

AGREEMENT
BY AND BETWEEN
CHUGACH INDUSTRIES, INC.
AND
TEAMSTERS, LOCAL 19
FORT POLK ARMY BASE
FORT POLK, LOUISIANA

November 10, 2012 through November 9, 2015

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ARTICLE 1

ADMINISTRATION OF AGREEMENT

1.01 Agreement. This Agreement is made this 10th day of November 2009, by and between Chugach Industries, Inc. (hereinafter called the Company), and the Teamsters Local 19, (hereinafter called the Union).

1.02 Purpose. The Union, representing employees of the Company, and the Company desire to establish and maintain, through harmonious cooperation, a standard of conditions and procedures to provide for orderly collective bargaining relations; prompt and equitable disposition of grievances; and fair wages, hours, and working conditions for the employees covered by this Agreement. To further these purposes, representatives of the Company or the Union may request a conference at any time to discuss any general condition that may exist at the Army Base, Fort Polk, Louisiana.

The Company and the Union agree that this Agreement is legal and binding on both parties. The parties further agree they will actively dissuade excessive absenteeism, harassment of any form, and other practices which may hamper the Company's operation, and the employees will support the Company and Union's desire to eliminate waste and inefficiency, to improve the quality of work, and to promote harmonious relations between the Company, the Union, and the employees. The parties agree to make every effort to see that bargaining unit employees working under this Agreement obey all rules, instructions, and regulations prescribed by the Company that are not inconsistent with the terms of this Agreement.

1.03 Recognition of Bargaining Unit. The Company hereby recognizes the Union, its designees and representatives, its successor and/or assigns, as the sole and exclusive bargaining representative for all General Clerk III and Leads employed by Chugach Industries, Inc. at its Fort Polk Army Base, Fort Polk, Louisiana facility; excluding all other employees, temps, confidential employees, guards, and supervisors as defined by the Act.

If any of the specific provisions of this agreement are rendered unlawful by changes in state or federal law, the Company and the Union will meet to discuss any changes which may be necessary to conform to the terms of the contract with the requirements of the law. All other provisions not affected shall remain in full force and effect.

In the event there is any conflict between the provision of the contract and the Company proposal applicable to employees covered by this agreement, the provision of this agreement will apply.

1.04 Union Business. The Union agrees that neither the Union nor its members shall conduct on Company time, any Union activity other than legitimate Union business in the

administration of this Agreement, in the manner and to the extent provided by the terms of this Agreement.

1.05 Management Rights. Except as specifically limited by this Agreement, the management of the Company and the direction of the work force, including but not limited to the service performed, the location of the work force, the schedules and fair standards of employee performance, the schedules and hours of shifts, the methods, processes, and means of providing services, materials to be purchased, determination of staffing levels, the right to hire, promote, demote, transfer, assign and reclassify employees, the establishment of reasonable rules of conduct, the discharge or discipline of employees for cause, and the management of efficiency of employees, are the sole and exclusive rights and responsibilities of the Company.

The Union and employees shall be notified prior to the enforcement of new work rules or changes in existing work rules.

1.06 Work Covered. The work covered by this Agreement is work within the scope of the Company's contract with respect to the Army Base at Fort Polk, Louisiana, and will consist of the Transportation Division and related support functions. Such work will be performed by employees covered by this Agreement who are regularly employed and assigned to the Army Base, Fort Polk, Louisiana and other federal facilities as directed.

1.07 Working Assignments. Employees outside of the bargaining unit, including supervisors, will not perform the regular and exclusive work of the bargaining unit, except when a bargaining unit employee cannot be timely located and emergency action is required. Emergency action for this Section means response within contractual time limits. This clause will not be used for the purpose of avoiding overtime payment.

Each employee will be assigned to a specific classification on the first (1st) day of employment at the Army Base, Fort Polk, Louisiana. In addition, employees will be provided a copy of the occupational title and description (as identified in the Service Contract Act Directory of Occupations), by the Company, which will include other job related duties as assigned. This document will function as the employee's job description. No changes or modifications will be made to a job description, unless agreed upon by the Union. It is understood that the parties will work together to update job descriptions if contract requirements change.

The Company supervisors will be permitted to perform any work necessary for the operation of Company business. It is likewise understood that the above provision is not intended to justify supervisory displacement of unit employees from the performance of their ordinary work under normal circumstances, but is similarly not intended to restrict supervisors from performing the duties and functions of their jobs as presently constituted.

a. Training. The Company will train its employees as necessary in the operation of any new equipment, and will provide its employees with the training needed to

maintain or acquire certifications that are needed in the affected classifications. The Company will allow equal access and opportunity to training to acquire certifications or specific training for other classifications covered in this agreement other than the classifications the employee is currently assigned. The Company will devise a system for offering cross training and will document the training activities of employees.

1.08 Assignment of Shop Stewards. It is hereby understood and agreed that the Union may assign one (1) Shop Steward to represent Bargaining Unit employees and one (1) alternate Shop Steward. The alternate Shop Steward shall only act in the absence of the Shop Steward.

The Union shall notify the Company in writing on Union letterhead of the individuals so selected in this capacity.

