

International Association of Machinists Motor City Pension Fund

EIN/Plan #: 38-6237143/001

Checklist Item #37 – 7.07 Excerpts from the Current Collective Bargaining Agreements

Does the application include the required excerpts from the relevant collective bargaining agreements and side agreements?

See section 7.07.

Document 37.1 provides a copy of the relevant portions of the current collective bargaining agreements between each of the employers and the Mechanics Motor City Lodge No. 698, District 60, International Association of Machinists and Aerospace Workers (the “Union”).

At the time of the filing, no side agreement or participation agreement had been entered between the collective bargaining parties.

Document 37.1

Excerpts from the Current Collective Bargaining Agreements

The agreements below for each employer are on the page numbers noted:

- Faygo Beverages, Inc. – pages 37.2 to 37.61
- George P. Johnson Company – pages 37.62 to 37.80
- Penske Truck Leasing Company – pages 37.81 to 37.117
- USF Holland – pages 37.118 to 37.186
- YRC Freight/Holland – pages 37.187 to 37.18

Contract

Between



Faygo Beverages, Inc.

Detroit, Michigan

and

Mechanics Motor City Lodge No. 698

International Association of Machinists and Aerospace Workers



November 1, 2012 through October 31, 2015

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AGREEMENT

Agreement, entered into this 1st day of November, 2012, by and between
FAYGO BEVERAGES, INC. ("Company") and the INTERNATIONAL
ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS and its
LOCAL LODGE NO. 698 ("Union")

ARTICLE I

Recognition

- (1) This Agreement covers plant employees employed by the Company at 3579 Gratiot Avenue, Detroit, Michigan, including machinists, electricians, oilers, painters, and lab technicians, all as certified in NLRB Case 7-RC-1368, dated June 25, 1976. The Company recognizes the Union as the sole and exclusive bargaining agent in all matters pertaining to collective bargaining for all such employees.
- (2) For the purpose of collective bargaining and representation, the Company agrees to recognize a bargaining committee consisting of one (1) Steward for each shift and one (1) Steward for the LabTech unit, elected in any manner determined by the Union. The 1st shift Steward shall serve as Chief Steward and shall be paid by the Company for time lost during regular working hours in investigating and processing grievances and attending meetings between the Company and Union on shop problems relating to the employees. The Chief (1st shift) Steward must request and be given prior approval before leaving his job to perform the above functions. Approval will not be unreasonably withheld. The bargaining committee shall be paid for time lost from work while attending meetings with the Company, including contract negotiations. In the absence of any Steward due to vacation, leave of absence, etc, the Union may appoint an alternate to act in his place. The Union Business Representative shall be allowed to enter the plant during normal business hours.
- (3) (a) The Company agrees subject to the terms and conditions of the Labor-Management Relations Act of 1947, that during the term of this agreement, employees covered by this agreement at the time it becomes effective shall be required as a condition of continued employment, to be members of the Union on and after the ninetieth (90th) calendar day following their date of hire. The Company shall discharge any employee who is not in good standing within five (5) days after written request from the Union as permitted by the provisions of the National Labor Relations Act, as amended.

- (b) New employees hired after this date of agreement or employees on leave of absence or laid off as of the date of this agreement shall be members of the Union on and after ninety (90) calendar days following the beginning of such new employment, or following the return to work after such leave of absence or layoff, as a condition of continued employment. All such persons shall remain good-standing members in the Union, and the Union agrees to accept and retain as members all such employees in accordance with its constitution and by-laws. The Company has the option with the Union's approval to extend any given employee's probationary period. Any extension must be specified in writing and signed by both parties. Employees shall be entitled to all wages and benefit increases after 90 days, except as governed by Article XIV, Section 36 (b).
- (c) The Company agrees to deduct from the employee's pay all dues, initiation fees and/or uniform Union assessments of Local Lodge No. 698 I.A. of M., and remit deductions made to Local Lodge No. 698 for each and every employee within the appropriate unit, provided, however, that the Union presents to the Company written and signed deduction slips for such dues, initiation fees and/or uniform Union assessments.
- (d) New employees will be given a letter stating the classification into which they are hired. The Union will be given a copy.
- (e) The first pay period following the ninetieth (90th) day of their date of hire, initiation fees and Union dues will be deducted from the employee's wages, initiation fees will be deducted over a four (4) week period.
- (f) The Company will deduct for the Machinists Non-Partisan Political League (MNPL) from the pay of each employee who executes and files with the Company a proper check-off authorization form (as supplied by the Union for such deduction).

MACHINISTS NON-PARTISAN POLITICAL LEAGUE
Political Action Wage Deduction Authorization Card

I, _____ hereby
(Name of Employee) (Social Security Number.)

authorize and direct Faygo Beverages, Inc. to deduct weekly

from my wages the sum of _____ and forward this amount monthly to the
Treasurer of the Machinists Non-Partisan Political League at
9000 Machinists Place
Upper Marlboro, MD 20772

I have executed this wage deduction authorization voluntarily without any coercion, duress, or intimidation and none of the monies deducted are a part of my dues or membership fees to the local union. This authorization and the making of payments to MNPL are not conditions of membership in the Union or of employment with the company and I understand that the money will be used by MNPL to make contributions and expenditures in connection with Federal Elections. This authorization shall remain in full force and effect until revoked in writing by me. I also understand that my contributions or gift to MNPL is not deductible as a charitable contribution for federal income tax purposes.

(Employee's Signature)

(Date)

ARTICLE II

Management Rights

4. The right to hire and maintain in order and efficiency, to discharge for proper cause, to promote and discipline, without the confines of the contract, to adopt and enforce reasonable Working Rules, the right to determine the extent and nature of all equipment (as long as such equipment may be safely operated), the general method of operating its business, the business hours of its establishment, the number of shifts, the maintenance and dispatching of delivery schedules, the Standards of Workmanship, the assignment and transfer of personnel and work hours thereof, and the necessity for overtime work are all recognized by the Union and the employees to be among those rights vested in the Company. Actions taken by the employer under this Article shall be subject to the rights granted to the Union and the employees elsewhere in this Agreement.

ARTICLE III

Hours of Employment

5. (a) Eight (8) consecutive hours shall constitute a day's work, and forty (40) hours, Monday through Friday, shall constitute a work week. This shall not be construed as a guarantee. All work after eight (8) hours per day shall be paid for at the rate of time and one-half (1-1/2) and for all hours in excess of forty (40). Employees will be compensated on the basis of the calendar day on which their shift starts working, except where the first shift of the week starts prior to midnight on Sunday. Time and one-half (1-1/2)

shall be paid for work on Saturday. Double time shall be paid for all hours worked on Sunday or a holiday provided for in this Agreement. There shall be no pyramiding of premium and/or overtime rates.

- (b) Employees whose regular shift begins at or after 11:00 p.m. on Sunday or a holiday or whose regular shift ends at or before 1:00 a.m. on a Sunday or holiday will be compensated on the basis of the day on which the majority of the shifts occurs.
- 6. Employees shall have an uninterrupted one-half (1/2) hour unpaid lunch hour, except in case of operational necessity, which shall be scheduled between the fourth and sixth hour into their shift on an 8 hour day (between fourth and seventh hours on a ten hour day). In addition, employees shall receive (15) minute paid break to be scheduled during the second and third on an 8 hour day (third and fourth hour on a 10 hour day). Breaks shall not be interrupted except for operational necessity or emergency. Employees shall be entitled to an additional twelve (12) minute break at the end of ten (10) consecutive hours of work, if they are scheduled to work beyond ten (10) hours.
- 7. (a) Call-In-Pay An employee called in to perform work before or after but not in continuation of his daily work schedule shall be paid for a minimum of four (4) hours except as otherwise limited by this article.
- (b) When an employee is called-in, he shall be informed whether the work is emergency work or fill-in work.
- (c) When an employee reports for emergency work, completes the repair of the breakdown and the employee and supervisor agree that the job has been completed, the supervisor may allow the employee to leave before the four hour period has ended. In such case, the employee will receive four (4) hours pay at the applicable overtime rate.
- (d) If the call-in occurs within four (4) hours of the employee's regular starting time, the employee shall be paid the actual time worked prior to his regular starting time at the applicable overtime rate.

ARTICLE IV

Holidays

8. No employee shall be compelled to work on any of the following holidays:

New Year's Day	Thanksgiving Day
Good Friday	Christmas Eve (12/24)
Memorial Day	Christmas Day
Fourth of July	*Two (2) Floating Holidays
Labor Day	New Years Eve (12/31)

*Floating Holidays shall be granted between November 1 and November 1.

- (a) Floating holidays shall not be granted for the day prior to or after a vacation. Employees may request a floating holiday for any workweek in which another paid holiday falls or is observed under this agreement but no more than two holidays may be taken in any one week.
9. However, should it be necessary for the department to operate during any of the above-mentioned holidays, including special projects and emergencies," the employee shall be paid double the rate of pay for actual time worked in addition to any holiday pay they may be entitled to under this Agreement.
- (a) Should any of the holidays set forth herein fall on a Saturday, it shall be celebrated on Saturday except that the Company, at its option, may elect to celebrate the holiday on Friday if it provides a minimum of a one week notice of such decision to the employees. Should any of the above holidays fall on Sunday, it shall be celebrated on Monday.
10. To be entitled to pay for the above mentioned holidays, employees must have ninety (90) days of regular employment on a weekly basis and work the entire shift on the last scheduled work day preceding said holiday and on the first scheduled work day succeeding such holiday, and shall receive holiday pay for the above mentioned holidays, if otherwise eligible.
11. Employees on an authorized vacation during the week in which a holiday falls shall receive pay for such holiday when they return to work, but shall not receive extra time off. When an employee is unable to work due to illness prior to or subsequent to a paid holiday, he shall not lose his holiday pay provided he furnishes a doctor's statement of proof of treatment.

