOOL REQUIREMENT LIST FOR HIS JOB CLASSIFICATION.**
- 8. AN EMPLOYEE WILL, AS REQUIRED OR ASSIGNED, CLEAN HIS WORK AREA AND KEEP IT ORDERLY.**

9. AN EMPLOYEE WILL BE REQUIRED TO FILL OUT, HANDLE AND ACCOMPLISH AS ASSIGNED ANY FORMS OR OTHER PAPERWORK IN CONJUNCTION WITH THE ACCOMPLISHMENT OF HIS JOB.
10. THE JOB DESCRIPTIONS ARE OF A COMPOSITE NATURE AND DO THEREBY NOT REQUIRE AN INDIVIDUAL EMPLOYEE TO PERFORM ALL OF THE WORK THEREIN MENTIONED; HOWEVER, AN EMPLOYEE MUST BE QUALIFIED TO PERFORM SATISFACTORILY ALL ASSIGNED DUTIES ACCORDING TO HIS JOB DESCRIPTION.
11. PERFORMS DUTIES RELATED TO HIS CLASSIFICATION AS ASSIGNED. THE ABOVE PROVISIONS SHALL APPLY TO ALL EMPLOYEES IN THE PRODUCTION AND MAINTENANCE UNIT AND SHALL BE DEEMED TO BE A PART OF THE JOB DESCRIPTION OF EACH JOB IN THE UNIT.
12. THE FOLLOWING SHALL BE DEEMED INCLUDED IN ALL "A" JOB DESCRIPTIONS:
WORKS WITH LITTLE OR NO INSTRUCTION OR SUPERVISION.
13. THE FOLLOWING SHALL BE DEEMED INCLUDED IN ALL "B" JOB DESCRIPTIONS:
WHEN PERFORMING THOSE DUTIES WHICH DISTINGUISH THE "B" FROM THE "A" JOB, THE "B" WILL WORK AS AN ASSISTANT. WHEN PERFORMING OTHER DUTIES CALLED OUT IN HIS JOB DESCRIPTION, THE "B" WILL WORK WITH LITTLE OR NO SUPERVISION OR INSTRUCTION.
14. THE FOLLOWING PROVISIONS WILL BE DEEMED A PART OF EACH INSPECTION JOB DESCRIPTION:
 - A. PERFORMS RELATED DUTIES INCIDENTAL TO ACCOMPLISHMENT OF INSPECTION DUTIES DESCRIBED HEREIN TO INCLUDE ITEMS SUCH AS:

1. REMOVING AND RE-INSTALLING ACCESS DOORS AND INSPECTION PLATES IN ORDER TO GAIN ACCESS FOR PERFORMING INSPECTION DUTIES (DOORS AND PLATES ARE THOSE WITH QUICK OPENING FASTENERS OR SCREWS WHICH CAN BE REMOVED QUICKLY).
 2. CORRECTING MINOR DISCREPANCIES SUCH AS TIGHTENING CLAMPS BY HAND, CANNON PLUGS, BRACKETS, RELIEVING CHAFFING CONDITIONS OF WIRES AND TUBES, REMOVING AND PICKING UP OF NUTS AND BOLTS, PIECES OF WIRE, PAPER AND OTHER SMALL DEBRIS. THIS DOES NOT INCLUDE SAFETYING OR PERFORMING ANY TASK WHICH WOULD NECESSITATE OBTAINING OR REPLACING PARTS OR HARDWARE. TOOLS REQUIRED WOULD BE A PAIR OF DIKES, PAIR OF PLIERS, AND TWO TYPES OF SCREWDRIVERS.
- B. WRITES UP DISCREPANCIES IN ACCORDANCE WITH PROCEDURE.

PEMCO AEROPLEX, INC.
DOTHAN FACILITY
MEMORANDUM OF AGREEMENT
19TH DAY OF AUGUST 1992

THE COMPANY AND THE UNION AGREE THAT THE MANPOWER IN THE CLASSIFICATIONS LISTED BELOW SHALL NOT BE REQUIRED TO EXCEED THE RATIOS AS NOTED:

AIRCRAFT CONDITIONER "A"

AIRCRAFT MECHANIC "A"

STRUCTURAL MECHANIC "A"

FABRIC & UPHOLSTERY "A"

NOT LESS THAN 30%

INSTRUMENT, ELECTRICAL AND ELECTRONIC

"A"

PAINTER AIRCRAFT "A"

INSTRUMENT, ELECTRICAL AND ELECTRONIC

REPAIRMAN "A"

AIRCRAFT CONDITIONER "B"

AIRCRAFT MECHANIC "B"

STRUCTURAL MECHANIC "B"

FABRIC & UPHOLSTERY "B"

NOT MORE THAN 70%

INSTRUMENT, ELECTRICAL AND ELECTRONIC

"B"

PAINTER AIRCRAFT "B"

INSTRUMENT, ELECTRICAL AND ELECTRONIC

REPAIRMAN "B"

SCHEDULE 1

WORK GROUPS SHALL CONSIST OF EMPLOYEES ON THE SAME SHIFT, IN THE SAME CLASSIFICATION, AND ASSIGNED WORK IN LOCATIONS OR OCCUPATIONAL GROUPS AS LISTED.

