

INDEPENDENT AGREEMENT

BETWEEN

SCIENTIFIC AND COMMERCIAL SYSTEMS CORPORATION
(SCSC)

AND

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS, AFL-CIO**

DISTRICT LODGE #190 OF Northern California

AND

PENINSULA AUTOMOTIVE MACHINIST LOCAL LODGE 1414,
SAN MATEO, CA. 94402

Effective: April 1, 2003 Through: March 31, 2006

AGREEMENT

This Agreement made and entered into this 1st day of April, 2003, by and between Scientific and Commercial Systems Corporation (SCSC), hereinafter referred to as the Employer and International Association of Machinists and Aerospace Workers, AFL-CIO, District Lodge #190 of Northern California, Peninsula Auto Machinists Local Lodge 1414, hereinafter referred to as "The Union."

GENERAL PURPOSE OF AGREEMENT

The general purpose of this Agreement is to set forth the hours of work, rates of pay and conditions to be observed by the Employer and the Union; to provide orderly and harmonious procedures between the Employer and the Union; and to secure a prompt and fair disposition of grievances. It is further purpose of the Agreement to prevent interruption of work and to promote the efficient operation of the business.

WITNESSETH:

In consideration of the premises and of the respective promises, agreements and covenants of the said parties signatory hereto, they do hereby mutually agree as follows, to wit:

ARTICLE 1 - UNION RECOGNITION AND WORK JURISDICTION

Section 1. Coverage: This Agreement shall cover all of the Employer's personnel coming under jurisdiction of the Union as described in the unit in NLRB Case No. 32-RC-474.

Section 2. Recognition and Jurisdiction: The Employer recognizes the Union as the sole bargaining agent for employees who are hired under its contract with the National Aeronautics and Space Administration at the Ames Research Center, Mountain View, California, Contract, No. NAS 2-13898 and subsequent modifications thereto.

Section 3. Specifically Excluded Are:

- (a) All Employees who are presently represented by collective bargaining agreements with other unions.
- (b) Supervisors, Secretaries and Technical Personnel who do not use the tools of the trade, except in a supervisory capacity. It is not intended that the foregoing apply to Leadmen and/or Working Foremen.
- (c) Professional personnel, office personnel, and all other employees unless they are covered by an addendum to this Agreement.

Section 4. Union Retains Jurisdiction: The Union and the Employer agree that during the life of this Agreement they will not surrender jurisdiction over any of the employees covered by this Agreement to any other Union.

ARTICLE 2 - UNION SECURITY

Section 1. Hiring of Employees: All employees covered by this Agreement shall become and remain members of the Union as a condition of employment on.

The 31st calendar day following the beginning of their employment and upon payment of dues and fees equivalent to union dues;

- (a) The Employer shall notify the Union of all job openings with the bargaining unit covered by this Agreement. The Union may refer applicants for such openings. In interviewing and hiring for such job openings, the Employer will not discriminate against any applicant referred by the Union.
- (b) In the application of Paragraph (a) above, when the Employer is notified by the Union in writing that an employee has failed to make application and tender the Union initiation fee or reinstatement fee, or is not a member in good standing by failing to tender the Union dues, the Employer shall, within four (4) working days, terminate such employee. Such employee shall not be re-employed by the Employer during the life of this Agreement, unless the Employee becomes a member in good standing in the Union as defined by law. A person hired under these circumstances shall be considered a new hire with no seniority.
- (c) In exception to the above, the Employer may place employees in the work force for future office training for a period of three (3) months, however, the ratio of one (1) for the shop or three (3) to the hundred (100) employees within the bargaining unit shall not be exceeded, except by mutual consent between the Employer and the Union, and those employees shall not replace employees regularly employed and working. The Union and the Steward shall be notified in writing a week prior to placing such persons in the shop.

ARTICLE 3 - MANAGEMENT SECURITY

Section 1. No Strike-No Lockout: During the life of this Agreement the Union will not cause a strike or production stoppage of any kind, nor will any employee or employees take part in a strike, intentionally slow down in the rate of production, or in any manner cause interference with or stoppage of the Employer's work, provided the Employer follows the grievance procedure for which provision is made herein. Likewise, the Employer agrees that there shall be no lockouts during the life of this Agreement provided the Union follows the grievance procedure for which provision is made herein.

In exception to the above, unions signatory to this Agreement shall not observe a picket line placed for organizational purposes unless proof is submitted that the Union placing the picket line represents a majority of the people in the unit claimed.

Section 2. Employees Considered as Quit: In the event an employee or group of employees violates the provisions of this Article or SCSC policy, he/she or they shall be deemed to have quit their employment. If such an employee or, group of employees, is re-employed by the Employer, any restoration of benefits shall be by mutual agreement with the Union.

ARTICLE 4 - WAGES AND CLASSIFICATIONS

Section 1. Wages: Minimum wages for classification of employees covered by this Agreement as set forth in this Agreement.