12. An employee tardy for less than 30 minutes on the scheduled work day before or after a holiday shall not lose their holiday pay. An employee more than 30 minutes tardy on such days shall lose their holiday pay unless such employee calls in not more than 30 minutes after their starting time and subsequently reports for work within one hour of their starting time or is put to work by their supervisor.
13. (a) Paychecks will only be distributed during normal shift hours on Friday for 1st and 3rd shifts. Second shift will receive their paychecks on Thursday after 7:00pm, except for Thanksgiving when paychecks will be distributed on Wednesday for all shifts.

(b) If an employee's pay is short by greater than \$50.00 net, the employee will be paid not later than the next regular workday if he or she so chooses. If the shortage is less than or equal to \$50.00 net, the employee will receive the pay on his or her next pay check.
14. Employees must make arrangements for approval of their two (2) floating holidays by Maintenance Management two (2) weeks in advance of the date the employee wants off – Saturday and Sunday not included. An employee shall be given a response to such request within three working days of the time the request is submitted. Floating Holidays shall not be granted for the day prior to a holiday or vacation.

No more than one employee in a classification will be granted approval for a floating holiday on any given date.

Section 14 shall not apply to Saturdays and Sundays.

Employees who have not taken their floating holidays during the year shall be paid for those holidays at the same time payments are made for any unused sick days.

ARTICLE V

Vacation

15. Employees shall be eligible for vacation as follows:

Employees hired on or prior to 02/20/2000 will be grandfathered to the current vacation schedule. Effective 2/20/2010 all associates with less than 10 years of service will be capped at 4 weeks vacation after 15 years of continuous service.

1 Year	1 Week with pay
2 Years	2 Weeks with pay
3 Years	2 weeks with pay
4 Years	2 weeks with pay
5 Years	2 weeks with pay
6 Years	3 weeks with pay
15 Years	4 weeks with pay
20 years	5 weeks with pay

Employees with ten (10) or more years of service may take one additional week off without pay, if they so desire.

Employees may use one (1) week five (5) days of vacation to be taken one day at a time when at least a one week minimum notice is given to the Company.

Employees shall take vacation in accordance with the following:

Minimum Vacation

Vacation Eligibility	To Be Taken
1 Week	1 Week
2 Weeks	2 Weeks
3 Weeks	3 Weeks
4 Weeks	3 Weeks
5 Weeks	4 Weeks

16. Employees, to be entitled to vacation pay, must have worked forty (40) pay periods during the previous calendar year. Vacation pay will be based on average earnings for the previous calendar year. Up to 8 weeks of accumulated time off (per year) due to an on-the-job (Workman's Comp) will be credited towards time worked in calculating vacation. The weeks allotted will be credited at 40 hours per week worked at employees rate in calculating vacation pay. In calculating average earnings, pay received for vacation time worked will not be included. Vacation time off shall constitute time worked. Employees with one or more years of service who are separated for any reason, except theft or gross insubordination, and who have worked in forty (40) or more pay periods during their calendar year, shall receive their vacation pay. If an employee works in twenty-six (26) pay periods or more during his calendar year, but less than forty (40) pay periods, he shall receive one-half (1/2) of the vacation pay he would otherwise have been entitled to. First year employees will receive 40 hours at their applicable hourly straight-time rate.
17. Vacations shall be granted upon written request turned into the Company prior to April 1 of each year. No more than two (2) weeks vacation may be taken between June 1 and September 15. Department seniority shall be given preference prior to April 1. Where a holiday falls during the vacation period selected, no additional time off shall be granted; however, such employee shall receive the holiday pay to which they may be entitled to under this Agreement. Vacation that has been scheduled and approved may not be changed without the consent of the Company. In addition, employees will notify management 2 weeks prior to their vacation on their availability of weekend hours for the weekends prior to and after their vacation weeks. Employees shall submit their written vacation request to management for approval at least two weeks prior to the date requested. In the case of a personal emergency situation management can at their discretion waive the two week requirement.

ARTICLE VI

Scheduling

18. The regular shift working schedules shall be posted. The Company will not change the normal scheduled starting times except by notice posted no later than 7:30 a.m. Thursday to become effective the following Monday. This shall not affect individual schedule changes to meet operation conditions.
19. Every reasonable effort will be made to rotate overtime among employees within groups and by shift as provided in the overtime provisions of this

agreement. An employee unable to accept overtime or who refuses to accept tendered overtime will be charged for the overtime.

—SHIFT HOURS—

3rd Shift: 11:30 p.m. to 8:00 a.m.
2nd Shift: 3:30 p.m. to Midnight
1st Shift: 7:30 a.m. to 4:00 p.m.

ARTICLE VII

Seniority

20. All layoffs and rehiring shall be conducted according to seniority based on the latest hiring date of each full time employee within his group. In the event of a reduction in the work force, the Company will not regularly schedule overtime, (meaning more than two (2) consecutive weeks) when an employee with seniority of greater than three (3) years is laid off in a group, unless mutually agreed to by the Company and the Union. In the event overtime is worked, any one employee in the affected group will not average over forty-eight (48) hours per week over a four (4) week period. At least twenty-four (24) hours notice shall be given affected employees before they are laid off.
21. To facilitate work and to have a distribution of experienced help on various shifts, an employee may be assigned by the Company to work on a particular shift. Subject to the Company's right to make above shift assignments, employees shall have shift preference over employees with lesser seniority within their classification twice each year, namely, first week in February and first week in August. Employees may be scheduled to work out of their respective shifts in case of emergency.
22. Employees shall lose seniority rights and employment shall cease for the following reasons:
 - (a) Quits voluntarily.
 - (b) Is discharged for just cause and not reinstated.
 - (c) If the individual has not worked for the company for a continuous period equal to the length of their seniority or two years, whichever is less.
 - (d) When a full-time employee is engaged in other gainful employment and this employment is affecting his assigned duties.

- (e) Is absent for three (3) consecutive work days without notifying the Company, unless physically unable to do so.
 - (f) Is absent for three (3) consecutive work days unless the employee can show just cause for his absence.
 - (g) An employee gives a false reason for leave of absence, or is employed elsewhere during a leave of absence without approval of the Company and the Union.
23. An employee transferred to a different group, will have his previous seniority frozen and start at the bottom of the new group. However, if he remains in the new group, for a time equal to or greater than his previous group seniority, he loses all seniority rights to the old group. If an employee takes a management position, his seniority is frozen for a maximum of three years, then dropped completely.
24. Chief (1st Shift) Steward and Shift Stewards have super-seniority with respect to shift and layoffs, based upon proven ability with one and one-half (1-1/2) years seniority. The Union will notify the Company on January 2 of each year with a complete list of Committee members and the Chief Steward.

ARTICLE VIII

Grievance Procedure

25. The employees covered by this Agreement shall be represented by the Bargaining Committee and the Union Business Representative. Any employee covered by this Agreement who believes that he has been unjustly dealt with or that a provision of this Agreement is being or has been violated, may process a grievance in accordance with the following procedure:
- First Step: An individual complaint will first be taken up by the employee with his immediate supervisor with or without a member of the Bargaining Committee being present in an earnest attempt to settle the same. It is understood that a member of the Bargaining Committee shall be given the opportunity to be present at the final adjustment of any grievance presented to management.
- Second Step: If the employee is dissatisfied with the disposition of the grievance as presented in the first step, the grievance shall be prepared in writing, dated, signed by the employee and a Bargaining Committeeman and two (2) copies shall be given to the employee's immediate supervisor.

The supervisor will return one (1) copy to the employee and one (1) copy to the employees Committeeman with his signed disposition on the reverse side of the grievance not later than the end of the fifth (5th) working day after receiving such written statement. This may be extended by mutual agreement. No grievance shall be considered unless it is reduced to writing within five (5) working days of its origin.

Prior to taking the grievance to the Third Step the employee, Committeeman and the Department Manager shall meet to attempt to satisfactorily settle the grievance. The determination of this meeting shall be documented.

Third Step: If the grievance has not been satisfactorily settled in the second step, it shall next be taken up with another authorized representative of the Company. The third step shall be completed within ten (10) working days, except by mutual agreement. The Union Business Representative shall be present at the Step 3 meeting.

Fourth Step: In the event the grievance or dispute is not satisfactorily settled in the preceding step, then the aggrieved party shall have the right within seven (7) days, but not thereafter, of appealing the disposition of such grievance to arbitration in the manner provided herein.

26. All differences of misunderstandings which may arise shall be settled between the Company and the Union by the regular grievance procedure. If no adjustment satisfactory to both parties can be reached, then the matter shall be settled by arbitration constituted as hereinafter provided and under the following procedure:
- (a) Either party desiring arbitration shall notify the other party in writing of its intention to submit such grievance or dispute to arbitration for settlement provided that notice of such intention is given within the period provided for appeal to arbitration in Step Four of the Grievance Procedure set forth above. Arbitration shall be constituted in the following manner.
 - (b) The Federal Mediation and Conciliation Service (FMCS) shall be utilized when selecting an arbitrator pursuant to its rules. The Decision of the arbitrator shall be final and binding on both parties to the arbitration, and the fees and expenses of the arbitrator shall be borne equally by both the Company and the Union. The arbitration shall be held at an agreed place. Should either party fail to comply with the request for arbitration within the specified time, the grievance shall be automatically closed on the basis of the answer rendered in Step Three.