The duties and activities of the shop steward (except when otherwise specifically agreed between the parties), while acting as such in the jurisdiction which the shop steward represents or as directed by the business representative, will be limited to the handling, investigation, and settlement of grievances and complaints, and potential grievances and complaints in accordance with the grievance procedure. Except when they are engaged in their duties as assigned in this Section, all Union representatives will continue at their regular work in the same manner as other workers. When a Union representative is required to leave regular duties as a worker for the aforementioned shop steward duties, the Union representative will give prior notification to the appropriate supervisor. If necessary, a Union representative will remain working until a reasonable time is afforded to provide a substitute in the Union representative's place. (A two (2) hour maximum will apply, unless critical mission requirements necessitate the continued presence of the Union representative on his or her requirements necessitate the continued presence of the Union representative on his or her job; in such cases, the Union representative will remain on the job until released by the appropriate supervisor. The appropriate supervisor will make every effort to release the Union representative as soon as possible). Time spent performing such duties, will be appropriately annotated on the employee's weekly time report and paid for by the Company at the applicable rate. There shall be a steward present whenever the Employer meets with an employee concerning grievances or discipline or investigatory interviews. The designated stewards will be provided with copies of all warning, suspension, and discipline letters. Stewards shall not be subject to discipline for performing any of the duties within the scope of their authority as defined in this Section. Time spent handling Union business shall be normally limited to two (2) hours per week; such amount to be extended as necessary through communication between the Union business representative and the project manager.

1.09 Access to Company Property and Records. The business representative of the Union may visit the Army Base at Fort Polk, Louisiana, at any time. The Union understands and agrees that when it is necessary for the business representative to visit

the Station to confer with Union members, when working, on matters concerning the relationships existing between the Company and the Union as defined in this Agreement, the request for each visit will be coordinated in advance with the Company Site Manager or Company Project Manager. Such visits will be conducted with sensitivity to mission/project activities.

The Company will make available to the business representative, or the business representative's designee, such employee records and copies which may be necessary in the proper investigation of a grievance or complaint as may be reasonable and lawful to provide. If a question arises as to whether a document is confidential, the employee's written approval will be obtained before the document is provided.

It is recognized that the Contractor obtains access to the site for visitors through the Army in accordance with Army Regulations. Therefore, whenever possible, the Union will provide the Company with forty-eight (48) hours advance notice of any Union business representative's intent to visit the site.

1.10 Introduction of New Employees. The Company will notify a shop steward, in writing, of any new employees as they join the workforce, but in no event later than two (2) working days after the employee reports to the supervisor for assignment. By the third day of employment, a shop steward will have been given the opportunity to conduct a fifteen (15) minute Union orientation with a new employee.

1.11 Filling of Vacancies. If the Company determines to fill a new or existing job within the bargaining unit, the Company will post a notice of vacancy or job opening for a period of not less than five (5) working days. Subject to the provisions of Section 3, any employee may submit a bid for the job to the Company's Supervisor, in writing, during the posting period. The notice posted declaring that such vacancy or job opening is to be filled shall contain at least the following information:

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

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

The Company will award the job to the most senior employee who has submitted a bid outlined in the paragraph above that is in the bargaining unit, provided that the employee has participated in the opportunity to cross train and such participation is reflected in her personnel record.

a) **Restrictions on Bidding.** An employee who is awarded a job for which he bid must accept it providing the award is made within fifteen work days of the effective date that the job is scheduled to be filled as provided in Section 1(e) above of this Article, otherwise the employee shall have the option of withdrawing his bid. If the employee's designated job classification was in the same labor grade as, or a higher paid labor grade than the posted job being awarded, the employee may not bid for another job for a period of twelve (12) months after being awarded the job, unless agreed upon by both parties.

b) **Disqualification of Bidder.** An employee who is unable to perform the job to which he bid to the satisfaction of the Company within thirty (30) calendar days after being awarded the job shall be returned to the job classification and labor grade he held at the time of submitting the bid. The employee will be told the reasons for such disqualification. **If an employee is disqualified by the Company or by himself, the restrictions on bidding will not apply.**

The Union recognizes that an Alaska Native Corporation owns the Company and the Company has a legitimate interest in advancing shareholder employment opportunities. As a result, shareholders, as determined by the Alaska Native Claims Settlement Act, may be given preference in hiring; provided, they become members of the Union. Such shareholders must be processed through the Union's hiring hall.

c) **Qualifying Period for Bidder** – An employee who through the bidding process, is awarded a vacancy to a Classification in which he has never worked, will be placed on a "Qualifying Period" of thirty (30) calendar days. During this period the employee shall be required to demonstrate his ability to learn and perform the work of the new assignment. During this period the employee will give his full cooperation to management, and likewise management will give the employee their full cooperation and assistance. If during the qualifying period it is determined that the employee is not making reasonable progress in the new position, management will:

a. Counsel the employee on the specific areas of work that need improvement, and allow a reasonable opportunity to monitor that improvement. If, following that opportunity, the employee is still not progressing satisfactorily, management will;

b. Give the employee a written statement, detailing the specific areas needing improvement, again allowing a reasonable opportunity to monitor that improvement. If, following that opportunity, it is determined that the employee is not qualified to perform the job satisfactorily, the Company will give him a written letter of disqualification.

