

# AGREEMENT

By and Between

USPROTECT CORPORATION

*USProtect. . . It's What We Do*

And

ASSOCIATION OF CONTRACT EMPLOYEES,  
SECURITY-POLICE AND DETENTION  
ENFORCEMENT (ACE-SPADE)

Local #2



*WORKING TOGETHER THROUGH DEDICATION AND SERVICE*

August 30, 2007 through September 30, 2010

## **PREAMBLE**

This Collective Bargaining Agreement ("Agreement") is made as of August 30, 2007 by and between USPROTECT CORPORATION (hereinafter referred to as the "Company" or Employer") and the ASSOCIATION OF CONTRACT EMPLOYEES, SECURITY-POLICE AND DETENTION ENFORCEMENT (ACE/SPADE), Local 2, (hereinafter referred to as the Union").

## **ARTICLE 1** **PURPOSE OF AGREEMENT AND RECOGNITION**

### **SECTION 1.1 – Purpose of this Agreement**

It is the intent of the parties that this Agreement shall serve to establish and maintain harmonious labor relations among the Company, the employees and the union, and establish the rates of pay, wages, hours and other terms and conditions of employment. Should there be any conflict between the Employer's Employee Handbook and the Agreement, the Agreement will control. The parties acknowledge their legal obligations under Section 8 of the National Labor Relations Act to bargain in good faith.

### **SECTION 1.2 – Recognition of Union**

The Company hereby recognizes the Union as the sole and exclusive bargaining representative for the bargaining unit stipulated in the National Labor Relations Board Certification of Representative, Case No. 21-RC-20966.

### **SECTION 1.3 – Employees**

Whenever used in this Agreement, the term "employees" shall mean all full-time and regular part-time security officers employed by the Company in Los Angeles, Orange, Ventura, Santa Barbara and San Luis Obispo Counties, California, that are employed pursuant to a contract between the Company and the United States Department of Homeland Security, Federal Protective services ("DHS/FPS") Contract Number HSCECA-07-F-00048 or its successor(s), excluding office clericals, managerial personnel, confidential personnel, supervisors as defined by the National Labor Relations Act, and all other personnel. It is expressly agreed and understood between the parties that persons enrolled or participating in new hire pre-assignment training programs offered by the Company shall not be considered employees under this Section 1.3. Except in an emergency, salaried (exempt) management employees shall not perform the work normally performed by employees covered by this Agreement.

### **SECTION 1.4 – Probationary Employees**

All newly hired or rehired employees shall be considered probationary employees of the Company during their first ninety (90) days of employment, during which they may be discharged without regard to cause and without recourse to the grievance and arbitration procedures of this Agreement. The probationary period may be extended by mutual agreement of the parties for an additional 30 days.

**ARTICLE 2**  
**BARGAINING OBLIGATIONS**

**SECTION 2.1 – Obligation to Bargain**

The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to all proper subjects of collective bargaining; that all such subjects were discussed and negotiated upon; and that the agreements contained herein were arrived at after the free exercise of such rights and opportunities. Therefore, the Company and the Union shall not be obligated to bargain collectively on any matter pertaining to terms and conditions of employment, including but not limited to, rates of pay, wages, hours of work, disciplinary actions, training requirements, and other similar matters during the term of this Agreement, except as specifically provided for in other provisions of this Agreement. Notwithstanding the foregoing, in the event that the Company plans to make a substantial change in a term of employment that is not addressed in any manner in this Agreement or during the course of negotiations for this Agreement, the Company agrees to provide the Union with advance notice of such change and an opportunity to bargain prior to implementation of such change. Following such notice, the Company agrees to allow the Union an adequate opportunity to prepare for and bargain prior to implementation.

**SECTION 2.2 – Severability**

In the event that a provision of this Agreement is held to be unlawful by a court of final jurisdiction or is rendered unlawful by a state or federal statute, all other provisions of this Agreement shall remain in full force and effect. In the event a provision of this Agreement becomes unlawful by such judicial or legislative action, the parties shall meet for the limited purpose of negotiating a substitute for said affected clause.

**SECTION 2.3 – Requests for Information**

The Company acknowledges its obligations to provide to the Union relevant information that is necessary for the Union's fulfillment of its legal representational responsibilities. The Company will not unreasonably withhold information that it is obligated to provide under relevant NLRB precedent and will make reasonable efforts to provide relevant information in an expeditious fashion, with special emphasis on providing prompt responses to information requests relating to terminations.

**ARTICLE 3**  
**UNION SECURITY AND MEMBERSHIP**

**SECTION 3.1 - Membership**

Any employee who is not a member of the Union at the time this Agreement becomes effective shall become a member of the Union within thirty-one (31) days after employment or the

effective date of this Agreement, which ever is later, and as a condition of continued employment shall maintain their membership in the Union.

### **SECTION 3.2 – Enforcement**

Employees who do not comply with Section 3.1 shall be terminated from employment: provided that, before an employee is terminated for non-compliance with this Article 3, the employee must be first notified by the Union, via certified letter, return receipt requested, to pay the prescribed fees or dues. The notice by the Union to the employee shall also contain the reasons for discharge and a description of the efforts made to notify the employee of his/her delinquency. If the employee pays the delinquent fees or dues within two (2) weeks after the date the notification is sent, the employee will not be terminated. The obligations set forth in Section 3.1 shall only be effective to the extent permitted by controlling law.

### **SECTION 3.3 – Indemnification**

The Union hereby agrees to indemnify and hold the Company harmless from and against any and all claims, damages, judgments, suits, liabilities, losses, or expenses of any kind or nature which the Company may sustain, or which may be imposed upon it, arising out of the Company's compliance with this Article 3. In conjunction with the foregoing, the Union agrees to provide and pay for the defense of any and all claims against the Company. In addition, the Union agrees to return to the Employer any erroneous or improper overpayment made to it.

### **SECTION 3.4 – Dues Checkoff**

Upon receipt of a signed checkoff authorization form, the Company agrees to deduct Union membership dues and initiation fees, as designated by the Union, on a monthly basis from the wages of each employee who has executed a checkoff authorization, provided that such sufficient earnings remain to cover such deduction after deduction for taxes, insurance premiums, and other deductions required by law or the Company have been made. Deduction authorization forms are to be provided by the Union. The Company will pay to the Union the wages withheld for such dues and initiation fees. The remittances shall be accompanied by a list showing individual names in alphabetical order by last name, the last four digits of the social security numbers, and amounts deducted; the list shall be provided in electronic Excel format to the extent reasonably possible. The total remittances shall be made within fifteen (15) days after the end of the month in which the deductions are made. The Union shall advise the Company of the amount of initiation fees and dues to be deducted. Payment for membership dues shall not be required as a condition of employment during leaves of absence without pay in excess of thirty (30) days.

### **SECTION 3.5 – Schedule of Dues and Fees**

The Union agrees that it will promptly furnish to the Company a written schedule of the Union dues and initiation fees. The Union further agrees to promptly notify the Company in writing of any changes to these amounts.

### **SECTION 3.6 – Stewards and Steward Authority**

The Company recognizes the right of the Union to designate shop stewards. Within ten (10) calendar days of the execution of this Agreement, the Union shall furnish to the Company, in writing, the names of each of the Union's designated stewards. Changes to these assignments shall be provided by the Union to the Company, in writing, at least five (5) calendar days of such change becoming effective.

The authority of Stewards shall be limited to, and shall not exceed, the following duties and activities: (1) representation of employees in disciplinary interviews consistent with Section 3.7 of this Agreement and as permitted under the National Labor Relations Act; (2) the investigation and presentation of grievances in accordance with this Agreement; (3) the transmission of such information and messages to and from the Union, which shall originate with and are authorized by the Union's Officers, provided such messages have been reduced to writing; and (4) the right to bring a grievance to the Company's attention at the time of the occurrence in accordance with the terms of this Agreement.

Such duties shall be conducted during non-working time and may not interfere with the operations of the Company. Such activities may be conducted during working time, in exceptional cases, where agreed upon by the Company, but neither the Steward nor the employee shall depart from their normal job assignment without informing their immediate supervisor and disclosing the reason for such departure. Stewards or other employees who conduct Union business on working time, in violation of this provision, shall be subject to discipline. Stewards shall not be compensated by the Company for performing their duties as a shop steward, except as otherwise provided in Section 3.7 below.