Classification	04/01/2003	04/01/2004	04/01/2005
Lead Journeyman	\$26.22	\$27.32	\$28.42
Journeyman	\$23.84	\$24.84	\$25.84
Mechanics Helper	\$15.70	\$16.25	\$16.81

Premium wage rates over and above the minimum wage rates may or may not be paid by the Employer.

Section 2. Definitions of Job Classifications: Job classifications are contained in the wage structure in section 1 of this Article.

Section 3. Deductions from Pay: There shall be no deduction from employees' pay covered by this Agreement except as provided in this Agreement or as required and in the manner prescribed by law, or as mutually agreed to by the Employer and the Union and as authorized in writing by an employee.

Section 4. Dues Deduction: The Employer agrees to deduct Union membership dues and initiation fees from the wages of each employee who furnishes the Employer with written assignment and authorization to deduct such Union membership dues monthly and a one time initiation fee from his/her wages, and remit such membership dues and initiation fees the Union, IAM Lodge #1414, 150 South Boulevard, San Mateo, CA 94402-2470. Such authorization shall continue for the term of this contract unless withdrawn in writing by the employee within ten (10) days immediately preceding the end of any anniversary date of such assignment, with a copy sent to the Union using a certificate of mailing. The authorization to deduct Union dues hereunder can also be withdrawn by the employee when he/she is transferred to another classification provided the employee gives written notice to that effect to the Employer and a copy thereof to the Union. Any number of paid hours in a month shall cause the employee to be liable for one month's union dues.

Section 5. Pay Periods: Paychecks will be issued twice monthly. Should the pay day fall on a Saturday, paychecks will be issued on the preceding Friday. If the pay day falls on a Sunday, paychecks will be issued on a Monday. Each paycheck will show accumulated federal withholdings during the calendar year.

Section 6. Method of Computing Pay: Employees' pay shall be computed by multiplying the number of hours worked by the applicable rate.

Section 7. Pay for Leadman: Employees specifically assigned to lead other employees should receive not less than ten (10%) above the rate of pay of other employees within that job classification.

Section 8. New Work: In the event the Employer introduces new work, which the Union believes does not fall within existing classifications, the Employer and the Union shall upon written request enter into negotiations for the necessary classification of work and shall agree on the wage scale

applicable thereto. If no agreement is reached, the dispute shall be referred to Arbitration as provided in Step 5 of the Grievance Procedure. Pending final settlement of the proper rate for the new work, the work shall be performed at the rate of pay established by the Employer. When a permanent rate is established, it shall become effective on the date it is agreed to and not be retroactive.

Section 9. Pay for Temporary Work in a Higher Classification: When an employee in any of the classifications in the Agreement is temporarily assigned to a higher classification of work, he/she shall receive pay at the higher rate for actual hours worked.

Temporary assignment is defined as an assignment of one (1) month or less. Exception will be made for a replacement of an employee on an extended illness or vacation or by mutual agreement between the Employer and the Union.

Section 10. No Reduction in Pay: No person shall suffer a reduction in hourly rate of pay because of the adoption of this Agreement.

Section 11. Pay for Jury Duty: Employees who are called for examination for Jury Duty, or who serve on Jury Duty by being impaneled in a jury box, and actively serving as a juror, shall be reimbursed the difference between jury pay and their straight time pay lost upon furnishing proof of such service-up to a maximum of eighty (80) hours in any twelve (12) month period.

Section 12. Funeral Pay: An employee shall be granted an excused absence for the purpose of attending the funeral of a member of his/her immediate family, and will be paid regular time rate for three (3) regularly scheduled work days. This provision does not apply to probationary employees or if the death occurs during the employee's paid vacation or while an employee is on a leave of absence, lay-off or sick leave. At the request of the Employer, the employee shall furnish a death certificate and proof of relationship.

Funeral leave applies only in instances in which the employee actually attends the funeral or is required to make funeral arrangements, but is not applicable for other purposes such as settling the estate of the deceased.

For the purpose of this section, the term "immediate family," shall be defined as follows: spouse, children, brothers, sisters, and parents.

Section 13. Uniforms: The Employer will provide five (5) uniforms/coveralls per employee.

Section 14. Rain Gear: Employer will provide rain wear for employee(s) use on the job during inclement weather. Employees will receipt for the rain wear and will replace lost or mutilated items at the employee's expense.

ARTICLE 5 - HOURS AND SHIFTS

Section 1. Standard Straight Time Hours of Work:

- (a) Except as provided in Section 3, Call-In Pay, this article defines the normal hours of work and shall not be construed as a guarantee of work per day or per week, or of days of work per week.
- (b) Eight (8) hours shall constitute a day's work, starting at not earlier than 7:00 a.m., and ending not later than 5:00 p.m., with a lunch period on the employee's time.
- (c) In exception to the above, and at the request of either party, the Employer and the Union shall meet and confer on an addendum covering a work week or work hours that may be required by special conditions in the company. Also, by mutual agreement between an employee and the Union and the Employer, special hours or work may be established for an individual employee.

Section 2. Overtime:

- (a) Except as provided in Article VI of the Agreement, Holidays, all work performed by employees covered by this Agreement outside the standard straight time hours of work per week shall be paid for at time and a half.
- (b) An Employee who works less than eight hours in a work day may, with the concurrence of the employee's supervisor, voluntarily make up the time not worked on the following workday. Such make up time shall not be counted in computing overtime for that day.