- c. If an employee is disqualified under this Article or resigns from his new position during the qualifying period, the next most senior employee from the original bid will be awarded the position vacated by the disqualification/or resignation.

1.12 Union Security/Check Off. It shall be a condition of employment that all employees of the Company covered by this Agreement shall effective on the date of this Agreement, become and remain members of the Union or, in the alternative, render the Union a monthly sum equivalent to the standard monthly dues and initiation fees of the Union members, such sum to be recognized as "Service Fee".

It shall be a condition of employment that all employees of the Company covered by this agreement and hired on or after the effective date shall on or before the thirtieth (30th) day following their entry into pay status become and remain members in good standing of the Union or, in the alternative, render to the Union a monthly sum equivalent to the standard monthly dues and initiation fees required of the Union members, such sums shall be recognized as "Service Fee".

The Company will after two (2) weeks after receipt of notice from the Union, terminate the service of any employee who is delinquent in the payment of the Union initiation fees or dues unless within such period the employee cures the delinquency. If the Company believes that the discharge of any employee declared by the Union to be delinquent might violate Federal or State statute or subject the Company to a charge of discrimination for violation of the rights of such employee, it shall so notify the Union, in such event, it shall not be required to discharge said employee until the propriety of such discharge has been determined pursuant to the grievance procedure.

It is agreed the Company shall deduct from the wages and make payable to the Union the initiation fees and current monthly dues of the Union for those employees in the unit who have given the employer a duly executed and lawful written assignment for such purposes. Payment to the Union will occur promptly after the deduction occurs and be remitted to the Union prior to the end of the month in which it is deducted. Payment to the Union will occur promptly after the deduction occurs and be remitted to the Union prior to the end of the month in which it is deducted.

1.13 Non-Discrimination. This Agreement shall be applied fairly and shall not in any way be used to discriminate against employees on account of race, color, religious affiliation, sex, age, national origin, and veteran or disability status. It is understood that wherever in this Agreement employees or jobs are referred to in the male or female gender; it shall be recognized as referring to both male and female employees.

There shall be no discrimination, interference, restraint, or coercion, by the Company or any of its agents against any employee because of Union membership or because of acting as an officer of or in any other bona fide activity on behalf of the Union.

1.14 Bulletin Boards. The Company agrees to provide one (1) bulletin board for the posting of legitimate Union notices pertinent to the Union at the facility. Only notices concerning Union meetings, Union elections, results of Union elections, etc., which the Union representative has authorized, will be posted. Such notices and announcements shall contain nothing political or controversial or reflecting adversely upon the Company, any of its employees, the Department of the Army, or any governmental agencies, employees or facilities.

ARTICLE 2

SENIORITY

2.01 Seniority. Probationary Period: any employee who has been in the employment of the Company for ninety (90) consecutive calendar days shall be considered a Seniority Employee of the Company. During the probationary period the employee shall be subject to layoff, discipline, or discharge at the sole discretion of the Company, and such action shall not be subject to the grievance procedure. Except as specifically mentioned in this section, the employer is required to maintain all provisions of this agreement for probationary employees.

Definitions:

- a) Seniority is defined as including the whole span of continuous service with the present contractor, or successor, and with predecessor contractors, in the performance of work at the Fort Polk facility. The Company agrees to the seniority dates of the existing employees in the bargaining unit; as shown in Memorandum of Agreement Number 1. Employees hired on or after the date of contract ratification will establish their seniority from date of hire at the Fort Polk facility.
- b) Seniority will not be broken for: (1) periods of approved absence with leave, (2) periods of layoff due to lack of work, (3) periods of absence due to injury or illness. Periods of absence set forth in (2) and (3) shall not exceed 12 months in order to maintain seniority. In the case of occupational injuries, continuous employment will be for the length of the disability.
- c) When two or more employees are hired on the same day, the last four digits of their Social Security number shall determine their seniority. The employee that has the lowest number shall be considered to be the most senior of the employees hired on the same day. Seniority will be used for purposes of lay off, recall and promotion.

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

- a) Voluntarily resigns.

- b) Is discharged for cause.
- c) Is on layoff status in excess of 12 months.
- d) Is barred by the Customer's written order or whose security clearance has been revoked and is not legally reinstated within ninety (90) days.
- e) Refuses recall or fails to respond within ten (10) days unless circumstances exist beyond the employee's control.

2.02 Classifications

Personnel Relocation Specialist

Functions as a central source of expertise on travel for both temporary duty and permanent change of station. Counsels and advises military and civilian personnel on travel procedures and responsibilities; military, civilian, and dependent entitlements; obtaining visas and passports; port call arrangements, and other related travel areas. Reviews travel requests for compliance with policies and regulations.

Balances and reconciles government credit card accounts including reviewing invoices and statements verifying information and processing material for application in the accounting system, researching causes of discrepancies, and taking action to ensure that accounts balance. Monitors contractor performance for official travel and notifies Contracting Officer Technical Representative (COTR) for deficiencies noted.