- (c) It is understood and agreed that questions involving changes in the terms and provisions of this Agreement shall not be subject to arbitration hereunder, and the arbitrator shall have no power to add to, subtract from or modify the Agreement or change any rates of pay or wages.
27. It is understood and agreed that in consideration of the foregoing, there will be no strike walkout or slowdown on the part of the Union or any employee covered by this Agreement, nor any lockout on the part of the Company during the life of this Agreement. It is further understood and agreed that any violation or abrogation of a decision of an arbitrator which is rendered in accordance with the foregoing procedure will render the terms and conditions of this section null and void insofar as the party not guilty of such violation or abrogation is concerned.
28. An agreement reached between the Company and the Union is binding on all employees affected and cannot be changed by an individual. No individual shall, in the settlement of a grievance, make any agreement contrary to the terms of the Agreement between Faygo Beverages, Inc. and Machinists Local Lodge Number 698 without the presence of a Union Steward.
29. Company/Union Communication Program During the negotiations, the matter of Company/Union Employee communications was discussed at length. In order to facilitate and improve communications on matters involving working conditions, and application of work rules, the Company and the Union agree to the following communications program in the Faygo Maintenance department and the Quality Assurance Lab Tech Department.
- (1) There will be a maintenance department and a quality assurance lab tech department meeting as needed and requested by either party.
 - (2) This meeting can be for the purpose of discussing matters of importance to the steward and the employees he represents in the department and may include working conditions, plant rules, or other problems.
 - (3) This meeting shall not be a substitute for the grievance procedure and individual grievances will not be discussed nor considered at this meeting.
 - (4) The department manager will make notes of the topics discussed and furnish the Union steward a copy of the subjects discussed at the meeting.
 - (5) Stewards who attend the monthly meetings will be compensated at their regular straight time rate.

Special Conferences – Special conferences for important matters will be arranged between the Business Agent of the International Association of Machinists and the Director of Operations upon the request of either party. Unless otherwise agreed, such meeting shall be between three (3) representatives of the Union and three (3) representatives of the Employer. The special conferences shall be held within ten (10) days of the date either party requests the conference. The party requesting the conference must provide a written agenda of the matters to be taken up at the meeting together with the names of the persons who will represent the requesting party. Matters taken up at the special conference shall be confined to those included in the agenda.

The special conference shall not be substitute for the grievance procedure and individual grievances will not be discussed nor considered.

The special conference subject matters shall include working conditions and contract administration issues. The Company representative shall make notes of the subjects discussed in the special conference and a copy of such notes shall be given the Union after the meeting.

ARTICLE IX

Funeral Leave

30. When a death occurs in an employee's immediately family as defined below, and the employee has completed his probationary period, the employee on request, will be excused and paid for up to three (3) normally scheduled working days (excluding Saturdays, Sundays and Holidays). Three days may fall in between the date of death and the date of the funeral, and may include those actual days. The immediate family is defined as: spouse, child, mother, father, grandmother, grandfather, mother-in-law, father-in-law, grand-child, sister and bother.

Employee's brother-in-law and sister-in-law: one (1) day.

For spouse's step-parents, half-brothers and half-sisters, employees will be granted one (1) day without pay and with no incident with proof of attending funeral and proof of relationship from funeral director.

Where the employee attends the funeral of a member of the immediate family, over 300 miles from home, one (1) additional day's leave unpaid, will be granted with prior notice of the employee.

ARTICLE X

Jury Duty

31. In the event an employee is called for jury duty, he will receive for his scheduled work days during which he is absent for such service, his normal earnings less any and all amounts he receives for such service up to thirty (30) days. Employees must report for work on days not scheduled for actual jury duty. Normal earnings as used herein for each day shall be a day's pay provided for holidays for the applicable employee.

ARTICLE XI

Weekly Guarantee

32. The Company shall guarantee sixty-five percent (65%) of the Department's seniority employees working in any work week not less than forty (40) hours work, less holiday hours paid in a holiday week, provided the employee is available the entire week and provided further this guarantee shall not apply if work is prevented by conditions beyond the control of the Company such as fire, flood, power failure civil disturbances, acts of God or labor disputes. The Company shall notify the Union as soon as possible the reason that the guarantee is inapplicable.

ARTICLE XII

Safety

33. All employees shall cooperate to the fullest extent in properly using safety equipment and in properly following reasonable prescribed safety measures and procedures. The Company and the Union recognize their responsibility in encouraging employees to properly use safety equipment and to follow safety measures and procedures.
34. Employees shall notify their supervisor immediately in the event they are injured on the job. Failure to notify may result in disciplinary action.

ARTICLE XIII

Non-Discrimination Policy

- 35.(a) The Company and the Union agree that there shall be no discrimination against any employee or applicant for employment with respect to his or her hire, conditions or privileges of employment because of race, color, religion, national origin, ancestry, sex, age, handicap, weight, height, and marital status.
- (b) Whenever any words are used in this Agreement in the masculine gender, they shall be construed as -though they were also used in the feminine gender.

ARTICLE XIV

Wage Rates and Classifications

- 36(a) Unless governed by other provisions in this Agreement, employees shall be paid in accordance with the following schedule:

Effective Dates

CLASSIFICATION	11/01/12	11/01/13	11/01/14
Machinist			
Class I	\$22.79	\$22.89	\$22.99
Class II	\$21.36	\$21.46	\$21.56
Apprentice	\$19.28	\$19.38	\$19.48
Electrician			
Class I	\$23.94	\$24.04	\$24.14
Class II	\$22.33	\$22.43	\$22.53
Oilers			
Class I	\$20.56	\$20.66	\$20.76
Class II	\$18.82	\$18.92	\$19.02
General Labor	\$19.63	\$19.73	\$19.83

Lab Technician

Class I	\$22.67	\$22.77	\$22.87
Class II	\$19.93	\$20.03	\$20.13
Class III	\$18.54	\$18.64	\$18.74

Leadman shall be paid an additional seventy-five (.75) cents per hour.

- (b) Employees hire dated November 02, 1986, may be paid according to the following schedule:
1. From the employee's first day of work to his or her first anniversary, the employee shall be paid 75% of the rate hired into for the employee's classification.
 2. From the employee's first anniversary to his or her second anniversary, the employee shall be paid 85% of the rate hired into for the employee's classification.
 3. From the employee's second anniversary to his or her third anniversary, the employee shall be paid 95% of the rate hired into for the employee's classification.
 4. On the employee's third anniversary he or she will receive the full rate. The Company, at its option, may elect not to apply the rate progression contained in this schedule for any employee at any time. In case of such election, all other provisions of the Agreement relating to pay and seniority shall apply.
37. Probationary employees may be started one (\$1.00) dollar per hour below their classification rate and will be brought to the rate of their classification in ninety (90) days, except for Part (b) above.
38. During the term of this Agreement, in the event new jobs are established which are not encompassed by the current jobs for which wages are established under this agreement, the wage rates shall be established in proper relationship to other rates then in effect in the Company, taking into account the comparable skills, knowledge, training, responsibility and other working conditions. Before establishing such a rate, the Company shall meet and negotiate with the Bargaining Committee. If the Bargaining Committee does not agree to the proposed rates, the Company may place the rates in effect subject to the Bargaining Committee filing a grievance within ten (10) days after the rate is placed into effect. Such grievance shall proceed directly to arbitration as provided in this Agreement.

39. Employees who at the date of hire have graduated from an approved apprentice program and who possess a journeyman's card will be entitled to the top rate in their respective classification after one year of employment (periods of layoff or leaves of absence shall not apply.) This period may be extended by mutual agreement of the parties (union and management).

—PROGRESSION—

1. All skilled tradesmen will be hired at "B" level.
2. After 12 months, employees can request review of their classification as to progression to Level "A", provided they meet all requirements set forth in section 40

This meeting will be held in presence of steward, employee, supervisor and manager.

If at this time, Company feels additional knowledge is required, employee will be given a listing of these areas. Every attempt will be made to expose employee to these areas in next 6 months.

Next review will be at one year with same evaluation process.

If at this time employee is granted a Class "A" classification, he must have full knowledge that he now has additional skills and related job responsibilities and must perform at this higher level requirement. Employees hired under the progressive rate schedule in 36(b) above will be paid the top rate in their respective classification at their third anniversary or sooner at the Company's option.

The Company will accept written request for training on equipment and machines.

40. **Class I Machinist:**

To be qualified as a Class-A mechanic, the following must be fulfilled

1. Have excellent knowledge of all Production and Plant facilities equipment, including boilers, refrigeration and flow mixes. New hires employed after October 31st, 2006 must have full Boiler and Refrigeration licenses
2. Have good abilities to readily diagnose problems in said equipment and complete expedient repairs.

3. Have good knowledge to complete all equipment overhauls.
4. Good abilities to complete all phases of new installations and equipment revisions.
5. Have complete ability to layout and complete all phases of any job, without supervision, as related to job skills and trade practices.
6. Must exhibit total capabilities for excellent craftsmanship.
7. Good abilities to run and operate all shop machine tools.
8. Good welding abilities of both Arc and Heli-Arc type.
9. Must exhibit Strong self-motivation, initiative and time utilization.
10. Must exhibit strong organizational skills as to parts and materials.
11. Must exhibit good written & oral communication skills.