Section 3. Call-in-Pay:

- (a) Any employee called and/or reporting for work at the beginning of a shift shall receive either four (4) hours of work or four (4) hours of pay at the applicable rate, provided he/she does not leave sooner of his or her own accord. This includes Saturdays, Sundays and Holidays.
- (b) An employee shall be deemed as requested to report for the regular shift unless notified by an authorized employer representative to the contrary during the previous day's work. In the event an employee has been absent for any reason, this section shall not apply unless the employee has first contacted his/her supervisor and is notified when to report for work.
- (c) The provisions of this section shall not apply if work is unavailable as a result of causes beyond the control of the Employer.

Section 4. Call-back Pay:

- (a) Any Employee who has left the Employer's premises and who is called back to work after the termination of the regular shift shall receive either four (4) hours work or four (4) hours pay at the overtime rate.
- (b) (1) Operational necessity to meet contractual obligations in an emergency requires that individual employees may need to be available for call-in for a designated period during the emergency. Any employee designated to be available for call-in duty shall be required to carry a commercial pager and remain within operational range at all times while they are on stand-by-duty. The designated individuals shall call in to management, or management's designated representative within fifteen (15) minutes of being paged and shall report to work if requested. If required to report to the site, the individual shall be on-site within the time period specified by the management representative and report to the on-duty management representative. (2) Stand-by assignment is not voluntary, and those individuals assigned will be selected on an equitable basis by management. Relief from standby can only be authorized by management. (3) Employees scheduled for stand-by duty shall receive one additional straight time hour's wage in a week exclusive of normal straight time and overtime wages. Should the employee on stand-by duty fail to respond to a page and/or to duty as directed, the employee will not receive the one (1) hour stand-by pay for the day.

ARTICLE 6 - HOLIDAYS

Section 1. Recognized Holidays: There shall be eleven (11) paid holidays in each contract year: New Year's Day, King's Birthday, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, Christmas Day, Employee's Birthday. If one (1) additional holiday should be granted by the Government during the term of this Agreement, the employee's birthday will be deleted as a paid holiday in favor of the new Government holiday.

Section 2. Eligibility: Each employee shall receive pay for the hours the employee would have worked for the above holidays provided:

- (a) The employee has been in the employ of the Employer for twenty-one (21) workdays preceding the day on which the holiday is observed.
- (b) The employee worked on the regularly scheduled work day prior to and the regularly scheduled work day following the Holiday. If the employee worked sometime during the two (2) calendar weeks preceding the week in which the holiday occurred, he/she will receive pay notwithstanding absence on the work day prior to the work day following, where such absence was due to: (1) Industrial accident; or (2) Bona-fide illness covered by a doctor's certificate.

Where an employee works at two or more classifications during a week in which a paid holiday occurs, the employee shall be paid for such holiday, provided he/she qualifies under the provisions of this Article, at the rate for the classification in which he/she worked fifty percent (50%) or more of the time during the work week in which the holiday occurs.

Section 3. Holiday on Saturday and Sunday: If a holiday set forth above falls on Saturday or Sunday, the Employees covered by this contract shall observe that holiday on the same day that it is observed by the client at Ames Research Center.

Section 4. Holiday During Vacations: When one of the paid holidays occurs within an employee's vacation period, he/she shall be required to take the holiday at the beginning or end of the vacation period and he/she shall receive holiday pay as provided in this Section, provided he/she works the last scheduled work day prior to and the regularly scheduled work day following the vacation period. The exceptions in Section 2 (b) above, of this Article, shall also apply to this Section.

Section 5. Pay for Work on a Holiday: Employees who qualify for holiday pay in accordance with Section 2 of this Article shall receive double time for work performed on any of the recognized holidays.

ARTICLE 7 - VACATIONS

- (a) All employees shall be granted two (2) weeks vacation with full pay annually after one (1) year of continuous employment; three (3) weeks with full pay annually after eight (8) years of continuous employment; four (4) weeks with full pay annually after fifteen (15) years of continuous employment. Seniority for vacation periods shall be used during the posting period of January. After the posting period, it is first come, first served. The employer reserve the right to limit the number of employees taking vacations at any one time based on operational necessity.
- (b) Temporary layoffs or layoffs due to illness, not to exceed thirty (30) days during any one year shall not interrupt the continuity of such employment, so as to deprive any employee of vacation rights.

After six (6) months of employment, any employee whose employment terminates, as well as any employee who is laid off for lack of work shall receive prorated vacation benefits on the basis of 5/6ths of a day's pay for each calendar month work.

- (c) An Employee returning from an authorized vacation shall be placed in his/her former job.

ARTICLE 8 - SENIORITY

Section 1. Seniority Rules:

- (a) An employee shall not attain seniority until he/she has completed a probationary period of (90) days worked in the employ of the Employer, after which time seniority shall date from the date of hire. The Employer may request an extension of the probationary period.