### **SECTION 3.7 - Investigatory Interviews**

Subject to, and in accordance with, the National Labor Relations Act, any investigatory interview between an employee and a Company representative which is anticipated to result in discipline shall, at the request of the employee, be conducted in the presence of an authorized Union officer or shop steward, if such officer or shop steward is reasonably available. Stewards who are released to participate in such investigatory interviews during their scheduled working time shall be paid.

### **SECTION 3.8 – Union Leave**

The Company recognizes the need for union orientation, representation and training. Therefore, the Local Union President, Vice President, Secretary-Treasurer and up to three (3) Chief Stewards will each be provided up to forty (40) hours Leave of Absence per contract year to attend Union sponsored training programs. A request for such leave must be made at least seven (7) calendar days in advance and must be approved by the Company, provided that such approval shall not be unreasonably withheld.

### **SECTION 3.9 – Union Postings**

The Union may request permission from the DIIS/FPS for it to use bulletin boards, or other methods of communication (including union bulletin books at duty locations), to post notices relating to official Union business or otherwise communicate with employees at facilities where employees work. The decision of whether to allocate bulletin boards, allow posting of notices or

permit such communications shall be at the sole discretion of the DHS/FPS. All Union notices posted shall be signed by an officer of the Union or Chief Steward.

### **SECTION 3.10 – Notification to Union of New Hires**

The Company will within fourteen (14) calendar days notify the Union in writing of all new employees hired, providing the Union with the employee's name, last four digits of the Social Security number, address, job classification, current phone number, date of birth, and hire date of such employee. This information will be provided in electronic Excel format to the extent reasonably possible. The Company will provide the Union with advance notice of new hire orientation programs and afford the Union with an opportunity to communicate about union membership matters with new hires on non-working time following orientation.

### **SECTION 3.11 – Security Mission of Employees**

It is understood that employees covered by this Agreement are employed to provide security and such other duties that relate in any fashion to the security mission on site, including, but not limited to, duties requested or required by DHS/FPS, specified in post orders and/or set forth in the Company's rules and regulations. Employees covered by this Agreement shall not be expected to regularly perform janitorial services (other than picking up after themselves and maintaining the cleanliness of posts assigned and break areas). Notwithstanding the foregoing, employees are required to respond with courtesy to any request for services from the client or other persons.

### **SECTION 3.12 – Common Respect**

The Company and Union are committed to ensuring that employees, union representatives, and management personnel treat each other, as well as all those with whom they come into contact while carrying out their work responsibilities, with professional courtesy and respect.

## **ARTICLE 4 MANAGEMENT RIGHTS**

### **SECTION 4.1 – Reservation of Rights**

It is understood by the Union and the Employer that the Employer is a service provider to the Client. This Agreement shall not be construed to infringe or impair any of the traditional Management Rights of the Employer, including, but not limited to, the rights to:

- Manage the Employer's business, including direction of the work force; including the right to hire, and the right to suspend or otherwise discipline employees for just cause;
- To relieve employees from duty because of a lack of work (layoff) or recall to work;
- To assign shifts and direct the workforce;
- To promote, demote, transfer or rehire employees;
- To require employees to observe Employer and client work rules and site policies and procedures;

- To establish, enforce, and modify rules and regulations as needed to meet the needs of the business;
- To plan, direct, control, and continue or to discontinue operations as determined by the Client;
- To establish and change work schedules and work assignments;
- To select and determine the number and qualifications of employees deemed necessary to meet operational needs;
- To create and change as needed job descriptions;
- To determine when and if overtime is to be worked;
- To determine the number, location and types of posts to be manned;
- To establish the standards of work performance; and
- To select, introduce new or improved methods of how the work is to be performed.

#### **SECTION 4.2 – Non-Waiver of Rights**

The listing of specific rights in this Article is not intended as a restriction upon or a waiver of any of the other usual and customary rights of management not expressly listed herein, whether or not such rights have been claimed, asserted, or exercised by the Company in the past. Any of the rights, power or authority the Company had prior to the signing of this Agreement are retained by the Company except those specifically abridged or modified by the requirements of the National Labor Relations Act or other state or federal law and or by this Agreement and any supplemental agreements that may hereafter be made. The Company's failure to exercise any function reserved to it shall not be deemed a waiver of any such rights. It is understood and agreed that the Company will not violate any provisions of this agreement in its exercise of management rights.

#### **ARTICLE 5 CLASSIFICATIONS**

Employees regularly scheduled to work 32 hours or more per week, who have completed the Company's introductory (probationary) period, are considered full-time employees for the purposes of benefits available under the Health & Welfare Article of this Agreement.

Employees regularly scheduled to work less than 32 hours per week, and who have completed the Company's Introductory Period, are considered part-time employees for the purposes of this Agreement.

#### **ARTICLE 6 NON-DISCRIMINATION**

The Company and the Union agree that they shall each comply with all federal and state (where applicable) employment discrimination laws, which are incorporated herein in their entirety, and will not discriminate against any employee with regard to race, color, religion, age, sex, national origin, sexual orientation, medical condition (as defined by the California Fair Employment and Housing Act) or disability in violation of such laws. Such laws shall include, but not be limited to, the Age Discrimination in Employment Act (29 U.S.C. § 621 et seq.), Title VII of the Civil

Rights Act of 1964 (42 U.S.C. § 2000e et seq.), the Rehabilitation Act (29 U.S.C. § 793 et seq.), the Civil Rights Act of 1866 and 1871 (42 U.S.C. §§ 1981 & 1983), Executive Order 11246, the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.), the Civil Rights Act of 1991 (Pub. L. 102-66), the Family and Medical Leave Act of 1993 (29 U.S.C. § 2601 et seq.), the Equal Pay Act (29 U.S.C. § 201 et seq.), and Disabled & Viet Nam Veterans Act (38 U.S.C. § 4212), and, if otherwise applicable to the Company and Union, the California Fair Employment and Housing Act (Government Code §§ 12940, 12941, 12926 et seq.) and the California Family Rights Act (Government Code § 12945 et seq.). The Company and Union agree not to discriminate against an employee because of the employee's exercise of rights guaranteed in Section 7 of the National Labor Relations Act.

## **ARTICLE 7** **HOURS OF WORK**

### **SECTION 7.1 – Purpose of this Article**

The sole purpose of this Article is to provide a basis for the computation of straight time, overtime and fringe benefits, and nothing contained in this Agreement shall be construed as a guarantee or commitment by the Company to any employee of a minimum or maximum number of hours of work per day, per week or per year. It is expressly agreed and understood by the Parties that such scheduling and personnel needs shall be the sole prerogative of the Company.

### **SECTION 7.2 – Workweek**

The Company's workweek shall consist of seven (7) days beginning on Monday at 12:01 a.m. and ending the following Sunday at 12:00 p.m. (midnight).

### **SECTION 7.3 – Workday**

A workday shall be defined as from 0001 hours until 2400 hours. As used throughout this Agreement the term "actual work" shall be synonymous with "work time" or "working time" as those terms are defined under the Fair Labor Standards Act.

### **SECTION 7.4 – Overtime Work**

Employees may be required to work reasonable overtime assignments at the discretion of the Company. An employee not excused by the Company from performing reasonable assigned overtime, and who refuses to work overtime, will be subject to appropriate discipline. In accordance with this Article 7 of the Agreement, opportunity to work overtime shall be provided consistent with the Company's needs and circumstances and must be authorized in advance by the Company. In no event shall an employee be required to work overtime where the employee can demonstrate verifiable, exigent circumstances existed that made working overtime unfairly burdensome, such as the medical emergency of a family member.

### **SECTION 7.5 – Temporary Assignments**

The Employer may temporarily assign an employee from a lower to a higher classification of work during any shift and the employee will receive the rate of pay for the higher classification



for all time spent in the higher classification. An employee assigned to work in a lower classification will not have his rate reduced.