The Company may use a Machinist to perform the Oiler function up to 1 hour per shift. If conditions exist where more work is needed on an existing or on-going project through completion, the oiler will be given first opportunity at the overtime and if denied or not available the work will be done by an available machinist. Regular daily and weekly oiling functions will remain the responsibility of the oiler, unless oiler is on vacation or absent.

41. Class II Machinist

- (a). All new Apprentice and Class II Mechanics hired after November 01, 2003 will attend classes for boiler and refrigeration licenses within two (2) years. The two (2) year period may be mutually extended by Company and Union.
1. Must have good knowledge of all production and plant equipment with abilities to troubleshoot and complete required repairs, with minimum supervision.
2. Must have good knowledge of construction, new installation and equipment revisions.
3. Ability to complete major repairs and overhauls with minimum supervision.
4. Good abilities to run all shop equipments

5. Good abilities to cut, weld and burn.
6. Must be of journeyman status by card, time-in-trade or through formal apprenticeship program.
7. Good ability to read prints and make sketches.
8. Show good self-motivation to upgrade his skills to become Class-I Machinist.

42. Class I Electrician

1. Must have State journeyman license or pass a Michigan State Journeyman equivalent test as issued by and administered by the company with a passing grade of 75%. The opportunity to retake the test will be afforded two (2) times during the term of the contract.
2. Must be full journeyman through formal apprenticeship program or from time-in-trade.
3. Must have full working knowledge of all production and plant equipment, including refrigeration and boilers.
4. Must have strong capabilities to troubleshoot all electrical on all plant equipment in a very expedient manner and complete required repairs, without supervision.
5. Must have full ability to read and troubleshoot from prints, including PLC's and other electronic types of equipment.
6. Must have full capabilities to perform all phases of electrical construction and have full abilities to layout and complete total job.
7. Abilities to complete circuit changes and fully communicate these changes on print form. Final circuit drawings to be completed by Engineering Department.
8. Shall exhibit abilities of strong motivation, self-initiative and with good utilization of time factor.
9. Good abilities to complete all work with high craftsmanship manner.
10. Show good written and oral communication skills.

43. Class II Electrician

1. Must be of journeyman status by card, time-in-trade or through formal apprentice program.
2. Must be able to read prints and schematics and diagnose problems from these prints.
3. Must have good working knowledge of all phases of electrical construction.
4. Must exhibit good initiative to learn equipment functions.
5. Complete required troubleshooting and job layout with minimum supervision.
6. Must take all schooling and pass all tests for State Electrician license, or pass a Michigan State Journeyman equivalent test as issued by and administered by the company with a passing grade of 75%, within a 3 year period, as long as company provides proper certification after completion. The opportunity to retake the test will be afforded two (2) times during the term of the contract.

44. Class I Oiler-Greaser

1. Will have full ability to lubricate all Plant and Production equipment with proper lubricant.
2. Train new men in same department.
3. Good repairs to all lubrication equipment, lines and fittings.
4. Extended self-motivation to insure equipment is receiving lubrication as per OEM specifications.
5. Ability to mechanically spot other equipment problems and communicate same to supervision.
6. Maintain good stock of lubricants.
7. Strong abilities to utilize time factor.
8. Good self-initiative and motivation characteristics.

9. Good housekeeping abilities of shop and all equipment lubrication.
10. Can be assigned to work with other tradesmen at any time.

45. Class II Oiler-Greaser

1. Good abilities to lubricate all Plant and production equipment.
2. Know equipment lubrication schedules and maintain same.
3. Knowledge of all types of lubricants and to what application of equipment.
4. Good housekeeping abilities of shop lubricants and equipment and same for all lubricated equipment.
5. Can be assigned to work with other skilled tradesmen at any time.

45.1 Oiler Apprentice

1. Will train with Class I oilers until sufficient knowledge is obtained to solo on same duties.
2. Will perform shift Oiler responsibilities of equipment lubrication, oil room clean-up, record keeping, lubrication suppliers, etc.
3. Will work closely with other skilled tradesmen to gain knowledge of plant equipment.
4. May work as Machine Helper during overtime and emergency periods.
5. Will be competent to go into full machine apprenticeship program should an opening occur in that classification at the direction of management.
6. Will check equipment for visual defects during lubrication duties and report same to supervision.
7. Will show strong mechanical abilities and aptitude to qualify in this position, as well as, to be eligible to upgrade into higher grades.
8. Other duties as assigned.

45.2 General Labor

1. Will perform all Oiler responsibilities in absence of regular Oilers.
2. Will perform all general labor work as directed.

3. Will aid other skilled tradesman.
 4. Will complete brush and roller type painting jobs.
 5. Will clear sewers and toilets as directed.
 6. Will clean equipment, building, grounds, etc.
 7. Other miscellaneous duties as directed.
46. **Lab Technician I** - A Lab Tech I will have the principle and working knowledge of all processes and packaging equipment in a beverage facility. He will be able to test for and report on and recommend corrective action for deviations from quality standards as established by the Company. (The Company reserves the right to change or modify it's quality standards). He will understand the basic chemistry and engineering principles of water treatment, beverage processing and package application. He will have a thorough understanding of equipment sanitation procedures and chemicals used herein. He will be able to understand basic microbiological reports, institute sampling procedures and institute corrective measures, if needed. He will have a Bachelor of Science degree from a recognized and accredited college or university in one of the following areas:
- Engineering (mechanical or chemical)
 - Biology
 - Microbiology
 - Chemistry
 - Food Science or other applicable discipline as determined by the Company. He should be able to perform his job with a minimum of supervision or direction in a safe manner, or any additional duties as assigned.
47. **Lab Technician II** - A Lab Tech II will be able to perform and be proficient in testing procedures for process and packaging in a beverage plant and report same properly. These procedures include, (but not exclusive) water plant testing, brix, CO₂, caustic strength, CO₂ contents, cap application, seamer application, dimensional specifications of all packaging material, specifications of all aspects of finished goods. He will understand basic quality hold procedures as directed by management. He will understand all processes, water, and sugar piping and perform duties as instructed. He will have an Associates in Applied Sciences in disciplines as outlined in Lab Tech I. He should have three years experience in Quality Assurance, Lab Technician position within the food and chemical processing industries. He should be able to perform

assignments independently with only occasional guidance from his supervisor in a safe manner, in addition to other duties as assigned.

Lab Tech II employees hired after October 31, 2009, will have a thorough understanding of procedures and able to perform internal sanitation of equipment and water treatment plant.

48. **Lab Technician III.** A Lab Tech III will have the same performance and proficiency as a Lab Tech II but not be required to have the same formal education but a minimum of high school diploma or equivalent and two years experience as a Quality Assurance Lab Technician within the food and chemical processing industries.

The Lab Technicians will be responsible to the Quality Assurance Department supervisor or Production Department supervisor, provided the Union recognizes that in the event of production stoppage, product quality, or health and safety problems, the immediate area supervisor may issue instructions.

49. **Part-Time Employees** - The Company agrees that part-time employees will be used for the summer months however they will not be used to erode the bargaining unit.

50. **Leadman**

The Company may appoint leadmen who shall, in -addition to their normal duties, assign work and help employees with work-related problems. The leadman shall not have the right to discipline, hire or fire or recommend same. The leadman will be paid seventy-five cents (\$.75) per hours worked as a leadman.

51. **Licenses**

An additional fifty cents (\$.50) per hour will be paid if the machinist has a license for low pressure boiler operator; seventy cents (\$.70) for 1st Class Refrigeration license; seventy cents (\$.70) for State Electrician license; thirty-five cents (\$.35) for 2nd Class Refrigeration license, and twenty-five cents (\$.25) for a 3rd Class Refrigeration license. If a machinist becomes certified as a welder, he will be paid an additional fifty-five cents (\$.55) per hour. (Vacation and extended absence fill in's shall receive the payment)

52. **Shift Differential**

All second shift machinists will receive an additional thirty cents (\$.30) per hour and third shift machinists will receive thirty-five cents (\$.35) per hour. An employee's regular shift premium payment will not be changed for temporary shift assignments of less than one (1) week.

53. **Temporary Transfers**

(a) Any employee transferred temporarily from a lower classification to a higher classification will receive the rate of pay for the higher classification.

(b) Any employee transferred temporarily from a higher classification to a lower classification will continue to receive the higher rate of pay. This will not apply where an employee exercises his seniority to remain working.

54. For the Company's hiring of additional permanent employees in any Classification that falls under this Agreement, the Company will give seniority employees the opportunity to bid for such positions by posting any open position for 2 weeks.

The posting will specify the Classification, the qualifications required to fill the position, the shift that the position is anticipated to fill, and any other pertinent information.

Seniority employees who submit their names via the Job Posting will be considered on the basis of qualifications and work records. Where all other factors are equal, seniority will prevail. If there are no qualified bidders, the Company will hire from the outside. Employees awarded a Job Opening will enter the same probationary and pay progression schedules as new hires, as specified by this Agreement.

ARTICLE XV

Leave of Absence

55. All employees who worked for the Employer for a minimum of twelve (12) months and worked at least 1250 hours during the past twelve (12) months are eligible for unpaid leave as set forth in the Family and Medical Leave Act of 1993 as amended (The Act). This section is intended to comply with any amendments or changes to the rules governing the administration of the Act that are in force during the term of the Agreement.

Eligible employees are entitled to up to a total of twelve (12) weeks of unpaid leave during a rolling twelve (12) month period for the following reasons:

1. Birth of a child or placement of a child for adoption or foster care and to care for that child.
2. The employee is unable to work due to the employee's own serious health condition.
3. To care for spouse, son, daughter or parent with serious health condition.
4. "Qualifying exigencies" related to certain family members' active military duty.