(b) An employee's seniority is defined as the length of continuous service with the Employer in the classification provided for in this Agreement. It shall be applied as follows:

1. In the event that work becomes slack and the Employer deems it necessary to reduce the working force in any of the classifications, the employee with the least seniority in the classification shall be the first employee laid off. It is provided, however, that if such employee has worked with the Employer in a lower classification he/she may, at his or her option, in lieu of lay off, exercise his/her total seniority in said lower classification plus any seniority accumulated in the higher classification for the purpose of bumping the employee with the least seniority in the lower classification.

In rehiring and recalling, the above procedure will be used.

An employee so reduced in classification due to curtailment of employment should have the first opportunity to resume the higher classification when the former job is available in line with his/her seniority.

2. Employees who exercise their option to bump an employee in a lateral or lower classification because of seniority must be willing, competent, and qualified to perform the work remaining to be done in the classification and willing to take the rate of pay of the classification to which they are assigned.
3. Where there are special conditions or complications due to special job titles and addendum, it is the intent that the Union and the Employer arrive at a mutually acceptable solution covering these special conditions.

For reasons other than requirements of the job, the Employer may retain an employee without regard to seniority by special agreement with the Union prior to lay off.

Section 2. Loss of Seniority: Continuous service shall be broken and recall rights forfeited by:

- (a) Failure to notify the Employer and the Union of intent to return to work within two (2) working days after the date recall notice is sent to the employee's last address on record with the Employer, and failure to report to work within three (3) working days after the date recall notice is sent to the employee's last address on record with the Employer. The Employer will send a copy of the recall notice to the Union at the same time it is sent to the employee.
- (b) Absence from work for a period equal to an employee's length of continuous service with the Employer, up to a maximum of thirty-six (36) consecutive months.
- (c) Voluntary resignation.
- (d) Discharge for cause.
- (e) An employee whose total absence or absences for medical leave accumulate to a period of time in excess of the employee's seniority recall rights, shall lose seniority provided that such seniority right may be extended by mutual agreement between the Employer and the Union, and further that any period of ninety (90) days of active full time employment shall restore full medical leave rights equal to the employee's seniority.

Section 3. Notice of Lay Off

- (a) The Union and the Shop Steward shall be notified as far in advance as possible, but in no event less than one day prior to any lay off.

- (b) On the date that employees are laid off or terminated, the Union shall be notified in writing of the names and classifications of employees laid off or terminated and the date such lay off or termination occurred.

Section 4. Leaves of Absence

- (a) In cases of established emergency, the employer shall grant a requested non-paid leave of absence for a maximum of thirty (30) days.
- (b) In all cases where leaves of absence are granted by the Employer to employees covered by this Agreement, the Union shall be notified in writing of the name of the employee, the effective date and the termination date of the leave of absence. In the event a leave of absence is extended, such extension shall be made in writing to the employee with a copy to the Union. Any employee who does not return or overstays a leave of absence, will be considered to have quit employment, and if rehired, shall be considered a new employee.
- (c) Provided it will not interfere with the efficient operation of the plant, the Employer, upon written request of the Union, will grant a leave of absence to any employee for official Union business, such leave not to exceed six (6) months.

Section 5. Information Furnished the Union: Within ninety (90) days subsequent to the signing of this Agreement, the Employer shall furnish the Union with a seniority list covering all employees within the bargaining unit, listing their names, classifications and status (Active, Leave of Absence, Layoff, etc.).

When the Employer is requested in writing by the Union, the Employer shall furnish an up to date seniority list. Such request shall not be made more often than once in any calendar year.

Section 6. Promotions Outside the Bargaining Unit: Except in the case of an employee who bounces a member of another Union within the plant, any employee transferred or promoted to a position in the facility, which is outside the bargaining unit shall be credited for seniority purposes with seniority at the time of the promotion out of the bargaining unit, such credit to remain in effect for a period not to exceed two (2) years. However, the employee shall not accrue seniority credit while outside the bargaining unit.

ARTICLE 9 - UNION REPRESENTATION

Section 1. Union Representation

- (a) **Shop Steward: Stewards Provided** for the purpose of representation within the shop: The Union shall be entitled to a reasonable and adequate number of Stewards, who shall restrict their activities to the handling of grievances and other legitimate Union business, and in this connection shall be allowed a reasonable amount of time for this purpose.
- (b) The Shop Steward may be present during all adverse personnel actions if requested by a member of the bargaining unit. The Shop Steward will be verbally informed that an adverse personnel action is scheduled and that his/her presence has been requested.
- (c) **Business Representative to Act for Steward:** Where for any reason a plant does not have a Steward, Union members may be represented by a business representative of the Union who may process a grievance in place of the Steward. The Union will make every effort to maintain an active Steward with credentials and authority to act as such.

- (d) Access to Establishment: Business Representative of the Union, for performance of official Union duties, upon application to the offices of the Employer, shall be permitted to enter the premises of the Employer at any time during working hours.

The Business Representative shall not unreasonably interfere with the normal work duties of employees or the operation of the plant.