- 04 WASH RACK**
- 05 PAINT HANGARS**
- 06 FABRIC SHOP**
- 07 HYDRAULIC SHOP**
- 08 MACHINE SHOP**
- 09 AVIONICS SHOP**
- 10 INSTRUMENT SHOP, BATTERY SHOP**
- 11 ELECTRICAL SHOP**
- 12 PROP SHOP**
- 13 HARNESS SHOP**
- 14 SHEET METAL FAB. SHOP**
- 15 TANK SEAL & FUEL CELL SHOP**
- 16 WELDING SHOP**
- 17 STORES**
- 18 PLANT MAINTENANCE**
- 19 - 29 PROJECT PRODUCTION STATIONS**
- 30 - UP NEW OCCUPATIONS OR SHOPS ESTABLISHED AFTER DISCUSSION WITH UNION.**

**WORK GROUPS 04, THROUGH 06 ARE TO BE COMBINED FOR INSPECTION
COVERAGE, (WORK GROUP 04). WORK GROUPS 07 THROUGH 16 ARE TO BE COMBINED
FOR INSPECTION COVERAGE, (WORK GROUP 07).**

PEMCO AEROPLEX, INC.

DOTHAN FACILITY

MEMORANDUM OF AGREEMENT

19TH DAY OF AUGUST 1992

EACH EMPLOYEE WHO OBTAINS OR HAS A VALID FAA AIRFRAME AND/OR POWERPLANT LICENSE (OR BOTH) SHALL BE PAID A BONUS OF FIFTEEN (15) CENTS PER HOUR FOR EACH VALID LICENSE HELD, IN ADDITION TO HIS BASIC STRAIGHT TIME RATE, PROVIDED SAID EMPLOYEE IS CLASSIFIED AND WORKING IN AN OCCUPATION THAT SAID LICENSE IS APPLICABLE TO. FOR EXAMPLE, A STOREKEEPER, STOCK CLERK, SOLDERER, PAINTER, PLANT MECHANIC, WELDER, ETC., HOLDING SUCH LICENSE WOULD NOT BE ELIGIBLE FOR THE BONUS.

THE COMPANY WILL, HOWEVER, ATTEMPT TO PLACE SUCH EMPLOYEE IN OCCUPATIONS APPLICABLE TO THEIR LICENSE AT THEIR REQUEST.

INSURANCE

**EFFECTIVE AUGUST 19, 1992, THE FOLLOWING CHARGES FOR NEW CLAIMS
ORIGINATING ON OR AFTER AUGUST 19, 1992:**

CLASSIFICATION

OF EMPLOYEES

CLASS I

DEFINITION OF CLASSES

ALL ACTIVE, FULL-TIME EMPLOYEES

FOR EMPLOYEE ONLY

MAXIMUM AMOUNT OF BENEFITS

EMPLOYEE GROUP LIFE INSURANCE \$15,000.00

GROUP ACCIDENTAL DEATH AND DISMEMBERMENT

INSURANCE

PRINCIPAL SUM \$12,000.00

GROUP WEEKLY INDEMNITY BENEFITS

**(BENEFITS COMMENCE ON 1ST DAY OF DISABILITY CAUSED BY NON- OCCUPATIONAL
ACCIDENT, 8TH DAY CAUSED BY NON-OCCUPATIONAL SICKNESS; MAXIMUM NUMBER
OF WEEKS PAYABLE IS 26 WEEKS.)**

\$155.00 PER WEEK FOR NEW CLAIMS ORIGINATING ON OR AFTER SEPTEMBER 1, 1989.

\$160.00 PER WEEK FOR NEW CLAIMS ORIGINATING ON OR AFTER SEPTEMBER 1, 1992.

\$170.00 PER WEEK FOR NEW CLAIMS ORIGINATING ON OR AFTER SEPTEMBER 1, 1995.