### **SECTION 7.6 – Overtime Pay**

Overtime pay is calculated at one and one-half (1-1/2) times the employee's straight time rate for all hours of work in excess of forty (40) hours of actual work in any single workweek. In addition, all hours worked over twelve (12) in any workday will be paid at the rate of one and one-half (1-1/2) times the employee's straight time rate (to the extent not otherwise provided by overtime pay for work in excess of 40 hours as set forth above). There will not be any pyramiding of hours worked. Only hours actually worked will be recognized in determining overtime eligibility.

### **SECTION 7.7 – Modified Work Schedules**

The Company may implement modified work schedules at locations. Such schedules may include, for example, four-day workweeks.

### **SECTION 7.8 – Scheduled Overtime**

The Company reserves and retains the right to offer and/or require employees to work overtime, consistent with its business needs and the procedures set forth below. For the purposes of the scheduling provisions below, overtime work is defined as work for which any and all available employees would receive overtime pay under Section 7.6 while performing the work; the Company shall have no obligation to schedule an employee for overtime work when it could avoid overtime pay by designating another employee to perform the work at a straight time rate of pay.

For a period of one (1) week in advance of each calendar quarter, employees shall be permitted to submit to the Company a request to be scheduled for available overtime work on a form to be provided by the Company. The Company shall provide to the Union, quarterly, the roster of employees who request to be scheduled for overtime ("volunteers"). The Company shall refer to this list when scheduling voluntary overtime hours consistent with this section. However, if an employee refuses to work hours offered on two (2) separate occasions, the employee shall be removed from the roster, and the Company will no longer be obligated to schedule the employee for overtime in the event that overtime hours become available in the future. Such a disqualification from being scheduled for voluntary overtime shall last for the duration of the quarterly roster.

When the Company determines that overtime work is needed, the Company will first offer such overtime work to volunteers who are present at the worksite by descending seniority order, on a rotating basis. The Company shall only be obliged to contact volunteers who are not present at the worksite when it has at least forty-eight (48) hours' notice of the need for overtime work.

In the event that overtime work needs are not filled through the voluntary process set forth above, the Company may require mandatory overtime work of any employee, regardless of whether the employee has volunteered for overtime work. Mandatory overtime work will be

assigned by ascending seniority order, on a rotating basis, to the employees present at the work site.

It is further expressly agreed and understood that the Company may, consistent with its business needs, use supervisory and managerial personnel outside of the bargaining unit to man posts in order to avoid a vacant post or to minimize overtime, provided such personnel are otherwise qualified to man the post consistent with the guard services contract between the Company and DHS/FPS.

#### **SECTION 7.9 – Meal & Rest Periods**

The Parties acknowledge and agree that, because of the nature of the specialized armed security work undertaken by the employees, the facilities where the employees will be assigned and the duties assigned to employees (including the possession of firearms and other dangerous weapons), and state law regulating the possession of firearms, employees cannot always be relieved of all duty in order to take a 30-minute off-duty meal break. The Parties accordingly agree that, in consideration of the employees' waiver of a 30-minute unpaid meal period during which employees would be relieved of all duty, the Company shall provide employees with an on duty meal period. It is expressly agreed that, in no event shall an employee be denied an opportunity to eat a meal. It is additionally agreed that such time shall be considered hours worked for which the employee will be paid. In the event that an employee believes that s/he has not been provided any authorized meal period as set forth herein, the employee shall be required to so notify the Company's Senior Vice President of Operations, in writing, within seventy-two (72) hours of not receiving the meal period.

The Parties further acknowledge and agree that employees are permitted to take rest periods, which insofar as practicable, shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours work or major fraction thereof. Authorized rest period time shall be counted as hours worked for which there shall be no deduction from wages. In the event that an employee believes that s/he has not been provided any authorized rest period time as set forth herein, the employee shall be required to so notify the Company's Senior Vice President of Operations, in writing, within seventy-two (72) hours of not receiving the rest period. In those instances where self-relieving breaks are permitted, employees shall notify the proper government authority when they take rest breaks as set forth herein.

### **ARTICLE 8 WAGES**

#### **SECTION 8.1 – Straight-Time Rate of Pay**

The current wage structure will not change until the dates noted herein. The following shall be the straight-time rate of pay for all employees:

- |    |                                      |                   |
|----|--------------------------------------|-------------------|
| 1. | Effective through September 30, 2007 | Current           |
| 2. | Effective October 1, 2007            | \$ 23.00 per hour |

3. Effective October 1, 2008 \$ 23.80 per hour
4. Effective October 1, 2009 \$ 24.60 per hour

The Company and Union agree that, if a new classification of employee is created by the DHS/FPS or Department of Labor and such classification of employee is employed pursuant to a contract between the Company and DHS/FPS, and are otherwise an "employee" under Section 1.2, the Company and Union shall negotiate over the wages to be set for that new classification of employee.

It is expressly agreed and understood that, upon their mutual agreement, the parties may reopen bargaining over the wages set forth herein.

### **SECTION 8.2 – Payroll Dates**

Employees shall be paid biweekly (every other Thursday or previous non-holiday business day), subject to change by mutual agreement of the parties.

### **SECTION 8.3 – Undisputed Error**

In case of an undisputed error on the part of the Company as to an employee's pay, proper adjustment will be made within one (1) week for undisputed errors over \$100.00 after the Company is given written notification of the error. All other such undisputed errors will be made on the next paycheck. Employees shall notify the Company of all errors on the part of the Company as to an employee's pay within the shorter of: (1) two working days of learning of the error, or (2) two working days of when the employee should have known by reasonable diligence of the error. It is expressly agreed and understood that this Section 8.3 shall apply, without limitation, to those instances where an employee has separated from employment and believes that his/her final pay was incorrect.

### **SECTION 8.4 – Direct Deposit**

All employees shall be offered the option of payment of wages by direct deposit. The Union shall use its best efforts to promote the use of direct deposit by all employees.

### **SECTION 8.5 – Personal Data**

Employees shall promptly notify the Company's Vice President of Human Resources in writing on a Company-provided form of their proper mailing address and telephone number, and of any change of name, address, or telephone number within ten (10) business days such change. The Company shall be entitled to rely upon the last known address in the Company's official records.

## **ARTICLE 9 LEAVES OF ABSENCE**

### **SECTION 9.1 - Jury Service**

Full-time employees on the payroll will be reimbursed up to three (3) days in any calendar year for any loss of income during their otherwise regularly scheduled workweek for time spent on jury service. Jury service pay will be prorated for part-time employees.

Said reimbursement shall be offset by any jury fees (except parking reimbursement fees) received by the employee. Employees must inform their supervisor immediately upon receiving a notice to report for jury service. The Employer reserves the right to request an exemption when the Employer determines that the employee's absence would create a hardship.

An employee who reports for such service and is excused therefrom shall immediately contact his immediate supervisor and stand ready to report for work, if requested. In order to be paid by the Company for such leave, the employee must submit to his or her supervisor written proof, executed by the administrator of the court, of having served, the duration of such service, and the amount of compensation received for such service.

### **SECTION 9.2 - Military Leave**

Leaves of absence for the performance of duty with the U.S. Armed Forces or with a component thereof shall be granted in accordance with applicable law. An employee must furnish the Employer with a copy of his or her orders within five (5) days of receipt of such orders.

### **SECTION 9.3 - Bereavement Leave**

If necessary for an employee to lose time from work because of death in the immediate family, the employee shall be entitled to four (4) days paid leave of absence at his or her straight-time rate of pay. Immediate family shall include employee's father, mother, spouse, sister, brother, children (including legally adopted children and/or stepchildren), grandparents and grandchildren. Employees shall be entitled to leave without pay for a maximum of sixteen (16) scheduled work hours lost in the event of the death of the employee's step-parent or parent-in-law. The employer will require proof of the death for which the employee requests a paid leave.

### **SECTION 9.4 - Family and Medical Leave**

- A. Leave Entitlement. An employee who has been employed by the Company for 12 months and who completed 1250 hours of work during the 12-month period immediately preceding the commencement of such leave, will be entitled to leave under the Family and Medical Leave Act ("FMLA") and the California Family Rights Act ("CFRA") in accordance with their provisions and the related policies set forth in the Employee Handbook. Employees must use any available paid leave concurrently with FMLA/CFRA leave.
- B. Year for Purposes of Determining Leave Entitlement. For purposes of determining an employee's leave entitlement under the Act, the 52-week period immediately preceding the commencement of leave under the Act shall be the applicable measuring period.