- (e) Union May Use Bulletin Board: The Union shall have the privilege of suitable space on bulletin boards, for posting notices of official Union business provided that copies of such notices are delivered to the Employer prior to posting.

ARTICLE 10 - GRIEVANCE PROCEDURE

Section 1. Grievance Defined

A grievance is defined as a condition that exists as a result of an unsatisfactory adjustment or failure to adjust a claim or dispute by an employee or employees, the Steward or Stewards or the Union concerning rates of pay, hours or working conditions set forth herein, or the interpretation or application of this Agreement. All grievances shall be processed in accordance with the following procedure:

Section 2. Grievance Procedure

Step 1. Oral Procedure-No matter shall be considered a grievance until it is first taken up orally by the employee and/or Shop Steward with the immediate foreman or supervisor, who will attempt to settle the matter. If the alleged grievance is not settled, it shall be reduced to writing and processed directly into Step 2, at which time it is considered an official grievance and subject to the time limits set forth herein.

Step 2. Steward and Foreman-(Written Grievance) The Shop Steward shall take up the grievance with the immediate foreman or supervisor who will attempt to adjust the grievance and the Employer will render a decision in writing within three (3) working days from the time of its presentation to the Employer. When an unsatisfactory answer is received, the grievance may be referred to Step 3 in writing. If the grievance is unanswered at the expiration of three (3) working days, the grievance will automatically be referred to Step 3.

Step 3. Business Representative and Management-The business representative or authorized Union representative (not a shop steward) and an authorized representative of the Employer, or the Employer's representative authorized to handle such matters shall meet within three (3) working days. The Employer shall render an answer in writing within five (5) working days after such meeting. When an unsatisfactory answer is received, or if the grievance is unanswered within the above time limit, the grievance may be referred either directly to Arbitration (Step 5), or by mutual agreement between the parties to a Grievance Review Committee as set forth in Step 4. The decision for either Arbitration or submission to the Grievance Review Committee must be made in writing within five (5) working days.

It is agreed that the Union and the Employer will not process any grievance alleging discharge without just cause into Step 4, Grievance Review Committee. The Union retains the right to appeal such grievances directly from Step 3 to Step 5-Arbitration-subject to the terms and conditions of this Agreement.

Step 4. Grievance Review Committee-There shall be a committee known as the Grievance Review Committee, composed of two (2) Employer representatives and two (2) Union Representatives. It is understood that no Union representative or Employer representative shall have been directly or indirectly participants in previous steps.

The committee shall meet at a place and time designated by the Chairman of the Committee to hear cases referred in the order received.

The Grievance Committee shall review the cases presented to it, investigate the circumstances and facts, hear testimony and question witnesses. The decision of the majority of the Grievance Review Committee shall be final and binding on the Employer and the Union, such decision shall be within the scope and terms of this Agreement but shall not add to, subtract from, alter or change the scope and terms. The decision shall be rendered in writing within ten (10) days from the time of presentation to the Grievance Review Committee and shall specify the effective date of the decision.

In the event the Grievance Review Committee cannot reach a majority decision or fails to render a written decision within the above set time limit, the plaintiff may appeal to Step 5-Arbitration. Such appeal shall be made in writing within five (5) working days.

Step 5. Arbitration

- (a) **Organization of Arbitration Committee**-Upon receipt of a written request for arbitration of a grievance or dispute under this procedure, one member representing the Employer and one member representing the Union shall be named to the Arbitration Committee. They shall meet within three (3) working days to choose an Impartial Chairman of the Arbitration Committee and arrange for the time and place for the arbitration to take place within the following seven (7) working day period.
- (b) **Selecting an Impartial Chairman**-In the event that agreement cannot be reached on an Impartial Chairman within the three (3) working day limit set forth in paragraph (a) above, the United States Conciliation Service shall be requested to submit a panel of five (5) established arbitrators from the States of Washington, Oregon and California. Both the Employer and the Union shall have the right to strike two (2) names from the panel submitted by the U.S. Conciliation Service. The remaining name on the panel shall (be) automatically become Impartial Chairman of the Arbitration Committee. This selection of the Impartial Chairman shall be made within six (6) days after the Employer and the Union members of the Arbitration Committee cannot reach agreement on an Impartial Chairman. The selection of an Impartial Chairman so made will be equally effective as if made directly by the parties hereto.
- (c) **Decision is Binding**-The decision of the majority of the Arbitration Committee shall be final and binding on the Employer and the Union, such decision shall be within the scope and terms of this Agreement, but shall not add to, subtract from, alter or change the scope or terms. The decision shall be rendered in writing within ten (10) days from the time of presentation to the Arbitration Committee and will specify the effective date of the decision.