When required serves as a Passport Agent, and initiating Authorization Official for No-Fee passports/visas for military and civilian employees. Performs functions in accordance with DoD regulations, Foreign Clearance Manual, Department of State Passport Agent's Manuals. Implement DoS and DoD policy which specifies procedural guidance on the acquisition, issuance, and use the passports or visas for official travel.

Uses advanced office automation skills to support transportation and account reconciliation operations. Uses office automation software to maintain or compile data and information. Maintains a wide variety of financial or other records (stored both manually and electronically).

Where required, is assigned signatory responsibility.

Shipping and Receiving Relocation Specialist

Performs a variety of clerical and general administration support to staff and provide general customer assistance and direction to proper personnel. Position requires the ability to work independently, receiving a minimum of detailed supervision and guidance.

In addition to daily requirements (filing, phone calls, scheduling appointments, making transportation arrangements), the position requires experience and judgment in selecting procedures for interpreting data to be entered in a variety of documentations and web applications. Arrange, schedule, and coordinate various types of personal property shipments

ensuring the proper documents are signed and distributed to the proper personnel and are maintained per regulations.

Position requires knowledge of all web based locations for data entry of information provided and transportation of personal property regulations and guidelines for each area. Must be able to brief and inform customers as to their transportation entitlements and how to properly prepare for their movement of their household goods. Position involves the certification and verification of charges for the transportation of personal property.

Lead Shipping and Receiving Relocation Specialist

In addition to duties listed in the description of the job classification, Shipping and Receiving Relocation Specialist, this position will provide administrative support to the executive staff with various office management responsibilities. Required to work independently on projects, charts and reports requiring research and preparation. Responsible for the settlement of the service members' Personally Procured Movement and ensuring information and documents are routed to the proper finance location.

2.03 Layoff: In the event of reduction in force or layoff, it will be done in reverse seniority order by classification. An employee being affected by reduction in force who has been previously qualified (reference Article 1 Qualifying Period) for another classification may exercise their seniority amongst the affected employees.

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

Recall: Employees will be recalled in reverse order of layoff. The Company will send recall notices, by certified mail, to employee's last official address. The employee has five (5) working days after receipt is received by the Company but no later than fifteen (15) calendar days from the date of mailing to accept reemployment. If no laid off employees in a job classification who are recalled accept reemployment, then laid off employees outside the classifications, who are qualified in the classification, will be recalled as stated above.

ARTICLE 3

HOURS OF WORK

3.01 Hours of Work 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 or pay for any period.

The full-time employee's regular assigned workweek may consist of:

- a) 5-4/9 schedule, this schedule is for a bi-weekly pay period. The employee will be scheduled to work eight (8), ten (10) hour days and one (1) nine (9) hour day, which includes a one (1) hour unpaid meal period, each day an employee is scheduled to work. Only one person per shop may be off on any given work day. Seniority will determine who will have Mondays or Fridays off (except that the individual in the personnel relocation specialist position processing passports will take Friday as her day off). It is understood that customer support is of paramount importance; if at any point the flex schedule does not allow the company to meet customer demands the company and union agree to meet to discuss transition back to a 5 day work week.
- b) Any other schedule as agreed to by both parties.

Determination of starting time and hours of work shall be made by the Company and such schedules may be changed with a minimum of one week notice or at the direction of the customer. The starting time of various shifts will be as follows:

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

If the Company deems it necessary to establish a 2nd or 3rd shift, it will discuss this with the Union.

If no regular work is available the Company will give the employees the option to do any available work for which they are qualified or take time off, the employees affected shall have the option to perform the available work, use vacation or take time off without pay.

Any employee who 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 4 hours pay at the applicable rate.

3.02 Base Closure In the event of inclement weather or Base Closure, which prevents the employee from working, the employee will be allowed to choose one of the following options for each day of lost pay:

Option 1 – Be allowed the opportunity to make up lost time at management's discretion.

Option 2 – Use accrued vacation, personal leave, or a floating holiday.

Option 3 – Take the time as unpaid.

ARTICLE 4

OVERTIME

4.01 When the Company determines that an employee must perform work on an overtime basis, the following shall apply:

Overtime will be paid at the rate of one and one-half times the regular rate of pay for all authorized hours worked in excess of forty (40) hours per week, except that all hours worked on an employee's seventh day will be paid at a rate of two times the regular rate of pay. Hours worked shall include paid holidays.

There shall be no pyramiding of premium or overtime pay, and nothing in this Agreement shall be considered to require the payment of premium or overtime pay, and nothing in this Agreement shall be considered to require the payment of premium or overtime pay more than once for the same hours worked.

Available overtime shall be rotated and equalized among the qualified volunteers. If no volunteers are available to work the necessary overtime, it will become mandatory and assignment shall be made by reverse seniority order.

Notice for mandatory scheduled weekend work will be given as soon as the customer informs the site management that weekend work will be required.