EFFECTIVE AUGUST 19, 1992, UNTIL OCTOBER 1, 1992, ALL ACTIVE, FULL-TIME EMPLOYEES AND DEPENDENTS WILL CONTINUE COVERAGE OF GROUP HEALTH BENEFITS AS FOLLOWS:

FOR EMPLOYEE AND DEPENDENTS

GROUP HOSPITAL EXPENSE BENEFITS

I. IN-PATIENTS BENEFITS

MAXIMUM DAILY BENEFIT - MOST PREVALENT SEMI-PRIVATE ROOM OR WARD

MAXIMUM NUMBER OF DAYS SEVENTY

MAXIMUM MISCELLANEOUS HOSPITAL CHARGES \$500.00

DEDUCTIBLE REQUIREMENT (PER ADMISSION) \$100.00

II. OUT-PATIENT: MAXIMUM AMOUNT \$750.00

III. AMBULANCE BENEFITS: MAXIMUM AMOUNT \$ 50.00

GROUP SURGICAL EXPENSE BENEFITS

MAXIMUM SURGICAL BENEFITS \$900.00

GROUP PHYSICIAN'S EXPENSE BENEFIT (IN-HOSPITAL ONLY)

MAXIMUM PAYABLE PER VISIT \$12.00

MAXIMUM NUMBER OF VISITS SEVENTY

GROUP MATERNITY EXPENSE BENEFITS

- A. NORMAL DELIVERY \$225.00
- B. CAESAREAN SECTION, INCLUDING DELIVERY \$450.00
- C. ABDOMINAL OPERATION FOR EXTRA-UTERINE PREGNANCY \$450.00
- D. MISCARRIAGE \$112.50

GROUP DIAGNOSTIC X-RAY AND LABORATORY EXPENSE BENEFITS

- MAXIMUM BENEFIT PAYABLE \$100.00

SUPPLEMENTARY MAJOR MEDICAL EXPENSE BENEFITS

- MAJOR MEDICAL MAXIMUM \$150,000.00
- DEDUCTIBLE REQUIREMENT \$100.00
- (APPLICABLE TO ALL COVERED CHARGES WHICH
ARE IN EXCESS OF BASE PLAN BENEFITS)
- DEDUCTIBLE ACCUMULATION PERIOD 12 MONTHS

MAXIMUM DAILY BENEFIT

- A. FOR ROOM AND BOARD AND GENERAL NURSING
CARE - MOST PREVALENT SEMI-PRIVATE ROOM OR WARD
 - B. FOR INTENSIVE CARE ACCOMMODATIONS - TWO TIMES AN
INSURED PORTION 75%
- POLICY TO CONTAIN COORDINATION OF BENEFITS (SOMETIMES CALLED
"NON-DUPLICATION OF BENEFITS") PROVISION.

GROUP HOSPITAL EXPENSE BENEFITS

I. IN-PATIENT BENEFITS

**MAXIMUM DAILY BENEFIT - MOST PREVALENT SEMI-PRIVATE ROOM
OR WARD.**

THE DATE OF ELIGIBILITY FOR THE EMPLOYEES WITH RESPECT TO INSURANCE UNDER THE PLAN OF INSURANCE SHOWN HEREIN ON THE PRECEDING PAGES AND SHOWN ABOVE WILL BE THE FIRST DAY FOLLOWING THE DATE THE EMPLOYEE HAS COMPLETED 10 WEEKS CONTINUOUS EMPLOYMENT WITH PEMCO AEROPLEX, INC., DOTHAN FACILITY - SUCH DAY NORMALLY IS THE DATE THE EMPLOYEE OBTAINS SENIORITY.

THE NUMBER OF VISITS FOR SUBLUXATIVE TREATMENTS, INCLUDING BUT NOT LIMITED TO MANULATIVE THERAPY, ELECTRICAL MUSCLE STIMULATION, DIATHERMY, AND RELATED X-RAYS WILL BE LIMITED TO \$15.00 PER VISIT AND 26 VISITS IN ANY CALENDAR YEAR.

EFFECTIVE OCTOBER 1, 1992, THE FOLLOWING SUMMARY OF BENEFITS FOR EMPLOYEE AND DEPENDENTS WILL APPLY:

SUMMARY OF BENEFITS

INPATIENT HOSPITAL BENEFITS

DEDUCTIBLE AND COPAY \$250 DEDUCTIBLE PER ADMISSION, 120 DAYS PER CONFINEMENT; SEMI-PRIVATE ROOM AND BOARD AND INTENSIVE CARE UNITS, GENERAL NURSING CARE AND OTHER USUAL HOSPITAL ANCILLARY SERVICES IN FULL; NO DOLLAR LIMIT.

MATERNITY CARE FULL HOSPITAL BENEFITS AS FOR ANY OTHER ILLNESS; INCLUDES ORDINARY NURSERY AND DIAPER SERVICE FOR A NEW BORN DURING THE MOTHER'S HOSPITAL STAY.