Section 3. General Rules

- (a) The expenses authorized and incurred by the Arbitration Committee shall be borne equally by the parties.
- (b) Time limits may be extended by mutual agreement.
- (c) In the event the Union, as such, has a grievance, the grievance shall be processed directly to Step 3.
- (d) Any grievance shall be considered settled unless it is referred in writing to the next succeeding step within five (5) working days from the date a written decision is given on the grievance.
- (e) Grievances regarding alleged improper discharge or layoff must be filed within three (3) working days after such discharge or layoff. Other grievance shall be without effect and void unless presented in writing to the lowest applicable step within fifteen (15) days from the date of occurrence or within fifteen (15) days from the date the employee, employees or the Union first acquire, or by ordinary

observation should have acquired. knowledge of the fact or facts on which the grievance is based. Retroactive pay shall be limited to a maximum of thirty (30) working days, except in cases of willful violation of contract the arbitrator may waive the thirty (30) working day limitation on retroactivity.

ARTICLE 11 -WORKING CONDITIONS

Section 1. Industrial Accidents: When an Employee is injured so seriously as to require that an authorized representative of management excuse them from work, he/she shall be paid for the balance of the shift on which the industrial injury occurred. The time away from the work site will be charged as administrative time off.

When, after the employee returns to work, there is a bona fide recurrence of the injury on the job and an authorized representative of management, acting on the recommendation of a Doctor, excuses the employee from work, the employee shall be paid for the balance of the shift. The time away from the work site will be charged as administrative time off.

Employees who are working after having a compensable injury or illness and who are required to take time off during a regular working day to receive medical treatment for such compensable injury or illness shall be paid their regular hourly rate of pay for such time off. Such time off will be charged against the employee's sick leave balance.

Section 2. Safety Rules

- (a) It is agreed that SCSC is not responsible for the facilities as SCSC is an outside contract and has no control in this area.
- (b) Adequate safety devices shall be provided by the Employer, and when such devices are furnished, it shall be mandatory for employees to use them.
- (c) No employee shall be discharged or disciplined for refusing to work on a job if the refusal is based upon the claim that said job is not safe, or might unduly endanger his/her health, until it has been determined by the Safety Officer at Ames Research Center that the job is, or has been made safe or will not unduly endanger the employee's health.
- (d) The Employer shall provide standard safety frames and non-prescription lenses, and it is mandatory that the employee wear them provided that the condition of his/her eyes is such that prescription glasses are not required.

Where an employee requires prescription glasses, he/she shall provide the prescription and the Employer will pay one-half the cost of the standard safety frames and the prescription safety lenses. The full cost of replacement frames and lenses due to work accidents not resulting from Employee negligence shall be borne by the Employer.

- (e) Employees who operate cranes shall be fully instructed in the safe operation of the equipment.
- (f) Reserved.
- (g) Any Employer requiring employees to perform welding shall furnish colored glasses for welders' hoods and goggles.
- (h) The Employer will comply with OSHA Safety Laws.

Section 3. Medical Examinations: At any time following the hiring of an employee, the Employer may require the employee to take a physical examination. The cost of such medical examinations shall be paid by the Employer. The intention here is to avoid having employees on jobs which might jeopardize their health or the health and safety of others. Should the medical examination disclose such conditions, the Employer will make every effort to assign an employee to other work in the same classification and within the employee's capability.

When available to the employer, a copy of the medical report will immediately be furnished to the employee.

ARTICLE 12 - MISCELLANEOUS SUBJECTS

- (a) Before an employer party to this Agreement, sells, assigns or makes other changes in ownership, any potential new owner shall be fully informed as to all terms and conditions of this Agreement.
- (b) The Employer will do everything in its power to see that employees covered by this Agreement do not suffer loss of benefits provided by this Agreement through sale, assignment or other changes in name or ownership.

ARTICLE 13-TOOL PROTECTION & INSURANCE

Personal tool protection will be provided against theft due to unlawful entry to Employer designated tool storage area(s) during the time between the end of one shift and the start of the next shift providing the employee provides at his/her own expense a secure locking device for the tool container and chain or otherwise secure the tool container to a not readily moveable object. Tool replacement insurance provided by the Employer will replace all tools stolen.

The Employer's representative shall meet with the Union representative and Shop Steward to determine suitable tool storage sites and reach mutual agreement on suitable tool storage area(s).

ARTICLE 14-GROUP HEALTH PLAN (FOR ACTIVE EMPLOYEES) (GROUP HEALTH PLAN FOR RETIREES)

Section 1. Employer Obligations: The present monthly premium to the CMTA-IAM Joint Health & Welfare & Dental Trust for active employees is \$540.00 and up to \$700. During the term of this agreement, the Employer agrees to pay a portion of auditable premium increases needed to maintain the CMTA-IAM Joint Health & Welfare & Dental Trust for active employees. The Employer's portion of such increases is limited to no more than 15% of the previous year's premium. If at anytime during the term of this agreement, the Trustees determine that the premium needed to fund the CMTA-IAM Joint Health & Welfare & Dental Trust is greater than the amount set forth in this Article, then the Employee shall be responsible for paying the additional premium in full. These funds shall be withheld from Employees pay, before taxes in the form of a monthly pre-tax deduction.

Section 2. Benefits & Eligibility Rules: The benefits, including eligibility and self-pay rules are set out in booklets available from: The Employer, The Union office; or The Plan's Administrative office. The current Administrator is Joan Anderson of Third Party Associates, whose address is 1640 South Loop Road, Alameda, CA 94502, and whose telephone number is (510) 433-4450, ext. 11727 and fax number is (510) 337-3080.