**SECTION 9.5 - Personal Leave Without Pay**

An employee may request personal leave without pay for a period not to exceed thirty (30) days. Any such request must be in writing and state the reason for and length of the desired leave. It shall be in the Company's discretion whether to grant such requests, without regard to the provisions of Article 9 of this Agreement. Upon giving notice of intent to return to work, an employee shall be scheduled to report to his or her former shift and site, if available. If the employee's former shift or site is not available, the employee shall be assigned a shift and site as the Company determines necessary to its scheduling needs. Employees on leaves of absence who accept other employment during such leave, or who do not return to work on such terms as required by the Company, shall be considered as having voluntarily resigned

**SECTION 9.6 - No Pay for Leaves of Absence**

All leaves of absence under this article are without pay, benefits or allowances except as otherwise noted.

**SECTION 9.7 - Failure to Return from Leave**

Failure by an employee to return to work upon the expiration of an approved leave of absence, absent extraordinary, unforeseeable circumstances, shall be deemed a resignation.

**ARTICLE 10**  
**HOLIDAYS**

**SECTION 10.1 – Eligibility**

All full-time employees will receive maximum of eight (8) hours pay at their normal hourly rate, for the following ten (10) holidays:

|                  |                            |
|------------------|----------------------------|
| New Year's Day   | Martin Luther King Jr. Day |
| Presidents' Day  | Memorial Day               |
| Independence Day | Labor Day                  |
| Columbus Day     | Veterans Day               |
| Thanksgiving Day | Christmas                  |

An employee must work his or her last scheduled work day before and first scheduled work day after a holiday to receive the holiday benefit, unless the Company canceled the scheduled work day.

An employee who is requested and agrees to work on any of the above named holidays, but fails to report to work for such holiday shall not receive holiday pay, and may be subject to discipline consistent with Article 16.

It is expressly agreed and understood that employees shall not be entitled to holiday pay when on leave, including leave taken under state workers' compensation laws.

**SECTION 2**

The ten (10) holidays shall be paid regardless of the day of the week on which they fall.

**SECTION 3**

Employees who work on any of the above named holidays shall be paid straight time in addition to holiday pay.

**SECTION 4**

Whenever the President of the United States declares an additional federal paid holiday, the holiday will be treated in the same manner as other holidays under this Agreement only to the extent that the DHS/FPS Contracting Officer agrees to pay the Company for the additional federal holiday. In the event an additional federal paid holiday is declared, the Company shall contact the DHS/FPS Contracting Officer in writing and request payment for said holiday.

**SECTION 5**

An eligible part-time employee who is not required to work on a holiday shall be paid a proration of the full-time holiday benefit based upon his or her average weekly hours for the previous two (2) weeks' work. An eligible part-time employee assigned to work on a holiday will receive his or her straight-time wage for all hours worked plus a proration of the full-time holiday benefit up to eight (8) hours based upon their average weekly hours for the previous two (2) weeks' work.

**ARTICLE 11**  
**VACATIONS**

**SECTION 1**

All employees who are regularly scheduled to work forty (40) hours per week and who have continuously been employed by the Company, or by the predecessor(s) to the contract between the Company and the DHS/FPS, shall be entitled to annual vacation pay in accordance with the following schedule:

|   |           |
|---|-----------|
| Upon completion of one (1) year of service:       | 80 hours  |
| Upon completion of five (5) years of service:     | 120 hours |
| Upon completion of fifteen (15) years of service: | 160 hours |

Employees shall be eligible for earned vacation upon the completion of one (1) year of continuous employment (not to include pre-assignment training) and each subsequent anniversary of the date of hire with the Company or predecessor to the contract between the Company and DHS/FPS. Vacation shall not vest and employees shall not be entitled to vacation under the above schedule until the employee has completed each twelve (12) months of employment. If an employee separates from employment for any reason with less than one year

and one day of employment with the Company or its predecessor, the employee shall not be entitled to any vacation pay. Vacation pay for full time employees will not be prorated.

Employees who are regularly scheduled to work less than forty (40) hours per week shall be entitled to pro-rated vacation pay at their straight-time rate based on the number of hours worked in the previous year based on the Employee's anniversary date. For example, part-time employees who have been continuously employed for one (1) year and who, on average, worked twenty (20) hours per week the prior year would be eligible to receive one (1) week paid vacation based on forty (40) hours at their straight-time rates of pay.

## **SECTION 2**

Employees may not take their vacation in segments of less than twenty-four (24) hours.

## **SECTION 3**

Employees who have selected vacation as outlined in Section 4 of this Article will be paid on their regular check during the vacation period they were absent.

## **SECTION 4**

Vacation request forms shall be issued within the first two weeks of the calendar year to all eligible employees. Initial vacation requests for the calendar year shall be made by February 1. No later than March 1, conflicts in timely submitted initial vacation requests shall be resolved by seniority. Thereafter, vacation requests shall be resolved within fourteen (14) days on a first come, first serve basis. A vacation request shall be made no more than sixty (60) days in advance (except for initial vacation requests for the calendar year) and at least fourteen (14) days in advance of the date the requested vacation is to begin, and shall be submitted on a form to be provided by the Company. Seniority shall not be used to bump a previous vacation request. The Company shall make reasonable efforts to honor all vacation requests in all cases, as long as such requests are consistent with the employer's obligations pursuant to the DHS/FPS contract; provided, however, the Company shall retain the final right to approve, deny, schedule and cancel all vacations. The Company shall not act arbitrarily in its exercise of these rights.

## **SECTION 5**

An employee may not accumulate and carry over unused vacation from one year to the next. After the second year of continuous employment with the Company, and each continuous year of employment thereafter, at the employee's annual anniversary date, the employee's vested but unused vacation for shall be paid to the employee. Such vested but unused vacation shall be paid by a separate check on the first payroll date following the employee's anniversary date. At the time of termination of employment, employees shall be paid for unpaid vacation hours that have vested but have not been used. However, there is no accrual or vesting of vacation eligibility before the employee's anniversary date of employment, and no segment of time smaller than one year will be considered in computing the employee's vacation eligibility. No Health & Welfare payment shall be made on payments for vacation earned but not used.

## **SECTION 6**

If a holiday falls during an employee's vacation, he/she shall receive an extra day of vacation or pay for the holiday at the employee's option, provided eligibility for holiday pay is met.

## **ARTICLE 12** **HEALTH AND WELFARE**

### **SECTION 1**

All employees and their eligible dependents shall be entitled to participate in the fringe benefit plans offered by the Company. These plans shall include a medical plan, group life insurance, dental insurance and 401(k) savings plan established by the Company.

### **SECTION 2**

The Company agrees to make a Health and Welfare benefit contribution totaling \$3.01 per hour for each hour worked up to forty (40) hours per week up to a maximum of 2,080 hours per contract year. Effective October 1, 2007, the Company's health and welfare benefit will increase to \$3.22 per hour. Effective October 1, 2008, the Company's health and welfare benefit will increase to \$3.36 per hour. Effective October 1, 2009, the Company's health and welfare benefit will increase to \$3.50 per hour.

In the event that the Department of Labor issues, at least sixty days prior to October 1, an applicable Wage Determination containing a Health and Welfare rate higher than that set forth herein, the parties agree to meet and bargain regarding a possible increase in the Health and Welfare Allowance to the new rate established in the Wage Determination.

### **SECTION 3**

The Health and Welfare benefit provided by the Company under this Article may be used by employees solely to pay premiums and/or contributions set forth in the benefit plans referenced above as selected or directed by the employee. Any and all Health and Welfare benefits not directed by the employee towards the benefit plans referenced above shall be directed by the Company, on behalf of the employee, to the 401(k) Plan established by the Company. Employees wishing to switch or discontinue participation in, or contribution to, a particular fringe benefit plan shall be permitted to do so only during "open enrollment periods" as permitted under the relevant plan documents. Participation and eligibility to participate in the benefit plans referenced above shall be governed by the terms of those benefit plans, which are incorporated in their entirety by reference into this Agreement.