MENTAL AND NERVOUS CONDITIONS FULL INPATIENT HOSPITAL BENEFITS UP TO 15 DAYS EACH 12 CONSECUTIVE MONTHS (INCLUDES ALCOHOL AND DRUG ABUSE) LIMITED TO 45 DAYS IN A LIFETIME.

PREADMISSION CERTIFICATION ALL ADMISSIONS WILL BE SUBJECT TO PREADMISSION CERTIFICATION (EXCEPT FOR MATERNITY AND EMERGENCY ADMISSIONS).

OUTPATIENT HOSPITAL AND AMBULATORY SURGICAL FACILITY BENEFITS

NON-PREFERRED FACILITIES 100% WITH NO DEDUCTIBLE FOR HOSPITAL EMERGENCY ROOM FACILITY CHARGES FOR TREATMENT OF ACCIDENTAL BODILY INJURY (IF RENDERED WITH 48 HOURS OF THE ACCIDENT) LIMITED TO A \$500 MAXIMUM, THEN TO MAJOR MEDICAL; FOR TREATMENT HEMODIALYSIS; AND SURGERY TO \$750, THEN TO MAJOR MEDICAL.

PREFERRED FACILITIES 100% WITH NO DEDUCTIBLE FOR ACCIDENTS, CHEMOTHERAPY, RADIATION THERAPY, IV THERAPY, HEMODIALYSIS, X-RAY LAB, PATHOLOGY. \$25 COPAY REQUIRED FOR MEDICAL EMERGENCIES AND OUTPATIENT SURGERY, THEN 100%, NO TIME LIMITS OR MAXIMUMS.

COMPREHENSIVE MANAGED CARE

COVERED SERVICES BENEFIT PROGRAM THAT PROVIDES AN ALTERNATIVE TO LENGTHY HOSPITALIZATION.

OUTPATIENT DIAGNOSTIC BENEFITS

X-RAY, LAB AND MEDICAL EXAMS PAID AT 100% OF THE USUAL, CUSTOMARY AND REASONABLE CHARGE; \$100 MAXIMUM PER PERSON EACH CALENDAR YEAR. ANY REMAINING EXPENSES MAY BE ELIGIBLE FOR MAJOR MEDICAL COVERAGE.

PHYSICIANS' SURGICAL BENEFITS

SURGICAL CARE NO DEDUCTIBLE; INPATIENT OR OUTPATIENT SURGERY PAID ACCORDING TO A SCHEDULE WITH A \$900 MAXIMUM.

ANESTHESIA NO DEDUCTIBLE; PAID AT 20% OF SURGICAL PAYMENT, MINIMUM OF \$15.

PHYSICIANS' IN-HOSPITAL MEDICAL BENEFITS

HOSPITAL MEDICAL VISITS ONE VISIT PER DAY; \$12 PER DAY BEGINNING THE FIRST DAY FOR EACH DAY OF ELIGIBLE HOSPITALIZATION.

AMBULANCE BENEFITS

COVERED SERVICES BENEFITS PAYABLE TO OR FROM THE HOSPITAL UP TO A MAXIMUM OF \$50 FOR ONE HOSPITAL CONFINEMENT OR ANY NON-OCCUPATIONAL BODILY INJURY OR SURGICAL PROCEDURE.

PREFERRED MEDICAL DOCTOR (PMD) BENEFITS

100% WITH NO DEDUCTIBLE DIAGNOSTIC X-RAY, LAB, PATHOLOGY (INCLUDING PAP SMEARS); SURGERY; ANESTHESIA SERVICES; SECOND SURGICAL OPINION; IN-HOSPITAL PHYSICIAN'S VISITS AND CONSULTATIONS; CHEMOTHERAPY AND RADIATION THERAPY; MATERNITY CARE; AND ROUTINE IMMUNIZATIONS.

\$15 COPAY PER VISIT DOCTOR'S OFFICE CARE SERVICES AND CONSULTATIONS; EMERGENCY ROOM SERVICES; AND OFFICE VISITS FOR ROUTINE WELL CHILD CARE.

MAJOR MEDICAL

DEDUCTIBLE \$100 DEDUCTIBLE PER PERSON EACH CALENDAR YEAR; MAXIMUM OF THREE DEDUCTIBLES PER FAMILY EACH YEAR.

PAYMENT OF BENEFITS

75% OF THE USUAL, CUSTOMARY AND REASONABLE CHARGE (UCR); NO MAJOR MEDICAL COVERAGE FOR INPATIENT TREATMENT OF MENTAL AND NERVOUS COVERAGE (INCLUDING ALCOHOL AND DRUG ABUSE) AFTER 15 BASIC HOSPITAL DAYS ARE EXHAUSTED; TREATMENT OF SUBLUXATIONS BY MANUAL MANIPULATION AND ALL OTHER RELATED SERVICES IS LIMITED TO \$15 PER VISIT AND 26 VISITS EACH CALENDAR YEAR; PHYSICAL THERAPY LIMITED TO \$20 PER VISIT.