Benefit Design: The Employer and Union, on behalf of all employees, hereby recognize and acknowledge the right of the Trust's joint boards to amend the Trust Agreements, the Active Plan, the

Retiree Plan and any rules and regulations of such plans, including the provisions on eligibility for benefits and retiree coverage, and acknowledge the joint board's right to institute such cost containment measures as they deem appropriate.

The undersigned Employer and Union recognize that the benefits established by the Active Plan have been adopted by the joint board based on the best information available to it as to the cost of benefits and the contributions which they anticipate receiving under applicable collective bargaining agreements. The joint board has the right to modify benefits at any time if such action becomes necessary to maintain the financial soundness of the plan.

In addition, the joint board's ability to continue to provide retiree medical benefits depends on the collective bargaining agreements continuing to provide adequate funding. Retiree benefits are not pre-funded, so if contributions under collective bargaining agreements become inadequate to maintain current retiree benefits, the joint board has the right to reduce benefits and/or increase self payment charges, or even terminate retiree coverage. Only employees who retire or have retired from the Employers signatory to this Agreement or other Agreements with District 115 and who are eligible for benefits in the IAM National Pension Plan Benefits, may draw these benefits. The intent of this program is to provide benefits separate from and in addition to the Federal Government's Medicare program.

Section 3. Employer Payments, Timely Payment, Payroll Audits, Liquidated Damages, Delinquent Employers

- (a) **Employer Payments:** The fixed dollar monthly premium for active plan employees will be made for all employees on the payroll between the 1st and 15th of the month: the cents per hour payment to the Retiree Medical Plan (or to the Active Plan, if adopted by the Joint Trustees) will be made on the basis of all "hours worked or paid for." The words "hours worked" shall mean the same as those words are used by IAM National Pension Plan, which is set out below in the Pension Clause of this Agreement.
- (b) **Timely Payment: Liquidated Damages:** Contributions and reports to the Active Plan are due and payable on the 20th day of the current month. Contributions and reports to the retiree medical plan are due and payable on the 20th days of the month following the month in which the employee performs work for which the contributions are due. It is understood that these payment levels are set on the basis of timely payment. If payment is not timely, the Trust loses interest income, incurs additional administrative expenses in the form of letters, telephone calls, charges in computer billings and other collection expenses, all of which constitute damages arising from the Employer's failure to make timely payment. Therefore in any case where required monthly payment is delinquent for longer than any grace period allowed by the Trustees, the Trustees may allow liquidated damages, which shall be imposed equal to ten percent (10%) of the delinquent contribution, with minimum liquidated damages of \$25.00 for any month for which payment is delinquent. It is hereby agreed that, although the amount of the damages which would be suffered as a result of unpaid contributions cannot be accurately calculated, the 10% amount specified above is a reasonable estimate of damages. The liquidated damages shall not be considered to be a penalty assessed against the delinquent Employer. Furthermore, if payment is not made within two months of the original due date, and the delinquent Employer shall be responsible for any reasonable fees incurred in connection with the delinquency, whether or not legal action has been brought, and for court costs if legal proceedings are instituted.
- (c) **The undersigned Employer acknowledges:** that the Welfare Trusts have the right to audit its records to ascertain if it is making or did make the proper contribution to the trust, with the costs of the audit to be paid as provided in the Trust Agreements. In the course of any audit, the employer shall make available to the auditor, upon demand, all documents necessary to conduct a complete audit.
- (d) **Delinquent Employers:** if the Trustees determine that an Employer is consistently delinquent in paying its contributions, then they may require that the Employer shall promptly provide, such cash

deposit or other security as they may deem necessary to protect the Trusts against any further delinquencies, and may reduce or eliminate any grace period otherwise available to the Employer. The trust shall not be responsible for paying benefits for any employee if the required contributions on his or her behalf have not been received, except as specifically provided under rules and regulations adopted by the Trust. Furthermore, payment of benefits directly by any plan, or payment of premiums to insurance companies or service organizations by any plan is conditioned upon the existence of sufficient money in the plan's account to make payments. The right to modify or to amend this Section is specifically reserved to the parties.

Section 4. Non-Bargaining Unit Employees, Trustee Appointment, Disputes Not Covered By the Grievance Procedure

- (a) **Non-Bargaining Unit Employees:** Subscribing Employers may, at their option, cover non-bargaining unit employees on a uniform non-discriminatory basis, subject to rules adopted by the Trustees.
- (b) **Trustee Appointment:** The management appointed trustees shall be appointed by the California Metal Trades Association; the union appointed trustees shall be appointed by the Directing Business Representative of District 190, IAM & AW.
- (c) **Disputes:** Disputes arising out of this Article shall be resolved in accordance with the rules and regulations of the Trust and shall not be covered by the Grievance Arbitration Procedure of this Agreement.

ARTICLE 15 - ENTIRE AGREEMENT AND PENSION FUND

The Union agrees that this Agreement is intended to cover all matters affecting wages, hours and other terms and all conditions of employment. The Employer is not bound by any past practices of the prior Employer.