### **SECTION 4**

In the event that the premiums for any of the benefit plans referenced above are increased, employees shall be responsible for such increased premiums. In no event shall the Company's



health and welfare contribution under this Section exceed the amount set forth in Article 12, Section 2.

#### **SECTION 5**

Any claims for benefits under the benefit plans referenced above will be subject to those plans' administrative review procedures, not to the grievance and/or arbitration procedures of this Collective Bargaining Agreement.

#### **SECTION 6**

The Company shall pay each employee the sum of twenty cents (\$.20) for each regular hour worked (up to forty hours per week) as a Uniform Allowance to launder uniforms and equipment.

### **ARTICLE 13** **PERSONAL AND SICK LEAVE**

#### **SECTION 1**

Each employee who is regularly scheduled to work forty (40) hours per week will accrue and be entitled to a maximum of 48 hours of paid personal/sick leave per full contract year commencing October 1 through September 30. Personal/sick leave shall accrue on a month-by-month basis throughout the contract year (i.e., 4 hours per month). Employees who are regularly scheduled to work less than (40) hours per week will accrue paid personal/sick leave based on, and prorated by, their regular hours worked. Personal/sick leave will accrue each October 1 based on the hours worked in the previous full contract year, provided.

For the purpose of this policy, the term full day refers to the hours the employee is regularly scheduled to work. Employees who are regularly scheduled to work 8 hours a day will receive payment for 8 hours for each sick day; employees who are regularly scheduled to work 10 hours a day will receive payment for 10 hours; employees who are regularly scheduled to work 12 hours a day will receive payment for 12 hours.

#### **SECTION 2**

Whenever an employee uses a sick day, he or she will submit a Sick Leave Payment Request Form. Sick days will be paid in full day increments as outlined above, so employees are only allowed to use this time when the benefit day is fully accrued.

Employees may use personal leave by requesting it from their supervisor at least seven days prior to the date of the leave. In situations of personal emergency, approval may be granted with less notice. Personal leave, once approved, will not be denied unless a government declared emergency exists.

Personal/Sick Leave Forms are available upon request from the supervisor.

Employees who become ill are required to contact their supervisor no later than four (4) hours prior to the start of the work shift. Information provided to the supervisor must include that the employee was ill and unable to work, the expected duration, and the anticipated return date to work. Such information will be kept confidential.

Any employee absent from work for three days or more must provide a doctor's statement that includes the employee was ill and unable to work and a release stating the date the employee may resume normal duties. An employee may be required to see the Company doctor to insure full compliance with the DHS/FPS contract medical requirements. Failure to meet the medical requirements will result in removal from the DHS/FPS Contract.

### **SECTION 3**

Employees are not permitted to accumulate and carryover accrued personal and/or sick leave from one year to the next, except as otherwise provided below. Any portion of such accrued leave that has not been used as of the next September 30, which is the end of the contract year, will be paid to the employee in the last payroll of the contract year, except that, if an employee has eight (8) or more hours of unused accrued leave at the end of the contract year, eight (8) hours will automatically be carried over to the next contract year. At the time of termination of employment, employees shall be paid for unpaid personal/sick leave hours that have accrued but have not been used. However, there is no accrual or vesting of personal/sick leave eligibility before the completion of the contract year.

## **ARTICLE 14** **SENIORITY**

### **SECTION 1**

Seniority for all purposes shall mean the length of time a regular, full-time and part-time employee has been employed by the Company and by predecessor companies under the contract with DHS/FPS and respective previous contracts at all locations under this Agreement. The Company shall maintain separate seniority lists for full-time and part-time personnel.

### **SECTION 2**

In the event of a lay-off or recall from lay-off, seniority shall prevail, provided the senior employee is capable of performing the available work, and further provided that part-time employees shall be laid off before full-time employees and full-time employees shall be recalled before part-time employees. The employee with the least seniority shall be laid off first and recall will be in the reverse order of lay-off. Employees within the Introductory Period will be laid off before employees with seniority.

### **SECTION 3**

It is the responsibility of the laid off employee to keep the Company advised by certified mail or other reliable means of written communication of any changes in their mailing address. The employee shall reply to the Company their intent to return to work within seventy-two (72) hours

after receipt of certified notice or other reliable means of written communication from the Company of recall. The employee will then have a maximum of five (5) calendar days to report for duty.

#### **SECTION 4**

Employees who are unable to report to work because of any injury or illness whether occupational or otherwise shall retain their seniority for a maximum of one (1) year, subject to lay-off according to seniority.

#### **SECTION 5**

An employee's seniority shall be terminated upon the occurrence of any of the following events:

- A. Discharge for just cause.
- B. Voluntary quit.
- C. Failure to express intent to return to work, or does not return to work in accordance with the requirements of this Article.
- D. Failure to report to work after two (2) consecutive days without notifying the Company, except for circumstances beyond his or her control.

#### **SECTION 6**

The Company shall prepare an up-to-date seniority list and provide a copy to the Union upon request, not more than on a monthly basis.

### **ARTICLE 15 STANDARDS OF CONDUCT**

Employees are expected to adhere to Employer's reasonable rules and regulations as specified in the Employee Handbook. Failure to do so may result in the issuance of discipline.

#### **Use of Alcohol and Drugs**

The use, possession, sale, transfer, purchase or being under the influence of intoxicating liquor, illegal drugs, or other intoxicants by employees while on Company premises, on duty, or on company business is prohibited. The Company has a formal, written policy concerning a Drug Free Workplace. All Company employees must be familiar with this Company policy.

#### **Attendance**

If an employee is unable to report for work for any reason or if reporting to work will be unavoidably delayed, the employee must notify his supervisor or designee immediately.

All employees who are absent from work due to illness or other causes are required to advise his/her supervisor or designee of his/her status and anticipated return date to work, absent mitigating circumstances. If the employee fails to notify his supervisor or designee of their status for three consecutive days, that employee will be considered absent without notice and will be presumed to have resigned. The employee will be removed from the payroll and a final paycheck will be forwarded to the last known address.

Failure of an employee to notify his/her supervisor or designee a minimum of four (4) hours advance notice of an absence or tardiness shall subject the employee to discipline in accordance with the provisions of Art. 16.2.

#### Post Procedures

Officers are expected to be ready to work at their assigned times.

Officers receive a paid meal period of one-half hour and paid fifteen (15) minute rest periods for each four (4) hours worked. If an officer requests to be relieved for some or all of the lunch break, and a replacement officer is required at the post, the officer will not be paid.

Officers will sign-in at their scheduled start time and sign-out when they are relieved. If an officer is relieved late, then he or she must sign-out at that time (even if it is for five minutes).

The late officer will sign-in at the time he or she properly relieves the departing officer. If an officer is instructed to document an erroneous arrival or departure time by a supervisor, then that officer must immediately contact management. An employee is not required to obey any unlawful order. Unlawful orders shall be reported without any fear of reprisal.

#### Arrival/Departure Times

Arrival time is limited to thirty minutes prior to the scheduled start time. This rule is necessary to prevent the misunderstanding that officers are loitering on post, in the break room, or in the control center. Additionally, officers shall not remain at the duty location once they are relieved, unless they are waiting for transportation. If this is applicable, then the officer will take necessary precautions to avoid public scrutiny (especially when in uniform).

#### Appearance, Personal Habits

Employees shall adhere to government and company required appearance and dress standards. Among other things, these require that during working hours, employees are expected to present a clean and neat appearance and to dress according to the requirements of their positions. Employees who appear for work inappropriately dressed will be sent home and directed to return to work in proper attire. Under such circumstances, employees will not be compensated for the time away from work.

Smoking and use of tobacco products on duty or on client premises is prohibited unless the officer is on break and in an authorized area.

Employees will be allowed to wear their Union pin reasonably sized and located in an appropriate manner on their uniform.

#### Arrests

In accordance with the requirements of the DHS/FPS contract. Employees must report any arrest within 24 hours. Failure to do so shall be grounds for termination.