5. To care for certain family members recovering from an injury or illness suffered while on active duty in the armed services.

A serious health condition is an illness, injury, impairment, physical or mental condition that involved either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job or prevents the qualified family member from participating in school or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than three (3) consecutive calendar days combined with at least two (2) visits to a health care provider or one (1) visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

The employee's seniority rights will continue as if the employee had not taken leave under this Section.

The employee is required to provide the employer with at least thirty (30) days advance notice before FMLA leave begins if the need for leave is foreseeable. If the leave is not foreseeable, the employee is required to give notice as soon as practicable. The employer has the right to require medical certification of a need for leave under this Act. The employer has the right to ask for clarification and/or recertification related to FMLA leave requests. In addition, the Employer has the right to require a second (2nd) opinion at the Employer's expense. If the second opinion conflicts with the initial certification, a third (3rd) opinion from a health care provider selected by the first and second opinion health providers, at the Employer's expense, may be sought, which will be final and binding. Failure to provide certification will cause any leave taken to be treated as an unexcused absence.

As a condition of returning to work, an employee who has taken leave due to his own serious health condition must be medically qualified to perform the functions of his job. In cases where employees fail to return to work, the provisions of this agreement will apply.

No employees will be disciplined for requesting or taking FMLA under the contract, absent fraud, misrepresentation or dishonesty. Disputes arising under this provision will be subject to the grievance procedure. The provisions of this Section are in response to the federal FMLA and will not supersede any state or local law which provides for greater employee rights.

An employee who is absent because of illness or off the job injury, who is eligible for FMLA leave and whose condition qualifies for FMLA leave, will be charged with such leave. For any eligible participant who is absent from the job due to

any off the job injury or illness, and notifies the Employer, the Employer shall continue to make the required contribution for a period of twelve (12) weeks. The employee will also be required to continue making employee contributions during the specified period above to mirror employer contributions.

If an employee is absent due to the illness or injury of a family member and such health condition qualifies for FMLA leave, will be charged with such leave and the employer will make required contributions to the employee's Health benefits on the same conditions as such contributions would have been made if the employee had been continuously employed during such leave as may be covered by FMLA; contributions continue for twelve (12) weeks or twenty-six (26) weeks depending on the reason for the FMLA leave. Employees will also be required to continue paying their employee contributions during their leave.

Vacation time must be used concurrently with FMLA leave, no instances of absenteeism will be charged during FMLA leave.

Any future changes to FMLA law impacting the employer/employee contributions for health and welfare benefits will supersede the above language.

If an employee is absent and does not qualify for FMLA or has used up all of their FMLA time, the employer will continue to make the required contributions to the employee's Health benefit for a period of four (4) weeks, one time per calendar year. In this case, the employee will not be required to use vacation time, but will be charged instances of absenteeism in accordance with the Absenteeism Policy.

If an employee is injured on the job, the employer will continue to pay the required contributions until such employee returns to work; however, such contributions will not be paid for a period of more than six months. Employees who are out on workers' compensation may make weekly payments towards their health benefit. Employees that return to work from an on the job injury but go back off work due to the same injury, are eligible for a number of weekly contributions to the employee's Health benefit and Pension funds, equal to the number of weeks worked, not to exceed six (6) months. If an employee is suspended and/or placed on disability leave for the purpose of illegal drugs and/or alcohol rehabilitation, no contribution to the employee's Pension fund will be required by the Company.

56. Any employee being selected to a permanent office, or as a delegate to any labor activity necessitating a temporary leave of absence, shall be granted such leave of absence and shall at the end of the term in the first instance, or at the end of the mission in the second instance, be guaranteed re-employment with seniority accumulative during such leave

of absence, if there is sufficient work for which is in line at the then current rate of pay.

- 57. The Company may require any employee on a health leave to furnish a doctor's certificate subject to verification that he or she is physically able to return to full time work.
- 58. Any employee violating the above paragraphs shall be considered an automatic quit.

ARTICLE XVI

Overtime

- 59. (a) Overtime shall be scheduled by seniority and qualifications. High seniority employees will be given first preference to work the overtime. If the company is unable to obtain sufficient number of employees to perform the overtime work, then employees with least seniority will be forced to work the overtime.
- (b) For purposes of overtime assignment, seniority shall be shift specific. No shift jumping for overtime work due to seniority except for shifts with non scheduled production.
- (c) If a critical job is in process at the end of an associate's scheduled shift, and in order to maintain continuity on the job, he/she may be required to work up to 2 hours past quitting time regardless of his/her seniority ranking.
- 60. The Company agrees to post weekend overtime by 1400 hours Thursday, if at all possible, but never later than 1600 hours on Thursday, except in case of emergency. Emergency situations will be identified and discussed with the Union.
- 61. If an employee would be scheduled to work overtime on the weekend, and the employee was absent without excuse on any day- during that week, the Company may refuse overtime work for such an employee and assign it to another employee without regard to the notice requirements previously specified. Contractually compensated time not worked shall be defined as excused for purposes of this provision only.
- 62. Providing the Company meets the contractual requirements of Section 59, any employee who is scheduled for overtime work and does not show up will be charged with an unexcused absence.

63. (a) The Company will not schedule 12 hours per day except for emergency breakdowns, vacations, and/or absenteeism.
- (b) Schedules for special projects in excess of 10 hours per day will be voluntary.
- (c) Employees will not normally be scheduled for overtime such that there will be less than eight hours between the end of the shift on which the overtime is worked and the beginning of the employee's regular shift. This provision shall not, however, effect the scheduling of weekend overtime when only one shift is worked.
64. The Company agrees that probationary employees will not be eligible for overtime work while regular employees on the same shift are available, unless he is scheduled for training and is working along with a regular employee.
65. (a) No employee may be disciplined for refusing overtime work unless the Company is unable to obtain a sufficient number of employees to perform the overtime work.
- (b) If there are insufficient employees to perform the overtime work because of refusals, the least seniority employees then working said shift will be required to work.
66. (a) An employee who has worked three (3) consecutive weekends can have the fourth (4th) weekend off without incident, provided this section will not apply if an emergency situation exists and the Company has need for the additional personnel to correct such situation. Further, the employee must notify his or her supervisor 24 hours prior to taking his or her fourth (4th) weekend off and must have worked all scheduled days in that period with the exception of any contractual days off, other than days not resulting in an instance of absence.
- (b) Every effort will be made to assure that employees who have worked two (2) consecutive weekends will have one (1) weekend off; provided the jobs are manned to meet production requirements.

ARTICLE XVII

Bulletin Board

67. Management of Faygo Beverages, Inc. will provide the Maintenance Employees Committee with a bulletin board for Union notices, recreational notices, meeting notices, election notices and the posting of the results

thereof. Such bulletin board shall be located in the maintenance shop. it is mutually understood that the Maintenance Committee or the maintenance employees will not post Union notices or other documents in any other area than the bulletin board described above.

ARTICLE XVIII

Absenteeism and Tardiness

68. **Absence Policy.** Employees absent from work, with or without notice, shall be considered to have violated the Company rule prohibiting habitual absence from work when they have incurred seven or more instances of absence within the previous nine months worked.

(Periods of layoff or leaves of absence of five or more days shall not be included in determining the nine month period in which an instance of absence remains on an employee's record. In no event, however, shall such layoff or leave of absence extend the period beyond one calendar year.) More than seven instances of absence within a nine month period as herein defined may result in suspension or discharge. Employees shall not, however, be subject to suspension or discharge unless they have received a warning notice for an attendance related rule violation within the previous nine calendar months.

For the purposes of this policy, an instance of absence will not be charged for an approved Family Medical Leave (FMLA) but will be charged to an employee who is absent from work, with or without notice, in accordance with the following:

<u>Event</u>	<u>Number of Instance</u>
Absence without a proper medical Excuse	1 instance per day of absence
Absence with a proper medical excuse.	1 instance for each period of absence of up 5 days linked (e.g., 7 days off equals 2 instances) by a proper medical excuse (includes paid sick days). Absence for periods of 15 working days or longer for verifiable hospitalization, a long-term legitimate illness or a serious accident shall be considered one instance of absence.

Leaving work before
quitting time

1 instance if during first
permission with hour
of shift; 1/2 if during
second through fifth
hour of shift.

NOTE: The Company reserves the right to reduce, at its sole discrete on,
the number of instances charged for any period of absence for a
justified reason.

Instances will not be levied against employees for days of absence for
which an "X" day is available, unless the employee receives a paid sick
day for that day of absence. Employees shall have available three
excused ("X") days each nine months. In addition, effective 11/02/89,
employees may use their available "X" and sick days together as non-
chargeable paid absence days.

The following action shall be taken when an employee is charged with an
instance of absence:

<u>Instance</u>	<u>Action</u>
1 thru 3	None
4 and/or 5	Interviewed
6	Interviewed and warned that future instances may result in discipline.
7	Issued a warning notice
8	Normally issued a two day disciplinary layoff
9	Normally discharged, with or without a proper medical excuse, except for verifiable hospitalization, long-term, legitimate illness, or serious accident.

NOTE: The reason for an absence resulting in any instance for which disciplinary action is normally taken may be considered in determining the appropriate penalty, if any, but shall not necessarily be determinative of this issue. Additionally, failure to interview an employee about an instance of absence does not remove the absence from the employee's record or prevent the use of that instance in future disciplinary proceedings.