Section 1. Pension The Employer shall contribute to the I.A.M. National Pension Fund for each hour for which employees in all job classifications covered by this Agreement are entitled (4/1/03 \$2.00 per hour) to receive pay under this Agreement as follows:

<u>Effective 08/01/2003</u>	<u>Effective 04/01/2004</u>	<u>Effective 04/01/2005</u>
↑\$0.10 to \$2.10 per hr.	↑\$0. 10 to \$2.20 per hr.	↑\$0.10 to \$2.30 per hr.

In the exception to the preceding, no contributions will be made on hours worked by an employee in excess of forty (40) in one week.

- (a) The Employer shall continue contributions based on a forty (40) hour work week while an employee is off work due to paid vacations or paid holidays.
- (b) Contributions for a new probationary, part-time and full-time employee are payable at the completion of the employee's probationary period, but no later than ninety (90) calendar days after the date of hire. No contributions will be made for temporary employees for a period of ninety (90) calendar days.
- (c) The I.A.M. Lodge and the Employer adopt and agree to be bound by, and hereby assent to, the Trust Agreement, dated May 1, 1960, as amended, creating the I.A.M. National Pension Fund and the Plan rules adopted by the Trustees of I.A.M. National Pension Fund in establishing and administering the foregoing Plan pursuant to the said Trust Agreement, as currently in effect and as the Trust and Plan may be amended from time to time.

- (d) The parties acknowledge that the Trustees of the I.A.M. National Pension Fund may terminate the participation of the employees and the Employer in the Plan if the successor collective bargaining agreement fails to renew the provisions of this pension Article or reduces the Contribution Rate. The parties may increase the Contribution Rate and/or add job classifications or categories of hours for which contributions are payable.
- (e) This Article contains the entire agreement between the parties regarding pensions and retirement under this Plan and any contrary provision in this Agreement shall be void. No oral or written modification of this Agreement shall be binding upon the Trustees of the I.A.M. National Pension Fund. No grievance procedure, settlement or arbitration decision with respect to the obligation to contribute shall be binding upon the Trustees of the said Pension Fund.

ARTICLE 16-SICK LEAVE

Section 1. Qualifying Period: Employees who have completed twenty-one (21) days work per month shall receive eight (8) hours of sick leave per month.

Section 2. Sick Leave Accumulative: Sick leave may accumulate up to a maximum of twelve (12) days and these twelve (12) days can be carried over year to year. Sick leave is not convertible to cash.

After ten (10) days are accrued, and the employee retains ten (10) days, up to sixteen (16) hours of sick leave may be used in one (1) hour increments, subject to pre-approval by the employer.

Section 3. Sick Leave Pay as Severance Pay: Each employee upon termination shall receive sick leave earned but not received to a maximum of twelve (12) days pay based on hours worked after March 31st. Any employee who quits or is discharged for cause and who has not completed twenty-one (21) days worked with the Employer shall not be entitled to sick leave pay.

ARTICLE 17 - SUBORDINATE CLAUSE

In the event any authorized Governmental agency or court of competent jurisdiction determines that the wages and fringe benefits contained in this Agreement are improper, the Employer shall be obligated to pay only the wages and fringe benefits specified in the appropriate wage determination issued by the Department of Labor. Should the Union appeal said determination, the Employer's obligation will be governed by the terms of the final decision resulting from said appeal.

ARTICLE 18 - DURATION OF AGREEMENT

- (a) This is a three (3) year Agreement and shall remain in full force and effect from April 1, 2003 to March 31, 2006, unless either party serves written notice of a desire to amend, modify or terminate this Agreement sixty (60) days prior to the anniversary date.
- (b) In the event either party gives written notice of a desire to amend or modify this Agreement, the parties shall meet not later than forty-five (45) days prior to the anniversary date for the purpose of negotiation the desired amendments or modifications.
- (c) This Agreement, when signed, shall supersede and replace all prior agreements between the Employer and the Union, and such agreements are hereby declared null and void.

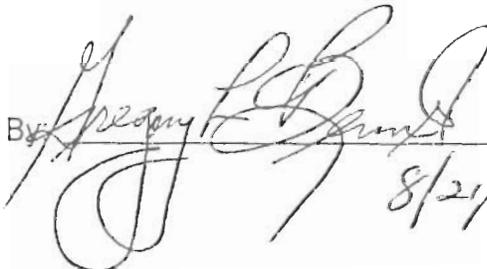
FOR THE COMPANY:

Scientific and Commercial Systems Corporation (SCSC)

7600 Leesburg Pike, East Building, Suite 400
Falls Church, Virginia 22043

By: _____

Lonnie B. Williams, Jr
Senior Vice President

By:  _____
8/21/03

FOR THE UNION:

I.A. OF M. & A.W.
DISTRICT LOGDE #190

Local Lodge 1414, 150 South Boulevard
San Mateo, California 94402-2470

By:  _____
8-21-03

M.E. Francis, Jr.

Business Representative

By: _____