4.02 Holidays

Each year the following eleven (11) days are to be paid holidays:

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

This floating holiday will be requested at least one (1) week in advance unless an emergency situation prevails. This floating holiday will be utilized during the calendar year. An employee becomes eligible for this holiday after completion of the probationary period.

Holiday pay will be 8 hours of straight time pay.

Any holiday falling on a Saturday or Sunday will be celebrated on the day set by the Federal Government. Holidays which fall on an employee's scheduled day off will be taken the following scheduled work day. If it is not operationally feasible for the employee to take the holiday on the next scheduled work day, it may be taken at a later date (deferred holiday). If the floating holiday has not been used upon separation of employment it will be paid out.

If an employee is on an approved vacation in a week in which a holiday falls, time will be charged to Holiday rather than vacation.

Based on government training requirements, holidays may be otherwise arranged by mutual agreement.

The above-mentioned holidays will be paid, provided employees covered by this Agreement have worked or have been compensated for at least eight (8) hours the last

regularly scheduled working day before the holiday or the next regularly scheduled working day after the holiday.

4.03 Sick Leave

Full-time regular employees will begin accruing personal/sick leave from the date of hire, but may not take accrued leave until completion of the probationary period. Employees will accrue 2 hours of personal/sick leave per payroll calendar month. Employees with 5 years or more will accrue 3.33 hours of personal/sick leave per payroll calendar month.

Personal/sick/emergency leave may be used for any illness or disability that incapacitates the employee, for medical and dental appointments that cannot be scheduled outside normal work hours, or for any other personal need. Personal leave other than for emergency or illness will be approved by the supervisor in advance.

While personal/sick/emergency leave is not advanced beyond the amount awarded, you can request to use earned vacation leave or take leave without pay when personal leave is not available. A doctor's certificate of ability to work/reason for absence may be required for any medical absence longer than three (3) consecutive days, or in cases of excessive absenteeism due to medical reasons.

Sick/personal leave may be taken in increments of no less than one hour. Unused sick/personal leave during any benefit year will be banked for future use not to exceed eighty (80) hours. Amounts in excess of eighty (80) hours will be cashed out at the end of each contract year. Regular employees having completed their probationary period, upon separation of employment will be paid all accrued sick/personal leave.

4.04 Vacation

It is the policy of the Company to grant vacations so far as possible at times most desired by the employee, but the Company reserves the right to schedule vacations at any time during the calendar year in order to ensure orderly and efficient operation. Vacation allowance will be computed on the basis of the employee's base straight time hourly rate at the start of the employee's vacation, and will be paid for at the rate of eight (8) hours per day.

Employees will schedule vacation at least two (2) weeks in advance. The employee's requested will be answered within three (3) working days, excluding weekends and recognized holidays, of the receipt of the request. If the employee's request is not answered within three (3) working days, excluding weekends and recognized holidays, of receipt, the request will be considered automatically granted. Should more employees request a vacation period than can be operationally allowed, then the request will be granted to the most senior employee(s). Once granted, an employee's vacation will not be canceled to award vacation to another employee. When an employee forgoes any or all of this scheduled vacation at the request of the Company, the employee will be permitted to have priority in rescheduling their vacation. The time for taking such rescheduled vacation will be mutually agreed upon between the Company and the employee, giving

consideration to the operating needs of the Company and the wishes of the employee. Vacation may be used in increments of no less than four (4) hours.

4.05 Vacation Eligibility

An employee will begin accruing vacation from their date of hire, but may not take accrued vacation until completion of the probationary period.

<u>Length of Continuous Service Credit</u>	<u>Vacation Accumulation per Payroll Calendar Month</u>
Less than 5 years	.833 days
5 years, but less than 10 years	1.25 days
After 10 years	1.66 days

- a. So that vacation days may be used, awards may be carried through the next anniversary date up to a maximum accrual balance of 240 hours. Any vacation accrual above this amount at the employee's anniversary date will be paid at the individual's current rate of pay on the next pay day.
- b. Regular employees having completed their probationary period, upon separation of employment will be paid all accrued vacation.

4.06 Leave Of Absence

a. **Unpaid Personal Leave.** Leave of absence may be granted for other miscellaneous reasons. Application by the employee for such approved absence should be made in writing to the immediate supervisor with a minimum of two (2) weeks' notice for non-emergencies. The granting of the leave shall be the sole prerogative of the Company. Seniority will accumulate during such leaves of absence for a maximum of twelve (12) months. Annually awarded leave benefits will not be reduced on a prorated basis if an employee takes less than thirty (30) cumulative workdays as leave without pay. Leave without pay in excess of thirty (30) cumulative workdays may be used to prorate the next year's leave benefits. All paid vacation must be exhausted prior to applying for leave of absence without pay.

b. **Failure to Return to work from Leave of Absence.** Failure to return from a leave of absence on the first scheduled workday following the expiration date of said leave, will result in termination of the employee, except in extenuating circumstances involving reasons acceptable to the Company.