### **ARTICLE 16** **DISCIPLINE AND DISCHARGE**

#### **SECTION 1 – Just Cause**

No employee shall be discharged or disciplined without just cause, and discharge and discipline matters shall be subject to the grievance and arbitration procedures contained in this Agreement. For purposes of this Agreement, "just cause" may include, without limitation:

- A. Violation of Rules and Regulations of Government Public Building and Grounds, 41 CFR § 101-20.3.
- B. Neglect of Duty (including sleeping while on duty or action which causes the assessment of a major penalty against the Company by the United States Government or DHS/FPS), insubordination, including deliberate failure to carry out assigned tasks, conducting personal affairs during official time. The term "personal affairs" as used in this paragraph does not include the making of telephone or other inquiries concerning the status of children or family members or the provisions of their care provided that such activities have been approved by the Employee's supervisor. Long distance telephone calls shall not be made at government expense.
- C. Falsification or unlawful concealment, removal, mutilation or destruction of any official documents or records, and/or concealment of material facts by willful omissions from official documents or records.
- D. Fighting on Government property or while on duty. Participating in disruptive or disorderly conduct which interferes with the normal and efficient operations of the Government or Company.
- E. Theft, vandalism, or criminal acts.
- F. Drinking or drunkenness on the job; use or possession on the job or being impaired by unlawful drugs/stimulants or alcoholic beverages on the job, or violation of the Drug and Alcohol Policy set forth in Article 21.
- G. Improper use of official authority or credentials.
- H. Unauthorized use of communications equipment or Government property.

- I. Misuse of weapon(s) or possession of private firearm on the job.
- J. Violation of Government security procedures or regulations, including, without limitation, those set forth in the DHS/FPS Security Guard Manual.
- K. Violation of state or federal laws regarding the possession or use of a firearm.
- L. Unauthorized post abandonment.
- M. Failure to cooperate with Government officials, local law enforcement authorities, or the Company during an official investigation.
- N. Falsification of time records.
- O. Deliberate or negligent conduct causing monetary damages, penalties or invoice deductions to the Company.
- P. Sexual, racial or verbal harassment in violation of company policy.

It is expressly agreed and understood that the Company shall have the right to establish from time to time other reasonable rules of conduct and the right to discipline, up to and including the right to terminate, for violating same; provided, however, the Union shall be entitled to grieve the reasonableness of the rule issued by the Company in accordance with the provisions of Article 17.

**SECTION 2- Absenteeism**

Employees are required to report and be ready for work at their required times. It shall constitute an offense for an employee to cancel work or report to work after his/her scheduled reporting time without providing the Company with a minimum of four (4) hours advance notice. Such notice must be provided to the Company's supervisor or designee. Discipline for the violation of this Section 2 shall be as follows:

- A. With respect to the first cancellation or failure to report without proper notice within any consecutive 12-month period, a verbal reprimand shall be given.
- B. With respect to the second cancellation or failure to report within any consecutive 12-month period, a written reprimand.
- C. Upon the occurrence of the third cancellation or failure to report without proper notice within any consecutive 12-month period, a one (1) day suspension.
- D. Upon the occurrence of the fourth cancellation or failure to report without proper notice within any 12-month period, a three (3) day suspension.
- E. Upon the occurrence of the fifth cancellation or failure to report without proper notice, the employee shall be terminated or, at the Company's discretion, permitted to remain an employee on such terms as the Company may determine, including

the forfeiture of vacation time, reduction of wages, or reclassification of the employee.

It is expressly agreed and understood by the parties that this is a "strict liability" absentee policy and that the Company shall not be required to accept any justification proffered by an employee for failing to provide proper notice hereunder; provided, however, an employee shall be excused from violations of this provision where the employee can demonstrate verifiable, exigent circumstances existed that prevented the employee from providing proper notice, such as a medical emergency.

### **SECTION 3 – Standards of Conduct**

It is acknowledged and recognized that the Company is in the business of providing security services to the United States government, and that the provision of these services is highly sensitive. It is therefore essential and expected by the Company and Union that all employees shall act in a highly professional, courteous manner and shall be held responsible for their duties, functions and job requirements. Employees shall not under any circumstances discuss concerns regarding internal Company matters, grievances or concerns with the Company's customers or clients, or their agents and representatives. Deviation from or failure to meet this standard shall constitute just cause and result in disciplinary action, up to and including termination, pursuant to the provisions of Section 1.

### **SECTION 4 – Government Action**

If the contracting agency, or other government agency, directs that a specific employee be removed from the contract or otherwise disciplined, any such action directed may be undertaken by the Company and shall not be subject to the grievance or arbitration procedures of Article 17 this Agreement. In the event that the contracting agency or other government agency expressly directs the removal or discipline of a contract employee, the Company agrees to cooperate with the Union by providing it with available information concerning the incident within five (5) calendar days of such direction by the contracting agency or other government agency.

### **SECTION 5 – Voluntary Quits**

An employee shall be deemed to have voluntarily quit employment with the Company, and the separation of the employee from the Company will not be subject to grievance and arbitration procedures of this Agreement, if:

- A. The employee works for a competitor of the Company at the same time he or she is working for the Company, unless previously approved by the Company
- B. An employee who takes medical leave fails to notify the Company within two (2) days after he or she is able to return to work.
- F. The employee fails to respond within five (5) days of receiving a notice of recall.
- C. The employee becomes ineligible to work on the Company's DHS/FPS contract because he or she has failed to successfully complete training, testing and other

qualifications mandated by the DHS/FPS in its contracts with the Company as provided under Article 20 of this Agreement.

- F. The employee fails to report to work within twenty-four (24) hours after the expiration of a leave of absence without contacting the Company, except where failure to so communicate is the result of emergency circumstances that prohibited the employee from contacting the Company's Vice President of Human Resources or designee, verified by the Company.

#### **SECTION 6 – Investigatory Interviews**

Subject to, and in accordance with, the National Labor Relations Act, any investigatory interview between an employee and a Company representative which is anticipated to result in discipline shall, at the request of the employee, be conducted in the presence of an authorized Union representative or shop steward, if such officer or shop steward is reasonably available.

### **ARTICLE 17**

#### **GRIEVANCE AND ARBITRATION PROCEDURE**

**SECTION 17.1 – Grievances.** A grievance shall mean a disagreement or dispute raised by the Union or an employee which arises during the term of this Agreement concerning the application, meaning or interpretation of an express provision of this Agreement or the employment relationship between the Company and employee, including but not limited to claims of unlawful employment discrimination as set forth in Article 6 of this Agreement.

Except as otherwise expressly stated in this Agreement, the procedures set forth in this Article shall be the sole and exclusive remedy for any grievance asserted by the Union or any employee. A grievance shall be resolved in the following manner:

Informal Step – The employee and/or his/her Union representative will first discuss his/her complaint with his/her immediate supervisor not in the bargaining unit, within ten (10) calendar days of the occurrence of a dispute or grievance or of when the employee knew or by reasonable diligence should have known of its occurrence. If the complaint is not satisfactorily adjusted within seven (7) calendar days of the informal discussion, it may be submitted in writing to the Regional Program Manager or his/her designee in accordance with Step One.

Step 1 – Notice to Regional Program Manager: If the matter is not resolved informally, the employee and/or his or her Union representative shall present the grievance or dispute in writing to the Regional Program Manager, not later than seven (7) calendar days of the informal discussion. The Program Manager shall respond in writing to the grievance within seven (7) calendar days of his/her receipt of the grievance.

Step 2 – Notice to Vice President of Human Resources: If the grievance is not settled at Step 1 or if the Regional Program Manager does not respond within seven (7) calendar days, the Union shall, within seven (7) calendar days, present the grievance in writing to the Company's Vice President of Human Resources or his/her designee. The Company's Vice President of



Human Resources or his/her designee shall respond in writing to the grievance within seven (7) calendar days.

A. Written Presentation. All grievances shall set forth: the facts giving rise to the grievance; the provisions of the Agreement, if any, alleged to have been violated; the names of the aggrieved employees; and the remedy sought. All grievances shall be signed and dated by the employee or shop steward. All written answers submitted by the Company shall be signed and dated by the appropriate Company representative, and shall be presented to the aggrieved employee and the Union.

B. Time Limitations. The time limitations set forth in this Article 17 are deemed of the essence to this Agreement. No grievance shall be accepted by the Company unless it is submitted within the time limitations set forth in Section 17.1. If the grievance is not timely submitted at Step 1, it shall be deemed waived. If the grievance is not timely submitted at Step 2, it shall be deemed finally settled in accordance with the Company's Step 1 response, if any, and the parties shall be bound thereby without recourse to Section 17.2.