MAXIMUM

\$150,000 LIFETIME MAXIMUM FOR EACH COVERED MEMBER. \$1,000 RESTORATION PER CALENDAR YEAR.

OUT-OF-STATE HOSPITAL COVERAGE (AND NON-PARTICIPATING IN-STATE HOSPITALS)

HOSPITAL EXPENSE BENEFITS

IN-PATIENT BENEFITS

CHARGES FOR DAILY ROOM AND BOARD

FOR ROOM AND BOARD ACCOMMODATIONS (OTHER THAN IN A WARD) - HOSPITAL'S MOST PREVALENT SEMI-PRIVATE CHARGE.

FOR ROOM AND BOARD ACCOMMODATIONS IN A WARD - HOSPITAL'S MOST PREVALENT WARD CHARGE.

MAXIMUM NUMBERS OF DAYS SEVENTY

CHARGES FOR MISCELLANEOUS SERVICES AND SUPPLIES

MAXIMUM MISCELLANEOUS HOSPITAL CHARGES \$500.00

DEDUCTIBLE AMOUNT \$100.00

ANY REMAINING CHARGES MAY BE ELIGIBLE FOR COVERAGE UNDER MAJOR MEDICAL.

THIS SUMMARY OF BENEFITS OUTLINES THE PRINCIPAL PROVISIONS OF THE PLAN. IF ANY CONFLICT SHOULD ARISE BETWEEN THE CONTENT OF THIS SUMMARY AND PLAN, OR IF ANY POINT IS NOT COVERED HEREIN, THE TERMS OF THE PLAN WILL GOVERN IN ALL CASES.

PEMCO AEROPLEX, INC.
DOTHAN FACILITY
MEMORANDUM OF AGREEMENT
19TH DAY OF AUGUST 1992

**THE FOLLOWING UNDERSTANDING HAS BEEN REACHED BETWEEN THE PARTIES
HERETO WITH REGARD TO TANK SEALER AND STRUCTURAL MECHANIC WORK:**

**THE TANK SEALER'S WORK DIFFERS FROM STRUCTURAL MECHANIC WORK IN
THAT THE REMOVAL AND INSTALLATION OF COMPONENTS AND FASTENERS (RIVETS,
BOLTS, AND SCREWS, ETC.) OF THE AIRFRAME OR OTHER ASSEMBLIES EXTENDING
INTO THE WET AREAS IS EXCLUSIVELY TANK SEALER WORK. IT IS ALSO AGREED THAT
IF THE TANK WORK DESCRIBED ABOVE DOES NOT EXTEND BEYOND 12 INCHES FROM
SUCH WET AREA WORK, THE TANK SEALER MAY BE REQUIRED TO COMPLETE THE
INSTALLATION.**

**STRUCTURAL MECHANICS SHALL REMOVE AND INSTALL SHEETMETAL
STRUCTURAL COMPONENTS AS NECESSARY EXCEPT THOSE BOLTS, RIVETS AND
SCREWS PENETRATING WET AREAS, AND MAY BE REQUIRED TO WORK ANY
STRUCTURE UP TO BUT NOT TO INCLUDE THE WET AREA AS ASSIGNED.**

**TANK SEALERS SHALL INSTALL LINERS AND OTHER TANK SUPPORTS AND
CUSHIONING DEVICES AS MAY BE REQUIRED FOR RUBBER TANK INSTALLATIONS IN DRY
BAYS.**

**IT IS ALSO AGREED THAT IF THE TANK WORK DESCRIBED ABOVE EXTENDS
BEYOND THE WET AREA 12 INCHES OR MORE, STRUCTURAL MECHANICS WILL
COMPLETE THE INSTALLATION FROM THE WET AREA TO COMPLETION.**

PEMCO AEROPLEX, INC.
DOTHAN FACILITY
MEMORANDUM OF AGREEMENT
19TH DAY OF AUGUST 1992

**THE COMPANY AGREES TO PROVIDE THE UNION TWENTY (20) BULLETIN BOARDS
— AND ONE (1) FOR EACH NEW HANGAR CONSTRUCTED, IDENTIFIED AS UNION BULLETIN
BOARDS.**

PEMCO AEROPLEX, INC.
DOTHAN FACILITY
MEMORANDUM OF AGREEMENT
19TH DAY OF AUGUST 1992

IT IS HEREBY AGREED THAT FOR THE PURPOSE OF DETERMINING ELIGIBILITY FOR SICK/PERSONAL LEAVE WHEN A DEATH IN AN EMPLOYEE'S IMMEDIATE FAMILY OCCURS, THE IMMEDIATE FAMILY IS DEFINED AS THE EMPLOYEE'S WIFE, HUSBAND, SON, DAUGHTER, MOTHER, FATHER, SISTERS, BROTHERS, PARENTS-IN-LAW, GRANDMOTHER OR GRANDFATHER, GRANDCHILDREN, STEP-CHILDREN, STEP-MOTHER AND STEP-FATHER.