c. **Short Term Military Annual Leave.** Employees ordered to active duty for annual training with the National Guard or organized military reserve units, shall be granted a leave of absence not to exceed a maximum of ten (10) working days each fiscal year, provided the employee furnishes the Company a copy of their military orders at the time the leave is requested. Such leave of absence shall be referred to as military leave. Employees may request vacation pay while on an approved military leave. Employees will be paid the

difference between their regular base pay and their military pay and allowances, provided a Leave and Earnings Statement is submitted.

d. **Family Medical Leave Act.** The Company agrees to comply with the Federal Law regarding the Family Medical Leave Act and bargaining unit employees will comply with all appropriate procedures regarding the Act.

e. **Jury Duty or Witness Duty.** An employee who is required to report for jury examination or jury duty, or who is subpoenaed to appear as a witness in a judicial proceeding in which the employee is neither a party in nor a real party of interest in the judicial proceeding and will be paid the difference between the amount received for the compulsory service and the payment the employee would have received for the straight time hours lost from the employee's regular work schedule up to a maximum of ten (10) days each year. To qualify for jury or witness duty pay, the employee must submit a copy of the summonds to the supervisor as soon as it is received. In addition, proof of service must be submitted to the supervisor upon completion of the period of jury or witness duty.

f. **Bereavement Leave.** Up to three (3) normally scheduled work days, bereavement leave with pay will be granted to an employee on the active payroll who, because of death in the employee's immediate family, takes time off from working during the employee's normal work schedule. Such pay shall be for normal regularly scheduled hours at the employee's regular straight time rate. Bereavement Leave must be taken within ten (10) days following the death. Extraordinary circumstances will be handled on a case by case basis. If additional time is required for out of state travel an employee may take up to 3 additional days of leave (vacation, personal leave or unpaid leave). For the purpose of this payment, the immediate family includes the employee's mother, father, children, stepchildren, brothers, sisters, grandparents, grandchildren, spouse, significant other, and spouse or significant other's mother or father.

4.07 Health & Welfare Rate

Effective November 10, 2012, the Company will provide each employee the amount of \$4.35 hour paid, to a maximum of forty (40) hours per week towards the purchase of health and welfare benefits. Employees are responsible for the cost of coverage beyond this amount. This rate will increase to \$4.45 on November 10, 2013 and to \$4.55 on November 10, 2014. This coverage includes group life insurance, accidental death and dismemberment, plus short term disability benefits. All benefits will be offered in accordance with the Company's negotiated plans. This hourly amount will be placed on the employee's paycheck and any applicable insurance deduction will be taken pre-tax from the employee's paycheck, leaving any unused monies with the employee. The Union's Central States Health and Welfare Participation Agreement states the Employer shall contribute to the Health and Welfare Fund for each covered employee the full premium listed. It is understood that the Employer will contribute the amount listed in the Collective Bargaining Agreement and will deduct the difference from the employee's paycheck, remitting the full premium to the Health and Welfare fund.

Employees may also purchase optional long term disability insurance offered by the company.

The benefit levels available are described in the respective plan documents.

At no time will the employee's responsibility for the cost of coverage be more than the Health and Welfare rate as updated in the Service Contract Act (SCA) Wage Determination (for employee only health cost).

4.08 Retirement

Effective November 10, 2009, employees may defer whole percentages of their pay into the 401k, based on eligibility as outlined in the plan. The Company will match 3% (50% of up to 6% deferral).

4.09 Wages

The wage rates listed below will be effective for the term of this Agreement and apply to all Bargaining Unit employees at the Company's Fort Polk facility. An employee's regular rate of pay shall be defined as his straight time hourly rate. This straight time hourly rate will be increased annually as designated below. These increases will be effective on the dates indicated in this Agreement.

Classification	11/10/12	11/10/13	11/10/14
Personnel Relocation Specialist	\$17.36	\$17.71	\$18.06
Shipping and Receiving Relocation Specialist	\$17.36	\$17.71	\$18.06
Lead Shipping and Receiving Relocation Specialist	\$19.36	\$19.71	\$20.06

ARTICLE 5

CONDUCT AND DISCIPLINE

5.01 Workplace Behavior. It is the intent of the Company and the Union to develop and maintain a workplace free from intimidation, hostility, and offending behavior. Employees and management representatives are responsible to conduct themselves in a manner that does not negatively impact their co-workers. The Employer and employees shall not, in any way, intimidate, harass, coerce, or overly supervise any employee in the performance of his or her duties. The Employer and employees will treat each other with dignity and respect at all times.

The parties acknowledge that the Company has the right to establish reasonable rules of conduct and it has communicated those rules through its employee handbook.

It is also understood herein that the Company has the right to discipline or discharge an employee for just cause. Such action will be within twenty (20) calendar days after the Company investigates and establishes sufficient evidence to warrant just cause and disciplinary action.

With the exception of serious offenses, the Company will apply corrective discipline in progressive steps. The progression of disciplinary action is as follows: 1) Verbal warning, 2) one (1) written notice, 3) Suspension, and 4) Termination. However, the Company reserves the right to bypass any step in this procedure and take disciplinary action, including terminating an employee without prior warning or notice where misconduct warrants immediate response. The Union reserves the right to contest the level of discipline imposed by the Company.

A discharged or suspended employee will at the time of such action be furnished a notice in writing.