C. Representation. An employee shall be permitted to have a Union representative at each step of the grievance procedure. Notwithstanding the foregoing, nothing in this Agreement shall be interpreted to require the Union to submit a grievance or demand for arbitration under Section 17.2 of this Agreement, or otherwise represent an employee with respect to any grievance or demand for arbitration.

**SECTION 17.2 – Arbitration.** If, after receipt of the Vice President of Human Resources' response, the grievance is not settled at Step 2, the Union may, within seven (7) calendar days after the receipt of the Vice President of Human Resources' response at Step 2, proceed to binding arbitration by serving a notice on the Company. Such notice shall identify the provisions of the Agreement allegedly violated and shall set forth such facts and circumstances as will provide the Company with reasonable notice of the nature of the grievance. If the Parties are unable to agree on an arbitrator within seven (7) calendar days of the date of service of the arbitration notice, they shall choose an Arbitrator from a panel(s) provided by the Federal Mediation and Conciliation Service. The parties will consider, in good faith, the potential for adopting a mutually-agreed panel of arbitrators rather than utilizing FMCS panels.

Except as otherwise expressly provided herein, the labor arbitration procedures of the Federal Mediation and Conciliation Service shall control the resolution of any and all disputes submitted to arbitration under this Agreement. The Arbitrator shall conduct a hearing on the grievance. The decision or order of the Arbitrator shall be final and binding and shall be in writing. Any back pay award shall be reduced by any sums received as unemployment compensation or from interim employment.

The Arbitrator shall have no authority to alter, amend, or add to the Agreement. None of the time limits contained in this Article may be waived or extended except by mutual agreement in writing. All fees and expenses of the Arbitrator shall be borne equally by the Parties, except where one of the Parties to the Agreement requests a postponement of a previously scheduled arbitration hearing which results in a postponement charge. The postponing party shall pay such

charge unless such postponement results in a settlement of the grievance, in which case the postponement charge shall be borne equally by the Parties. A postponement charge resulting from a joint postponement request shall be borne equally by the Parties.

**SECTION 17.4 – Access to Personnel Files.** The President of the Local Union or his/her designee shall have access to personnel records of the employee who brought the grievance for use in an arbitration or grievance proceeding but must otherwise maintain the confidentiality of all information contained therein.

## **ARTICLE 18** **STRIKES AND LOCKOUT**

### **SECTION 1**

It is the intention of the parties to adjust any and all claims, disputes, or grievances arising hereunder by the provisions provided in this Agreement. It is agreed that during the life of this Agreement there shall be no cessation of work, whether by strike, walkout, lockout, sick out or other interference with or curtailment of production of any kind including sympathy strikes.

### **SECTION 2**

In the event of a violation of Section 1 of this Article, the Union agrees that an officer or agent of the Union will contact employees participating in a work stoppage and inform them of their obligations under this agreement.

## **ARTICLE 19** **WEAPONS**

The Company shall implement a regular maintenance program and policies for all Company-owned weapons. Pursuant to this Program, all weapons issued to employees by the Company shall be checked, and, if necessary, cleaned, repaired or replaced in accordance with Company policy. Employees shall be responsible for ensuring that their weapons are at all times in safe working order. If an employee has knowledge that his or her weapon, or the weapon of another employee, is not in proper working condition, the employee shall immediately report this to his or her Supervisor or Regional Program Manager. Failure to do so shall be a basis for discipline, up to and including discharge pursuant to Article 16 of this Agreement. Employees shall maintain and secure weapons, including ammunition, issued to them by the Company in accordance with federal, state and local regulations and Company policy as it shall issue from the Company from time to time. Failure to maintain or secure weapons, including ammunition, in accordance with Company policy shall be a basis for discipline, up to and including discharge pursuant to Article 16 of this Agreement.

## **ARTICLE 20** **TESTING, TRAINING AND RE-QUALIFICATION**

## **SECTION 1 – DHS/FPS Requirements**

To become and remain eligible to work for the Company, employees are required to successfully complete training, testing and other qualifications mandated by the federal government in its contracts with the Company. Among these are: DHS/FPS basic training and re-certification, DHS/FPS firearms training, DHS/FPS testing, physical fitness testing (including hearing, vision and cardiovascular testing), CPR and first aid training, and any other training or testing that becomes part of the DHS/FPS or other applicable government contract. Employees who fail, or fail to appear for, training or testing are subject to disciplinary action, up to and including discharge, or may be deemed as having voluntarily quit. It is expressly agreed and understood that actual scheduling of training, certification, re-qualification and testing requirements are at the sole discretion of the Company, is subject to approval by the U.S. government and is subject to funding by the U.S. government. The Company shall provide a minimum of seven (7) days' notice of the location and expected start time for mandatory training programs, as long as the Company receives sufficient advance notice from the Government to provide such notice to employees.

It is the employee's responsibility to provide the Company with ninety (90) days written notice prior to the expiration of any permits, clearances or other qualifications required by the State of California or the federal government, including, but not limited to, weapons permits, CPR/first aid training and suitability clearances. Forms for reporting such information shall be made available from the Program Manager or designated supervisor.

A. DHS/FPS Firearms Training and Certification. The Company shall use its best efforts to schedule employees to re-qualify for the DHS/FPS firearms certification at least thirty (30) days prior to the expiration of the certification. In accordance with Company policy as it shall issue at the Company's discretion from time to time, employees shall be permitted two (2) opportunities to re-qualify, all of which must be prior to the expiration of the employee's DHS/FPS firearms certification. If an employee does not provide the Company proof of re-qualification prior to the expiration of his or her DHS/FPS certification, he or she shall be considered to have voluntarily resigned as of the date of the expiration of the employee's certification.

B. Health and Fitness Examinations. Physical/medical exams may be required by operation of the government contract or should the Company have concerns regarding an employee's fitness for duty. The Company may designate the physician or clinic, at its discretion. Pursuant to the Company's contract with the DHS/FPS, the Company may require, as condition of continued employment and at the Company's expense, that employees submit to physical examinations to determine fitness for duty consistent with DHS/FPS requirements. All employees shall submit to their supervisor/Program Manager, within ten (10) calendar days, verification of the employee's satisfaction of the DHS/FPS's fitness for duty examination. The Company shall use its best efforts to schedule employees to re-certify their fitness for duty at least one (1) month prior to the expiration of their government-required certification. If an employee does not appear for or obtain his or her required physical examination, or does not satisfactorily pass his or her examination, prior to the expiration of his or her certification, the employee shall be considered as having voluntarily resigned.

C. First Aid and CPR Training and Certification. All employees shall submit to their supervisor/Program Manager, within ten (10) calendar days, verification of the employee's satisfaction of the DHS/FPS's CPR and first aid certification. The Company shall use its best efforts to schedule employees for CPR and first aid recertification training at least one (1) month prior to the expiration of their certification. If an employee is not re-certified prior to the expiration of his or her DHS/FPS-required CPR and first aid certification, the employee shall be considered as having voluntarily resigned from the Company, effective the date the certification expired.

D. Suitability Review. All employees shall be required to submit to a suitability review three (3) years after receiving final DHS/FPS clearance or as otherwise required by the DHS/FPS. Such reviews shall require each employee to provide: (1) a completed Form FD (Fingerprint Card), (2) a completed DHS Form 85P (Statement of Personal History) and (3) such other information as the DHS/FPS may require. The Company shall use its best efforts to schedule employees for their suitability review at least one (1) month prior to the expiration of their clearance. If an employee does not timely complete and submit the required documentation, or does not pass the suitability review, prior to the expiration of his or her clearance, the employee shall be considered as having voluntarily resigned from the Company, effective the date the clearance expired.

E. State Handgun and Guard Permits. All employees shall be required to maintain, at Company expense, a valid California firearms permit and guard card, and shall submit copies thereof to their supervisor/Program Manager. In the event that an employee's California firearms permit or guard card lapses or becomes otherwise invalidated, the employee shall be considered as having voluntarily resigned from the Company, effective the date the card or permit expired or was invalidated.