PEMCO AEROPLEX, INC.
DOTHAN FACILITY
MEMORANDUM OF AGREEMENT
19TH DAY OF AUGUST 1992

IT IS HEREBY MUTUALLY AGREED THAT THERE SHALL BE NO DISCRIMINATION BY THE COMPANY OR BY THE UNION AGAINST ANY EMPLOYEE OR APPLICANT FOR EMPLOYMENT BY REASON OF RACE, COLOR, RELIGION, NATIONAL ORIGIN, AGE OR SEX; PROVIDED, HOWEVER, THAT NOTHING HEREIN CONTAINED SHALL AFFECT, MODIFY, OR LIMIT ANY OF THE PROVISION OF THIS AGREEMENT.

PEMCO AEROPLEX, INC.
DOTHAN FACILITY
MEMORANDUM OF AGREEMENT
19TH DAY OF AUGUST 1992

IT IS UNDERSTOOD AND AGREED THAT THE COMPANY WILL CONTINUE A PENSION PLAN WHICH BECAME EFFECTIVE NOVEMBER 1, 1975, AND AMENDED SEPTEMBER 1, 1978, SEPTEMBER 1, 1982, SEPTEMBER 1, 1983, SEPTEMBER 1, 1984 AND SEPTEMBER 1, 1985. IT IS FURTHER UNDERSTOOD AND AGREED THAT EMPLOYEES WHO RETIRE FROM ACTIVE SERVICE ON OR AFTER NOVEMBER 1, 1988, WILL RECEIVE FOURTEEN DOLLARS (\$14.00) PER MONTH PER YEAR FOR ALL CREDITED SERVICE.

EMPLOYEES WHO RETIRE FROM ACTIVE SERVICE ON AND AFTER SEPTEMBER 1, 1989 WILL RECEIVE FIFTEEN DOLLARS (\$15.00) PER MONTH PER YEAR FOR ALL CREDITED SERVICE.

EMPLOYEES WHO RETIRE FROM ACTIVE SERVICE ON AND AFTER SEPTEMBER 1, 1991, WILL RECEIVE SIXTEEN DOLLARS (\$16.00) PER MONTH PER YEAR FOR ALL CREDITED SERVICE .

THIS AMENDMENT IS SUBJECT TO INTERNAL REVENUE SERVICE'S APPROVAL. THE PLAN WILL ALSO BE AMENDED TO REDUCE VESTING FROM TEN TO FIVE YEARS.

FOR EMPLOYEES RETIRING FROM ACTIVE SERVICE AFTER EACH BELOW LISTED DATE, THE AMOUNT PER MONTH INDICATED TIMES YEARS CREDITED SERVICE SUBJECT TO PROVISIONS OF PRESENT PLAN:

<u>8/31/92</u>	<u>8/31/93</u>	<u>8/31/94</u>	<u>8/31/95</u>	<u>8/31/96</u>
\$16.00	\$17.00	\$18.00	\$19.00	\$20.00

PEMCO AEROPLEX, INC.
DOTHAN FACILITY
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AN EMPLOYEE WHO RETIRES BETWEEN THE AGES OF 62 AND 65 WILL BE PERMITTED TO RETAIN GROUP HEALTH INSURANCE (HOSPITAL, SURGICAL, MEDICAL, X-RAY, LAB, OTHER PHYSICAL SERVICES AND MAJOR MEDICAL) UNTIL REACHING AGE 65 IF HE DESIRES TO PAY THE COMPANY THE THEN GOING COMPOSITE RATE ADJUSTED UPWARD OR DOWNWARD.

PEMCO AEROPLEX, INC.
DOTHAN FACILITY
MEMORANDUM OF AGREEMENT
19TH DAY OF AUGUST 1992

IT IS MUTUALLY UNDERSTOOD AND AGREED THAT WHEN AN AIRCRAFT ARRIVES THAT IS TO BE PLACED IN WORK, THE COMPANY WILL ASSIGN THAT AIRCRAFT TO AN OVERTIME WORK GROUP AND IT SHALL REMAIN ASSIGNED TO THAT OVERTIME WORK GROUP THROUGHOUT THE PERIOD OF WORK ON THAT OCCASION.