Three-Day No Call - No Shows or absences of three or more consecutive days without a justifiable reason will continue to be handled in accordance with Article VII.

69. Tardiness Policy - The following policy shall be used in the interpretation and administration of the Company rule prohibiting habitual tardiness contained in Schedule "A" of the Agreement between Faygo and the International Association of Machinists.

Employees who are late, with or without notice, shall be considered to have violated the Company rule prohibiting habitual tardiness when they have incurred seven or more instances of tardiness within the previous nine months worked. (Periods of layoff or leaves of absence of five or more days shall not be included in determining the - nine month period in which an instance of absence remains on an employee's record. In no event, however, shall such layoff or leave of absence extend the period beyond one calendar year). More than seven instances of absence within a nine month period as defined herein may result in suspension or discharge unless they have received a warning notice for a tardiness related rule violation within the previous nine calendar months.

For the purposes of this policy, an instance of tardiness will be charged to an employee who is late, with or without notice, whether or not the employee is allowed to work.* The issuance of an instance of tardiness shall not be determined on the basis of the extent, i.e., the length of such tardiness.

The following action shall be taken when an employee is charged with an instance of tardiness:

Instance	Action
1 thru 3	None
4 and/or 5	Interviewed
6	Interviewed and warned that future instances may result in discipline
7	Issued a Warning Notice
8	Normally issued a two day disciplinary layoff
9	Normally discharged - the reason for an employee's ninth instance of tardiness as well as the reason for the previous instance shall be considered in determining whether or not discharge is appropriate.

NOTE: The reason for an employee's tardiness may be considered in determining the appropriate penalty, if any, but shall not necessarily be determinative of this issue. Additionally, failure to interview an employee about an instance of tardiness does not remove the instance from the employee's record or prevent the use of that instance in future disciplinary proceedings.

*Employees more than 30 minutes late may, at the Company's discretion be refused work. Employees who call in not more than 30 minutes after their starting time will be allowed to work provided they report for work less than one hour late.

70. All employees to get three (3) excused absence days each nine (9) months not chargeable to attendance record.

ARTICLE XIX

Call-in Procedure

71. The following procedure is to be used whenever an employee is going to be late or absent from work for any reason:
- (a) Call telephone number (313) 925-1111 (Ext. 111). The Company's recorded answering service will tape the employee's message. The employee should use the following guidelines when calling:
 - (1) Speak slowly.
 - (2) Leave name, date and time, department and shift, reason for absence or tardiness, and when able to report for work.
 - (3) Company rules require employees to call in prior to the start of their regular work shift.
72. Emergency Calls. Emergency calls from or to Faygo employees will be handled exclusively on telephone number 925-1600. Absence, tardiness and non-emergency calls will not be taken on this number.

ARTICLE XX

Tool Allowance

73. Effective November 1, 2009, non-probationary Machinists and Electricians will be eligible to submit a Purchase Request (PR) for up to \$540.00 for basic tools necessary to perform their work, provided the employee completes a total inventory upon hire and by October 31 of each year. Procedure for purchasing new tools is as follows:

- A purchase request (PR) will be filled out by the employee listing the desired tool(s) as outlined in the tool list below. The total amount of the PR shall not exceed \$540.00 per contract year. New employees will be pro-rated through 10/31. In the event the employee leaves employment during the course of the year, the employee will be responsible for all pro-rated tool allowances remaining. Employees will be required to sign a payroll deduction form to allow the Company to recoup monies under these circumstances.
- Upon approval of the PR, the tool log will be updated by management and a purchase order placed with a company preferred supplier. Upon delivery

to the plant, the tools will be handed out to employees and the log book signed by respective employees confirming receipt.

The employees are accountable for the quality of their tools and having the correct tools to perform their daily jobs.

The company will provide all consumable parts (drill bits, taps, end mills, etc) and will be responsible for purchasing large specialty tools for the tool crib.

The Company will offer tuition reimbursement under the following:

- a.) 100% reimbursement of tuition, registration, lab fees and materials including textbooks following the completion of courses. Courses to be mutually agreed upon in advance.
- b.) Employees must receive a passing grade of "C" or better and submit all original receipts within 30 days of completion of the course for reimbursement.
- c.) The Company will not pay for supplies.
- d.) You must continue to remain an active full time employee in good standing for at least 2 years following the completion of your apprenticeship. Should an employee leave voluntarily or be discharged excluding layoffs or medical leaves of absence prior to the 2 year period, the employee will be responsible in repaying Faygo Beverages Inc. for all educational allowances.

ARTICLE XXI

What is Dischargeable?

- 74. The Company shall not discharge nor suspend any employees without just cause, but in respect to discharge or disciplinary suspension shall give at least one warning notice and one disciplinary layoff notice of the complaint against such employee to the employee in writing, and a copy of the same to the Union, except that no warning notice need be given to an employee before he is discharged if the cause of such discharge is dishonesty, drunkenness or drinking alcoholic beverages on the job. (Employees demonstrating evidence of being under the influence of alcohol or illegal drugs may be required to submit to a medical analysis examination. Refusal may subject the employee to discipline up to and including discharge), possessing intoxicating beverages, illegal drugs, guns or other weapons not issued by the Company and used in work on

Company premises or in Company trucks, striking a supervisor, insubordination, walking off the job, recklessness resulting in a serious accident while on the job.

Engaging in or creating a hostile work environment, or engaging in any type of other sexual or physical harassment in the workplace is a violation of company policy. Such violations will result in: 1st incident—3 day suspension; 2nd incident—discharge. Any dischargeable offense is subject to grievance procedures of the Contract.

75. The warning notice as herein provided shall not remain in effect for a period of more than nine (9) months from the date of said warning notice. Discharge must be by proper written notice to the employee and the Union and disciplinary action must be taken by the Company within five (5) working days after the Company becomes aware of the basis for the discipline if the employee is not working. Then within five (5) work days after his return to work, any employee may request an investigation as to his discharge or suspension. Further, the Company will have 10 working days to only issue warning and disciplinary layoff notices from the date the Company becomes aware of the infraction. Should any investigation prove that an injustice has been done any employee, or should an arbitrator conclude that the discharge or suspension was without just cause, and if the employee received a back-pay award, the Company has the right to deduct from the employee's back-pay award any sums received under the Michigan Employment Security Act which is applicable by law. Appeal from discharge or suspension must be heard within ten (10) work days, and- a decision reached within fifteen (15) work days from the date of discharge or suspension. If no decision has been rendered within fifteen (15) work days, the case shall then be taken up as provided for in Article VII hereof. An employee shall have the right to review his or her personnel file up to three (3) times per year upon written request. Additionally, the Company will provide the employee with a copy of any incident report or other material placed in the employee's file and the employee shall have up to three working days in which to present an explanatory or rebuttal statement which shall be included in the personnel file.

ARTICLE XXII

Company Rules

76. The Company shall issue rules and regulations from time to time for your guidance. The current rules and regulations are set forth in Schedule "A" attached hereto.

ARTICLE XXIII

Sick Leave

- 77. Effective November 01, 1980, seniority employees, after one year's service shall be entitled to five (5) eight (8) hour days as sick leave or personal leave days. Effective November 01, 1981 - 6 days, and effective November 01, 1982 - 7 days.
- 78. Personal days require prior notice and approval of the employee's supervisor and shall not be used with holidays.
- 79. These days, if not used during the contract year, shall be paid off at November 1, of each year, or during the year if the employee separates for any reason other than discharge for just cause.

ARTICLE XXIV

Plant Relocation Guarantee

- 80. The Company agrees that in the event a new plant is constructed in the Greater Detroit Area, that the employees of this Bargaining Unit shall have first preference to Maintenance Department jobs at the new facility if said facility causes any reduction in the work force at the Gratiot plant.

ARTICLE XXV

Non-Bargaining Unit Work

- B1. It is the policy of the Company that the employees of an outside contractor will not be utilized to replace seniority employees covered by this agreement to do work normally and historically performed by them.

Bargaining unit work will not be contracted out until all affected seniority employees in the classification or classifications involved are scheduled to work 5 days a week and 8 hours a day during the time that the contractors are at the plant working.

When necessary to utilize outside contractors Union shops or contractors shall be given first consideration for such work all other factors being equal (e.g., ability, quality, cost, length of time required). It is further understood that the Union shall furnish the Company from time to time with the names and addresses of Union shops and contractors.

Outside contractors may be utilized for the following reasons:

1. Where a need for special skills or equipment is required to assure a satisfactory job;
2. Where a warranty or guarantee work is required or where a vendor must work to install, prove out, repair or remove equipment;
3. Where the volume of additional work precludes the possibility of completion by unit employees within the required time frame;
4. For purposes of instruction or experimentation; and,
5. When regular employees are not available.

(The Memo of Understanding of March 18, 1982 is superseded by the above language).

81. (a) No supervisor or management employee shall perform work done by the employees covered in this agreement except where skilled unit employees are not available, in emergencies, or for the purpose of training or instruction.

ARTICLE XXVI

Health and Welfare

82. Effective January 01, 2013, the Employer shall switch from United Healthcare EPO Plan to the International Association of Machinists Motor City Health and Welfare Fund.

MEDICAL/DENTAL/VISION/RX /LIFE INSURANCE/DISABILITY			
	EMPLOYER-WEEKLY CONTRIBUTION	EMPLOYEE- WEEKLY CONTRIBUTION	TIERS
\$	130.87	\$ 78.50	EE
\$	221.02	\$ 104.43	EE + SP
\$	228.05	\$ 97.40	EE + Children (2 or less)
\$	195.51	\$ 129.94	Family

- a. Rates and employee contributions frozen for the term of the contract.
- b. Includes dependent life insurance for spouse and children.
- c. Deductions to be administered on a pre-tax basis.