## **SECTION 2 – Training Pay and Certification**

The Company agrees to pay employees who are required to take mandated federal government training, firearms qualification and testing, health and fitness examinations (up to two hours only), CPR/First Aid certification, and retraining to the extent required by any contract between the DHS/FPS and the Company at the state minimum wage rate effective at the time of testing/training. The Company will pay for travel time in connection with these matters only when it occurs within the employee's normal working time. Notwithstanding the foregoing, in the event that an employee is required to repeat a training course, the Company shall not be required to pay for such courses, training or additional weapons range time.

## **ARTICLE 21 DRUG AND ALCOHOL POLICY**

The Parties recognize that, given the safety sensitive positions of the employees, and the nature of the work performed by the Company and its employees, the use of controlled substances or alcohol on the job poses a substantial risk to the Company, the employees, and members of the public. To prevent or limit such risk, and pursuant to the Company's policy to maintain a drug free workplace, the Company has developed a Drug and Alcohol Policy. This policy includes

drug and alcohol testing before the commencement of work, after layoffs or leaves of absence, after on-the-job accidents, upon reasonable suspicion of drug or alcohol use or impairment, or at random as required by the Government. Such policy shall be subject to revision by the Company at its discretion. The Union shall be given notice of any policy changes and an opportunity to comment.

## **ARTICLE 22** **THE BID PROCEDURE**

The bid procedures apply to multiple-officer locations and personnel assigned within the bargaining unit in which the opening occurs.

### **SECTION 1**

Whenever an opening exists on a particular shift, it will be posted as outlined below. The opening will be assigned an individual bid number, and will be posted in the regional office and sent to the union by email.

### **SECTION 2**

The posting notice will contain pertinent information concerning the opening, i.e. bid number, location, hours, days off and closing date and time. All bids will remain posted for a minimum of seven (7) days. No bids will be accepted after the ending date and time.

### **SECTION 3**

The Employee must meet the client agency requirements, such as bi-lingual abilities, etc.

### **SECTION 4**

The officer may submit a complete official bid request form whenever a bid is posted.

### **SECTION 5**

The official bid request form will consist of two (2) sections. Part A and Part B.

### **SECTION 6 – Part A: Bid request**

Must have Officer's Name, Anniversary Date, Official Bid Number, Shift and Days off, Officer Signature, and Supervisor's Initials.

### **SECTION 7 – Part B: Bid Receipt**

Must have Officer's Name, Anniversary Date, Official Bid Number, Shift and Days off, and Supervisor's Signature.

## **SECTION 8**

Only the official bid request form presented in person will be accepted. Both sections of the official bid form must be complete when submitted. Completed forms must be submitted to the Supervisor prior the ending date and time recorded on the posting.

## **SECTION 9**

After the bid request is completed: the officer will submit the Bid to his/her supervisor. The Supervisor will sign Part B and initial Part A of the Official Bid Form returning Part B back to the officer. The Supervisor will insure that Part A is properly placed with all other bid request forms.

## **SECTION 10**

The Supervisor will accept bids only if presented in person by the officer submitting the bid. Bids must be presented in person. Once an Officer places a bid, it cannot be removed.

## **SECTION 11**

When the bid process closes, bids will be sorted by number and the Officer's seniority date. The bids will then be awarded to the senior qualified Officer who submitted a bid. Management will then post the award bid in the regional office for all Officers to see.

## **SECTION 12**

Once an Officer is awarded a Bid, he/she cannot bid again for six (6) months; the Company may allow exceptions to that rule in its discretion. From the employees qualified for the opening, the Company will award the job to the most qualified bidder, as measured by the employee's job knowledge, work performance and work experience comparable to the needs of the open position; provided, however, if the skill and ability of two or more bidders is substantially the same, the Company will award the shift opening to the employee with greater seniority.

## **SECTION 13**

An employee who cannot submit a bid to the Supervisor in person may send the bid by facsimile. The employee must contact the supervisor by telephone to confirm receipt of the fax. Supervisor will sign a receipt of the bid and return it to the employee.

## **SECTION 14**

Protests: Officers may protest the award only if they submitted a bid for the bid awarded. Protests after seven (7) calendar days of the award will not be accepted.

## **SECTION 15**

Posting Locations: All postings of bids and awards will be posted in reasonable and permissible locations, including pass-on logs and in the area Supervisor's Office. An updated seniority list will be posted quarterly.

## **SECTION 16**

Any opening created by the above bidding process will be filled by the same process. However, any subsequent vacancy created by that process shall not be subject to this posting process unless the vacancy is for an opening on the day shift Monday through Friday.

## **ARTICLE 23 GOVERNMENT CONTRACT RELATIONSHIP**

The parties acknowledge that the Employer has entered into the Contract with the Government to provide services under specific terms and conditions, and that the Government has broad discretion to direct the activities of the Employer within the scope of the Contract. To the extent the Government requires compliance with specific procedures (e.g., security clearances, new performance standards, etc.), the Employer will comply with those requirements without recourse by any Employee or the Union against the Employer; however, the Employer will provide the Union with notice of the procedures and will meet and confer with the effects of complying with such procedures. Any compensation or expenses which currently qualify as a chargeable expense to the Government, but are subsequently no longer allowed as a chargeable expense by the Employer to the Government, may be terminated by the Employer after providing notice to the Union and allowing the Union to meet and confer with the Employer over the effects of that intended action. The Employer shall not request that the Government order or direct that an employee be removed from the Contract; provided, however, that nothing in this provision will be interpreted to prevent the Employer from providing the Government with information concerning an Employee's work performance, failure to meet standards required by the Contract and/or matters relevant to Suitability Reviews. With agreement of the employee, the Company shall provide to the Union a copy of the 2820 Form from the Government relating to a request for an employee's removal from the Contract. The Employer acknowledges, and will not deny, the right of an employee, under the Contract, to appeal a suitability determination to the Government's Contracting Officer.

## **ARTICLE 24 SCOPE OF AGREEMENT**

### **SECTION 1 – Duration**

This Agreement and the addendum attached hereto shall be effective as stated in the Preamble of this Agreement and it supersedes any and all prior agreements or understandings of the parties. It is expressly agreed and understood that the wage and fringe benefit rates agreed to herein are the product of concessions and compromises by the Parties during the negotiations which resulted in

the Agreement; that this Agreement contains and comprises the entire agreement and understanding between the Parties regarding wage and fringe benefits; and that this Agreement displaces any and all prior wage and fringe benefit obligations or requirements of the Company. The Agreement shall remain in force and effect until 2400 hours on September 30, 2010; provided that, the Parties may re-open bargaining upon mutual agreement.

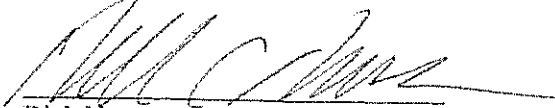
SECTION 2 - Integration

This Agreement contains the entire understanding, undertaking, and agreement of the Company and the Union, and finally determines all matters of collective bargaining for this term. Changes to this Agreement, whether by addition, waiver, deletion, amendment, or modification, must be reduced to writing and executed by both the Company and the Union.

IN WITNESS WHEREOF, the duly chosen representatives of the parties herein affirm that they have the authority to enter into this Agreement on behalf of themselves and their principles and hereto affix their hand and seal.


Executed this 26<sup>TH</sup> of AUGUST, 2007

For USProtect Corporation



Rich Norman  
President

Dated: 8/27/07

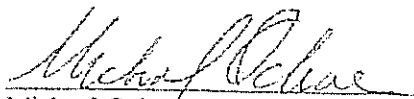
  
Victoria Ziegler  
General Counsel

Dated: 8/27/07

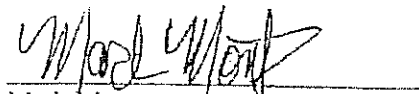
For the Association of Contract Employees,  
Security-Police and Detention Enforcement (ACE-  
SPADE)

  
Randy Brown, International

Dated: AUG. 26<sup>TH</sup> 2007

  
Michael Ochoa  
Local 2, President

Dated: 88-26-07

  
Mark Montes  
Local 2, Vice President

Dated: 26.08.07.