PEMCO AEROPLEX, INC.
DOTHAN FACILITY
MEMORANDUM OF AGREEMENT
19TH DAY OF AUGUST 1992

**AFTER AUGUST 25, 1980, EMPLOYEES HIRED, TRANSFERRED, OR PROMOTED
MUST HAVE AN A & P (AIRFRAME AND POWERPLANT) LICENSE IN ORDER TO QUALIFY
FOR AIRCRAFT INSPECTOR.**

PEMCO AEROPLEX, INC.
DOTHAN FACILITY
MEMORANDUM OF AGREEMENT
19TH DAY OF AUGUST 1992

THE COMPANY WILL MAKE WEEKLY PAYROLL DEDUCTIONS AND WEEKLY REMITTANCE TO THE CREDIT UNION OF AMOUNTS AUTHORIZED BY EMPLOYEES UNDER PAYROLL DEDUCTION PLAN FOR THE I.A.M. FEDERAL CREDIT UNION. REMITTANCE WILL BE MADE BY THE MONDAY FOLLOWING THE DEDUCTIONS. THIS PROGRAM IS PROGRAMMED TO PROVIDE REPORT OF TOTAL MONIES DEDUCTED FROM EACH EMPLOYEE.

IN MAKING DEDUCTIONS AND REMITTANCES THE COMPANY IS ENTITLED TO RELY UPON THE NOTIFICATION OF THE FINANCIAL SECRETARY OF THE FEDERAL CREDIT UNION OF THE AMOUNT OF MONEY DUE THE FEDERAL CREDIT UNION BY AN EMPLOYEE. THE UNION AGREES TO AND DOES HEREBY HOLD AND SAVE THE COMPANY HARMLESS FROM ANY AND ALL LIABILITY, RESPONSIBILITY OR DAMAGE FOR DEDUCTION, PAYMENT, AUTHORIZATION OR NOTIFICATION AS PROVIDED FOR IN THIS ARTICLE, AND ASSUMES FULL RESPONSIBILITY FOR THE DISPOSITION OF THE FUNDS SO DEDUCTED WHEN TURNED OVER TO THE FINANCIAL SECRETARY OF THE FEDERAL CREDIT UNION.

PEMCO AEROPLEX, INC.
DOTHAN FACILITY
MEMORANDUM OF AGREEMENT
19TH DAY OF AUGUST 1992

THE COMPANY AGREES TO PROVIDE A DENTAL PROGRAM EFFECTIVE SEPTEMBER 1, 1984 FOR ACTIVE FULL TIME EMPLOYEES AND THEIR DEPENDENTS. EMPLOYEES WHO ARE ABSENT FROM WORK ON THE EFFECTIVE DATE ABOVE WILL NOT BE ELIGIBLE FOR COVERAGE UNTIL THEY RETURN TO ACTIVE WORK.

TYPE I SERVICES	<u>COVERED CHARGES</u>
DIAGNOSTIC - GENERAL - PREVENTIVE	75%
TYPE II SERVICES	
RESTORATIVE (BASIC)	75%
TYPE III SERVICES	
RESTORATIVE (MAJOR)	50%
MAXIMUM PER YEAR	\$750.00
DEDUCTIBLE REQUIREMENT	\$ 50.00

THE DATE OF ELIGIBILITY FOR THE EMPLOYEES WITH RESPECT TO THE ABOVE PROGRAM WILL BE THE 1ST DAY FOLLOWING THE DATE THE EMPLOYEE HAS COMPLETED 10 WEEKS OF CONTINUOUS EMPLOYMENT WITH PEMCO AEROPLEX, INC., DOTHAN FACILITY - SUCH DAY NORMALLY IS THE DATE THE EMPLOYEE OBTAINS SENIORITY.

PEMCO AEROPLEX, INC.
DOTHAN FACILITY
MEMORANDUM OF UNDERSTANDING
19TH DAY OF AUGUST 1992

THE COMPANY WILL AUTHORIZE AND EXCUSE A ONE (1) DAY ABSENCE OF AUDITORS ELECTED TO SERVE THE LOCAL LODGE IN A NUMBER NOT TO EXCEED SEVEN (7) EMPLOYEES ON TWO OCCASIONS EACH YEAR. —THE COMPANY WILL ALSO AUTHORIZE AND EXCUSE THE ABSENCE OF AUDITORS AND TELLERS IN A NUMBER NOT TO EXCEED THREE (3) TO SERVE AS REQUIRED ON LOCAL OR DISTRICT LODGE ELECTIONS AND AUDITS. THE UNION WILL, EXCEPT IN CASES OF EMERGENCIES, GIVE AT LEAST FIVE (5) DAYS NOTICE TO THE COMPANY OF SUCH REQUIREMENTS.