If the Union produces a lesser cost Health Care package, the parties mutually agree to meet and negotiate contributions rates.

If an employee is absent because of an illness or off-the-job injury and notifies the Employer of such absence, the Employer shall continue to make the required contributions for a period of four (4) weeks. The employee shall pay the difference between the rate required to maintain the fund and the rate the Employer has agreed to contribute.

If an employee is injured on-the-job, the Employer shall continue to pay the required contributions until such employee returns to work. However, such contributions shall not be paid for a period of more than (6) months from the date of injury. If an employee is granted leave of absence, the Employer shall collect from said employee prior to the leave of absence being effective, sufficient monies to pay the required contribution into the Health and Welfare Fund during the period of absence.

Contributions to the Health and Welfare Fund must be made for each week for each regular employee to the appropriate fund. Contributions must be made for full weeks. Employees who withdraw from the H/C will still receive STD and Life Insurance and receive an annual cash incentive of \$1100.00 paid quarterly.

ARTICLE XXVII

Pension

83. (a) The Company agrees to become a participant of and make contributions to the International Association of Machinists Motor City Pension Fund for all employees working under this Agreement, effective on and after November 1, 1976, provided it received permission to transfer the funds previously contributed by the Company to its pension fund properly allowable to the employees covered by this Agreement.
- (b) The parties agree to cooperate in seeking approval for such transfer.
- (c) The amount to be transferred shall be determined by Wyatt & Company in accordance with generally accepted actual practices.

84. The Company agrees to make contributions to the International Association of Machinists Motor City Pension Fund for each employee covered by this agreement who has been on the payroll for thirty (30) days or more in accordance with the following schedule: Effective November 01, 2012, one hundred ninety-eight dollars and thirty-four cents (\$198.34) per week. Effective November 01, 2013, two hundred eighteen dollars and seventy-seven cents (\$218.77) per week. Effective November 01, 2014, two hundred forty-one dollars and thirty cents (\$241.30) per week. Contribution rate increases are based on signed addendum (11/28/08) to collective bargaining agreement (CBA) adopting 2008 Rehabilitation Plan.
85. The payments shall be made into a fund to be administered by the Employer Trustees appointed by the Company and Trustees appointed by the Union. The Employer and the Union will continue the Joint Committee to administer the Plan. The Fund shall bear the costs and expenses of the Joint Committee and Trustees in the administration of the Plan. If the Company is delinquent, a seven percent (7%) late charge will be added to the current bill.
86. The parties recognize that the transfer noted above was negotiated in good faith between the parties, and that the participation of the employees covered by this Agreement in the previous Company pension plan shall be terminated with the transfer of their accounts to the International Association of Machinists Motor City Pension Fund.

ARTICLE XXVIII

Miscellaneous

The following practices shall be continued. None others shall be recognized.

- (a) The Company agrees to furnish eight (8) sets of uniforms (uniform shirts and trousers) and launder four (4) changes per week. Replacements as needed will be furnished after the first year, during the month of November.
- (b) The Company agrees to purchase five (5) T-Shirts the first year, and three (3) each year after. The employee is responsible to launder them. Only Faygo T-Shirts will be worn.
- (c) The Company shall provide one (1) winter jacket on an as needed basis.
- (d) The employees covered by this Agreement shall continue to be eligible for the Company's tuition reimbursement program currently in existence for salaried employees as it may be amended from time to time.

- (e) Safety glasses, including one pair of prescription glasses, will be furnished by the Company. Broken or defaced glasses will be replaced once a year.
- (f) The Company will continue to provide expendable tools such as taps, dies, drills, cutters, reamers, broaches, specialty tools, etc. No hand tools
- (g) All employees will be allowed 10 minutes wash-up time at the end of their shift, at their applicable hourly rate, provided they work their entire regularly scheduled shift.
- (h) Company will provide headgear.
- (i) Unit employees shall continue to have own lockers.
- (j) Company will furnish rags.
- (k) Company will furnish ear protection.
- (l) Company will furnish tool storage.
- (m) It shall be normal practice that maintenance department employees shall be responsible to maintenance department supervisor, provided the Union recognizes that in the event of production stoppage, product quality or health and safety problems, the immediate area supervisor may issue instructions. In the event no maintenance supervisor is available, the maintenance employees will be assigned to report to another supervisor whose name shall be posted on the maintenance bulletin board.
- (n) It shall be an agreement by and between the parties that any employees asked to perform heavy duty construction and off-site store work by the Company that falls outside the jurisdiction of Faygo Beverages, Inc. or the scope of any classification described in the agreement, the employee shall have the right to refuse any such work with no ramifications from the Company.
- (o) Employees upon hiring will receive a mandatory security picture ID badge to comply with the Company's safety and security policy. All lost/damaged badges must be reported immediately to Human Resources or security. Badges must be replaced at cost by the employee.
- (p) Company will provide the required testing to achieve in house refrigeration and boiler licenses, two retakes will be afforded through the life of the contract.

ARTICLE XXIX

Picket Line

87. (a) It will not be a violation of this agreement, and will not be cause for discharge or disciplinary action, in the event an employee refuses to enter upon any property involved in a primary labor dispute or refuses to go through or work behind any primary picket line of the Union party to this Agreement, and including primary picket lines at the Company's place of business.
- (b) During the duration of this Agreement, the Union and its members, as individuals or as a group, including each bargaining unit employee, will not join or participate in on any sympathy strike. Disciplinary action, including discharge, may be taken by the Company against any employee or employees engaged in violation of this Article. (A sympathy strike is when one union strikes in support for another involved in a dispute, even though the first union has no disagreement with the employer.)
88. Any grievance claiming a violation of this section will be submitted to arbitration within five (5) working days after the filing of such grievance, any other provision of this Agreement notwithstanding, and either party will challenge the arbitrability or right to arbitrate a grievance when it arises. The arbitrator may make such affirmation order and award as he/she will consider necessary to remedy any breach of the Article, and such award will be final and binding upon the parties.

ARTICLE XXX

Duration

89. This Agreement shall be in full force and effect from November 1, 2012 to October 31, 2015, and shall continue in full force and effect from year to year thereafter, unless written notice of desire to cancel or terminate the Agreement is served by either party upon the other at least sixty (60) days prior to date of expiration.
90. It is further provided that where no such cancellation or termination notice is served and the parties desire to continue said Agreement, either party may serve upon the other a notice at least sixty (60) days prior to November 1, 2015 of an subsequent contract year, advising that such party desires to continue this Agreement, but also desires to revise or

change the terms or conditions of such Agreement. The respective parties shall be permitted all lawful economic recourse to support their request for revisions if the parties fail to agree thereon.

91. It is further agreed by the parties hereto that upon receiving proper cancellation notice or amendment notice to this Agreement, the parties agree to start negotiations at least forty-five (45) days before the expiration or amendment date of this Agreement.
92. In the event of an inadvertent failure by the Committee or the Company to give the notice set forth herein, such party may give such notice at any time prior to the termination or automatic renewal date of this Agreement. If a notice is given in accordance with the provisions of this Article, the expiration date of this Agreement shall be the Sixty-First (61st) day following such notice.
93. In the event of war, declaration of emergency or imposition of civilian controls during the life of this contract, either party may reopen the same upon sixty (60) days written notice and request renegotiation of matters dealing with wages and hours. Upon the failure of the parties to agree in such negotiations, either party shall be permitted all lawful economic recourse to support their request for revisions. If governmental approval of revisions should become necessary, all parties agree that the notice requirements of applicable law, so as to permit economic action at the expiration thereof.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seal this 1st day of November, 2012.

FAYGO BEVERAGES, INC.

Redacted by the U.S. Department of the Treasury

Redacted by the U.S. Department of the Treasury

Art Hanrehan

Redacted by the U.S. Department of the Treasury

Orlando Woods

IAM&AW Local Lodge 698

Redacted by the U.S. Department of the Treasury

Fred D. Koenig

Redacted by the U.S. Department of the Treasury

Robert Wozniak

Redacted by the U.S. Department of the Treasury

Mark Minko

Redacted by the U.S. Department of the Treasury

Ryan Niehaus

LETTER OF UNDERSTANDING

Between
Faygo Beverages Inc.
And
IAM Local 698
November 1, 2012

It is mutually agreed that the IAM and Faygo Beverages Inc will abide by the Faygo **Workplace Substance Abuse Policy** as listed below:

Workplace Substance Abuse Policy – All Employees

1.0 OVERVIEW

- 1.1 Alcohol and other controlled substance abuse once confined to a small percentage of our population, is today a growing national problem. It affects every industry and occupation. The effect on industry is exhibited in unsatisfactory job performance, increased tardiness and absenteeism, increased accidents and workers' compensation claims, higher insurance rates, and an increase in theft of and damage to company property.

Faygo Beverages, Inc. (The Company) has a vital interest in maintaining a safe, healthful and efficient working environment for its employees. Faygo Beverages, Inc. recognizes that individuals under the influence of controlled substances and alcohol jeopardize the safety and health of other employees as well as themselves.

Faygo Beverages, Inc. realizes that its own health and future are dependent upon the physical and psychological health of its employees. Accordingly, it is the right, obligation, and intent of the Company to maintain a safe, healthful, and efficient working environment for all its employees. Employees under the influence of illegal controlled substances or alcohol cannot and will not be tolerated.