If an employee feels that the discharge or suspension was unjust, the Union may file a grievance at Step 2 of the procedure within five (5) working days following the Union's receipt of the employee's discharge or suspension notice. Failure to file within five (5) working days bars any further grievance action. No suspension shall be served until the time limit for filing a grievance has expired or while a grievance regarding a suspension is in the grievance process if, at the time management and the Union representative meet with the employee regarding a disciplinary suspension, the Union representative indicates that he or she disagrees with the action and will immediately filing a grievance. In the event the Union representative does not object to the action, he or she reserves the right to grieve the issue within the allowed time frame.

Management will confer with the Union representative regarding the issues to be discussed prior to any disciplinary meeting.

The provisions of this Article do not apply to an employee still in the probationary period. The Company will consider reprimands or disciplinary action against an employee, except terminable offenses, as cleared from the employee's record after a twelve (12) month period from the date of issuance; provided, there have been no infractions of the same policy (e.g., safety, attendance, etc.) during that period.

ARTICLE 6

GRIEVANCE PROCEDURE

"Grievances" shall mean, and be limited to disputes of differences between the Company and the Union, or employees so represented, with respect to the interpretation or application of any specific provision of this agreement.

The following steps must be followed in settling such disputes:

Step 1: The employee(s), with or without their steward, must discuss with his supervisor the grievance within five (5) working days after reasonable knowledge of the event.

Step 2: If the grievance was not resolved in Step 1 above, the employee within five (5) working days will reduce the grievance to writing and submit it to the supervisor. After receiving the grievance the supervisor will render a decision within five (5) working days.

Step 3: If the grievance has not been settled in the previous steps. The Union Representative and the Company Operations Manager or his designee will meet within ten (10) working days to resolve the grievance. The Company Representative will respond to the Union in writing within five (5) working days after the meeting.

Step 4: If the grievance has not been settled in the previous steps. The grievance may be appealed to arbitration within ten (10) working days after receipt of the Company's written response.

The Local Union or its authorized representative shall have the right to examine records pertaining to the grievance.

It is understood that the time limits specified herein may be extended by mutual agreement of the parties hereto.

Nothing in this article precludes the Union from filing a grievance on behalf of an employee or a group of employees.

ARTICLE 7

ARBITRATION PROCEDURES

The party choosing to arbitrate shall give written notice to the other party setting forth the matter to be arbitrated. If said notice is not served within the ten (10) working day period specified it shall be deemed that the grievance has been satisfactorily adjusted and the right to arbitrate waived.

In the event the Union or Company submits a grievance to arbitration, a panel of seven (7) arbitrators will be requested from the Federal Mediation and Conciliation Service. Lot will determine the right to first strike a name; the other party shall then strike a name. This procedure shall continue alternately until one (1) name remains.

The decision of the arbitrator shall be final and binding on all parties. However, the arbitrator shall not have jurisdiction or authority to add to, subtract from, modify or in any way change the provision of this agreement. The expense and fees of the arbitrator will be borne equally by both parties and each party will bear the expense of preparing its own case.

In no event will the same question be the subject of arbitration more than once.

ARTICLE 8

DRUG TESTING

8.01 Drug Free Workplace. The Company and the Union agree with and support a drug free workplace. The Company has an obligation to its employees, customers, and the public at large, to reasonably ensure safety in the workplace. Consequently, the following are strictly prohibited: manufacture, use, possession, sale, purchase, transfer, or being under the influence of alcoholic beverages, illegal drugs, or other intoxicants at anytime on Company premises. Designated Company sponsored events approved by the Company, and the personal dormitory rooms of the employees, will be exempt from the alcohol and possession prohibition. Employees consuming alcohol during Company sponsored events must practice moderate consumption.

In accordance with the Drug Free Workplace Act of 1998, any employee who receives a criminal conviction for drug violation occurring in the workplace, must notify the Company within five (5) days of the conviction. When the Company receives such notification, appropriate action will be taken. The employee may be required to participate satisfactorily in a rehabilitation program approved by a federal, state, or local health, law enforcement, or other appropriate agency. The Company will also notify the government contracting agency within ten (10) days after receiving notice of such employee convictions. Consistent with these goals, the Company will continue its practice of drug testing all new hires.

ARTICLE 9

NO STRIKE, NO LOCKOUT

It is expressly understood that the company's business is directly related to important and critical work of the United States Government, and that efficient and uninterrupted services must be furnished to the agency that has need of and makes use of the capabilities of the Company. Therefore, the parties agree that during the term of this Agreement and any extension thereof:

- a. The grievance and arbitration procedure shall be the exclusive means for the resolution of all disputes that may arise between the Parties or employee(s) and the Company.
- b. The Union, its officers, agents or members or any employee shall not for any reason or in any way, directly or indirectly, instigate, lead, engage in, authorize, cause, assist, encourage, participate in, ratify, or condone any form of work interruption including but not limited to a strike, sit down, work stoppage, slow down, refusal to work, picketing, or any other action that would nor does interrupt or interfere with any of the operations of the Company.
- c. Any employee or employees who individually or collectively violate the terms of this Article or participate in any activities prohibited by this Article will be deemed to have engaged in conduct that constitutes just cause and may be disciplined. Any such disciplinary action shall be subject to the grievance and arbitration procedure defined herein provided that if the Company proves that the employee(s) did participate in such action, in violation of this provision, then the Arbitrator shall not have the authority to change the discipline.