PEMCO AEROPLEX, INC.

DOTHAN FACILITY

MEMORANDUM OF AGREEMENT

19TH DAY OF AUGUST 1992

1. THE COMPANY WILL MAKE VACATION PREFERENCE FORMS AVAILABLE IN EACH WORK AREA DURING THE FIRST WEEK IN THE MONTH OF DECEMBER OF EACH YEAR.

2. EMPLOYEES SHALL COMPLETE THE FORM INDICATING THEIR FIRST, SECOND, THIRD AND FOURTH CHOICE OF A VACATION PERIOD THAT BEGINS ON A MONDAY EXCEPT FOR ODD WORK WEEK.

3. EMPLOYEES WILL BE ALLOWED TO SCHEDULE UP TO TWO (2) WEEKS VACATION IN SUCCESSION SENIORITY PERMITTING, ON THE FIRST ROUND OF SCHEDULING AND UP TO TWO (2) WEEKS ON THE SECOND ROUND OF SCHEDULING.

4. EMPLOYEES WHO FAIL TO INDICATE VACATION PREFERENCES BY THE FIRST MONDAY IN JANUARY WILL NOT COMPETE FOR VACATION SCHEDULES.

5. IN THE EVENT THAT AN INSUFFICIENT NUMBER OF EMPLOYEES FAIL TO INDICATE A DESIRE TO TAKE VACATION DURING A GIVEN MONTH, THE COMPANY MAY SCHEDULE THOSE VACATIONS IN ACCORDANCE WITH SENIORITY PRINCIPALS FROM THOSE NOT COMPETING.

6. THOSE EMPLOYEES WHO DO NOT GET THEIR VACATION PREFERENCE IN THE FIRST ROUND MAY PARTICIPATE IN A SECOND ROUND. THE SECOND ROUND WILL BE CONDUCTED IN THE SAME MANNER AS THE FIRST ROUND TO FILL IN THE REMAINING VACATION SLOTS. THE SECOND ROUND WILL BEGIN THE THIRD MONDAY IN JANUARY AND MUST BE COMPLETED BY THE FIRST MONDAY IN FEBRUARY.

7. THE DATES SCHEDULED IN ACCORDANCE WITH THIS PROCEDURE SHALL BECOME FIRM DATES NOT SUBJECT TO CHANGE BY FURTHER SELECTION ROUNDS.

8. FIRM DATES SCHEDULED CANNOT BE CANCELED BY PRODUCTION REQUIREMENTS UNLESS THE EMPLOYEE IS GIVEN A MINIMUM OF FIVE (5) WORKING DAYS NOTICE PRIOR TO THE START OF SAID VACATION.

9. A PAID HOLIDAY FALLING WITHIN A VACATION PERIOD SHALL ENTITLE AN EMPLOYEE TO AN ADDITIONAL DAY OF VACATION WITH PAY OR PAYMENT FOR SUCH HOLIDAY.

10. EMPLOYEES ELIGIBLE FOR UP TO TEN (10) DAYS OF VACATION (ONE DAY AT A TIME) CANNOT BE SCHEDULED BY THE COMPANY MORE THAN ONE DAY PER MONTH.

11. EMPLOYEES MAY REQUEST UP TO TEN (10) DAYS OF VACATION IN LESS THAN ONE WEEK INCREMENTS (ONE DAY AT A TIME) PROVIDED HE RETAINS FIVE DAYS TO BE TAKEN IN ONE WEEK INCREMENTS.

12. BEGINNING IN JUNE OF EACH YEAR, THE COMPANY MAY BEGIN SCHEDULING THE VACATION TIME RESERVED TO BE TAKEN IN LESS THAN ONE (1) WEEK INCREMENTS PROVIDED THE EMPLOYEE HAS MORE TIME IN RESERVE THAN WILL BE USED AT ONE (1) DAY PER MONTH RATE FOR THE REMAINDER OF THE VACATION YEAR.

WHEN THE COMPANY SCHEDULES SUCH DAY OR DAYS IT WILL SCHEDULE THOSE EMPLOYEES HAVING THE GREATEST NUMBER OF RESERVE DAYS FIRST BY SENIORITY BY OCCUPATIONAL GROUP.

PEMCO AEROPLEX, INC.

DOTHAN FACILITY

MEMORANDUM OF AGREEMENT

19TH DAY OF AUGUST 1992

**THE COMPANY AGREES THAT IT WILL TERMINATE THE CONTRACT FOR THE
CLEANING OF PEMCO REST ROOMS UPON THE RATIFICATION OF THIS AGREEMENT.**