In the event of a threat or actual violation of this Article, the Union, its officers, agents and members agree that they will use their best efforts to prevent and/or end such prohibited conduct, utilizing every possible means to include but not be limited to:

- a. Requesting through personal contact or meeting with employees that they comply with the Agreement and not encourage or participate in any prohibited conduct.
- b. Notifying all employees that such prohibited conduct is authorized and in violation of the Agreement.
- c. Informing those employees who are engaging in prohibited conduct violating that they should return to work and/or otherwise fully comply with the terms of this Agreement.

Violation of this Article and any resulting liability shall not be excused or forgiven because the Union is engaged in any form of lawful or unlawful strike or other collective activity

against any other contractor, or because the employees covered by this Agreement engaged in any form of conduct prohibited by this Article in support of or in sympathy with the employees of any other employer who may be engaged in a strike or other form of collective activity.

Employees will not be required to work the lawfully struck work of another employee at South Fort Polk which is not a subcontractor to the Company. In consideration of the Union's commitment as set forth above, the Company shall not lockout Employees from the facility.

ARTICLE 10

GENERAL PROVISIONS

10.01 Safety. It is agreed by the parties that workplace safety is of paramount importance; in recognition of that importance, there will be safety meetings, with the subject matter being those issue that relate to safety in the workplace. Each employee is expected to perform their work in a safe and health conscious manner. The company will supply workers' compensation coverage as required by law. The Company will comply with all applicable safety laws. Each employee is responsible for notifying their supervisor or lead person immediately upon sustaining a work related injury or illness. Failure to do so may result in discipline.

a. When a condition, practice, or policy exists which the employee reasonably, and in good faith, believes to be unsafe, the employee may stop the potentially unsafe work and notify the manager of his or her concerns. The work, policy, or procedure will be suspended pending a management resolution of the safety issues.

10.02 Notices. Whenever notice is given under the terms of this Agreement, from either party to the other, it will be in writing, except that electronic notice may be used if the recipient indicates that the correspondence was received, either by return receipt or an acknowledgment via return email. Written notice to the Company will be addressed to Chugach Industries, Inc., 3800 Centerpoint Drive, Suite 601, Anchorage, AK 99503. Notice to the Union will be addressed to the Secretary-Treasurer, Teamsters Local 19, 2700 Greens Road, Bldg. M-300, Houston, TX, 77032. Employees will keep the Company informed of their correct address, and in case of notice to the employees, it will be by certified mail with a copy to the Union business representative and the shop steward. The notices will be sent to the last known address furnished to the Company by the employee and will be deemed to have been given as of the date receipted for, or if returned to the Company due to the employee's having failed to keep the Company informed of the correct address, the date of such notice is returned.

10.03 Security Clearance. Nothing in this Agreement will require the Company to employ or continue to employ any persons whom the U.S. Government refuses to give access to the base pursuant to the Employer's contract with the United States Army. The Union agrees that it will not file a grievance where the Company has removed from the payroll any

employee who cannot receive a security clearance or whose security clearance has been revoked or whose required mobility is revoked.

If an employee, who is required to use a computer, is denied access by the government to its computers or computer network, the Company will work with the Union to attempt to locate other work not requiring computer use.

10.04 Effect of Law. In the event that now or hereafter there is any state or federal law or any directive, order, rule, or regulation made pursuant thereto, which is in conflict with any provision or provisions of any agreement between the parties, the same will supersede such provision or provision and thereafter will govern and control the relations and conduct of the parties so long as such law, directive, order, rule, or regulations will remain in force and effect. In the event that this or any other agreement existing between the parties, now or thereafter, requires the approval of any government authority, it will be approved before being effective. Furthermore, it is mutually agreed that within thirty (30) calendar days after such provision or provisions become unlawful, the parties will meet to discuss a modification of such provision or provisions to comply with the law. In all other respects, the provisions of this Agreement will continue in full force and effect for the duration of this Agreement.

10.05 Successors and Assigns. This Agreement is binding on Chugach Industries, Inc., its successors and assigns.

10.06 Mutual Agreements. After this Agreement has been signed and approved no significant provisions of any such Agreements may be modified, changed, or amended during the life of the Agreement, except by mutual consent in writing between the Union and the Company and the ratification of the affected employees.

10.07 Term and Notice of Change or Termination. This Agreement will be effective from **November 10, 2012, to include November 9, 2015,** and will be automatically renewed from month to month thereafter. Either party will give written notice to the other party sixty (60) days prior to the expiration date of the Contract of its desire that the Agreement be renegotiated.

Dated this ____ day of **March, 2012.**

CHUGACH INDUSTRIES, INC.

TEAMSTERS, LOCAL 19

By: _____
Matthew Hayes
President

By: _____
Robert Rasch
President