With these basic objectives in mind, the Company has established the following policy with regard to use, possession, distribution, or reporting to work under the influence of controlled substances or alcohol.

- 1.2 It is the Company's intention to fully comply with all state laws and regulations governing drug and alcohol use and testing, and the current laws and regulations have been incorporated in this policy. In the event that the state laws or regulations are amended, this policy and the applicable term(s), conditions, and/or requirement(s) of the policy shall be deemed to have been amended automatically.

at that time, without the need for redrafting, in order to reflect and be consistent with such. In such case, the Company reserves the right to apply the amended requirements immediately, with prior notice to employees.

The Company also intends to comply with the applicable requirements of the Drug-Free Workplace Act of 1988, the Americans with Disabilities Act, and the Family and Medical Leave Act.

- 1.3 This policy is not intended, and should not be construed, as an employment contract. However, it will be included in the Agreement between the IAM Lodge #698 and Faygo Beverages, Inc. as a Letter of Understanding. None of the statements or policies outlined in this policy are meant to imply that the Company is guaranteeing employment for anyone. Final interpretation and implementation of any of the provisions set forth in this policy are vested solely with the Company.
- 1.4 Under the Company's policy, drug and alcohol testing will be conducted on any current and/or prospective employee who performs duties full, part-time, or on temporary assignment with the Company. (As defined in Section 4.1 of this Policy).
- 1.5 All applicants for positions with the Company will be notified of the Company's drug and alcohol use and testing policy at the time they apply for an employee position with the Company.

2.0 DEFINITIONS OF TERMS USED IN THIS POLICY

- 2.1 For the purposes of the policy and the Company's controlled substance and alcohol testing program, "*Controlled Substances*" refers to marijuana, cocaine, opiates, amphetamines, phencyclidine, and any substances listed on Schedule I-IV (21 CFR Part 1308) controlled substances or their metabolites, or any substance identified in Appendix D or the Federal Motor Carrier Safety Regulations.
- 2.2 For the purposes of the policy and the Company's controlled substance and alcohol testing program, "*Company Business*" includes, but is not limited to, work performed on or in Company property includes, but is not limited to, work performed on or in Company property including a Company vehicle being used for conducting Company business, the term also includes meal and break times.

- 2.3 For the purposes of the policy and the Company's controlled substance abuse and alcohol testing program, "*Company Premises*" includes but is not limited to all property and vehicles, whether owned or leased or used by the Company (including desks, lockers, washrooms, and other personal areas). It also includes any other locations or modes of transportation to and from those locations while in the course and scope of employment, except that with regard to alcohol only, legal possession of alcohol that is maintained in its original, unopened container in a locked private passenger vehicle, shall not be considered on Company property.
- 2.4 For the purpose of the policy and the Company's controlled substance and alcohol testing program, "*Medical Review Office (MRO)*" means a medical professional familiar with the metabolism of various drugs and their metabolites, and alternate explanations for chemicals present in the urine. The MRO shall receive the test result from the laboratory, contact the donor, and verify all prescription claims and issue the final determination of the test result.
- 2.5 For the purpose of the policy and the Company's controlled substance and alcohol testing program, "*refusing to be tested*" means any of the following: (i) failing to provide an adequate urine specimen for a drug test without a valid medical explanation; (ii) failing to provide adequate breath for a breath alcohol test without a valid medical explanation; (iii) failing to provide an oral fluid or Saliva sample if directed; (iv) failing to submit to a test directed; and/or (v) refusal to cooperate with the collection process; (vi) adulteration, substitution, or dilution of the specimen in a manner that renders the specimen unsuitable for testing; (vii) otherwise engaging in any conduct which clearly obstructs the testing process.
- 2.6 For the purpose of the policy and the Company's alcohol testing program, an alcohol test will be considered a "violation or positive test" when the alcohol concentration level registers 0.04 or greater.
- 2.7 For the purpose of the policy and the Company's controlled substance and alcohol testing program, "*under the influence of controlled substances*" means the detected presence of any controlled substance, or their metabolites, equal to, or greater than, the cut-off levels established by the Department of Health & Human Services (DHHS).

- 2.8 For the purpose of the policy and the Company's controlled substance and alcohol testing program, "substance abuse professional" means a licensed or certified substance abuse counselor (approved by the Company) with the knowledge of and clinical experience in the diagnosis and treatment of alcohol and controlled substances related disorders.
- 2.9 Illegal drugs as defined by Federal and State laws.

3.0 PROIBITED DRUG AND ALCOHOL USE AND ACTIVITIES

- 3.1 The goals of the Company's policy and the testing of the employee is to insure a drug and alcohol-free work environment, and to reduce and help eliminate drug and alcohol related accidents, injuries, fatalities, and damage to property.
- 3.2 In furtherance of the Company's goals, the conduct specified in section 3.3 of this policy is prohibited whenever an employee is on duty; whenever an employee presents themselves for duty, whenever an employee is otherwise engaged in Company business (as defined in Section 2.2 of this policy), or at the times otherwise specified in the policy.
- 3.3 The following conduct is strictly prohibited:
- i. Employees are prohibited from using, being under the influence of, or possessing illegal drugs.
 - ii. Employees are prohibited from using or being under the influence of legal drugs that are being used illegally.
 - iii. Employees are prohibited from using legal prescriptions whose use can adversely affect the ability of the employee to perform his or her job safely (as defined in Section 5.25 of the policy).
 - iv. Employees are prohibited from selling, buying, soliciting to buy or sell, transporting, or possessing illegal drugs while on Company time or property.
 - v. Employees are prohibited from using or being under the influence of alcohol while performing any job function.
 - vi. Employees are prohibited from testing positive for illegal drugs and/or alcohol.
 - vii. Employees are prohibited from refusing to be tested for drugs and/or alcohol (as defined in Section 2.4 of the policy).

- viii. Employees are prohibited from failing to stay in contact with the Company and its Medical Review Officer while awaiting the results of a drug test.
 - ix. Employees are prohibited from violating any applicable Federal and/or State requirements governing the use of drugs or alcohol.
 - x. Employees are prohibited from doing anything to obstruct the Company's goals with respect to drugs and alcohol including adding adulterants to the specimen.
- 3.4 An employee who violates these prohibitions will be subject to disciplinary action by the Company, up to and including discharge. In addition, any employee who is convicted by the judicial system of a felony for a drug and alcohol related matter will be subject to disciplinary action up to and including termination.
- 3.5 Use of products derived from the hemp plant (seeds, oils, drinks, or other edible products), shall not be considered a valid explanation for a positive controlled substance test.
- 3.6 Use of any product even for medicinal use which is authorized by any individual state, and not approved by the U.S. Federal Drug Administration and provided without a valid prescription (i.e. marijuana issued by recommendation of a physician), shall not be an acceptable explanation for a positive controlled substance test result.

4.0 TESTS REQUIRED

- 4.1 In general, the Company reserves the right to require testing of any employees under the following conditions or times:
- i. Prior to placement and/or during the initial 90 days of employment with the Company.
 - ii. For reasonable cause/suspicion.
 - iii. Following certain accidents ("post-accident" testing)
 - iv. A "return-to-duty" test on any employee who violates an act prohibited by Section 3.3 of this policy, as one condition of being able to return to work, if the Company offers to restate an employee.
 - v. A "follow-up" test for employees who are found to need assistance with a drug or alcohol related problem as one condition of that employee continuing to work for the Company.
 - vi. A "return-to-duty" test following any absence (other than vacation) of more than 5 days.

4.2 Pre-placement Testing

- 4.21 As a condition of employment, the employee shall provide a specimen prior to employment and/or within the first 90 days of employment, upon request by the Company. The donor must immediately report to the collection site and provide a valid specimen within and provide a valid specimen within the collection guidelines established by the Company.
- 4.22 All offers by the Company of a permanent position are conditioned upon the applicant providing a negative test result.

4.3 Post-accident/incident drug and alcohol testing

- 4.31 After a work related accident or incident which appears to require immediate medical treatment away from the scene of the accident of any employee involved in the accident, the Company reserves the right to test any employee whose actions could not be discounted as a contributing factor to the accident by their supervisor.
- 4.32 An employee who violates the requirements of this section shall be deemed to have engaged in "willful misconduct", which could result in the employee's loss of unemployment benefits and worker's compensation benefits under applicable State law.

4.5 Reasonable cause/suspicion testing

- 4.51 Each employee is required to submit to a drug and/or alcohol test whenever the Company has reasonable suspicion to believe that the employee has used, or possesses drugs and/or alcohol in violation of this policy.
- 4.52 Reasonable suspicion will exist when an employee's appearance, behavior, speech, or body odors indicate drug or alcohol use, or chronic and withdrawal effects of drugs or alcohol. Such observations must be documented by at least one Company official who has received training covering the physical, behavioral, speech, and performance indicators of probably drug and/or alcohol use.
- 4.53 Whenever an employee is notified that there is reasonable suspicion to be tested, the employee will be escorted to the collection site immediately to provide the specimen(s).

- 4.54 The Company will also attempt to contact the employee's spouse, another member of the family, or another person designated by the employee, in order to make arrangements for the safe transportation of the employee to his/her home after the required specimen(s) have been provided. In the event that the Company is unable to contact the employee's spouse, another member of the family, or another person designated by the employee, the Company will make arrangements for the safe transportation to the employee's residence.
- 4.55 If the employee rejects the Company's efforts in regard to safe transportation, and insists on driving his/her personal vehicle, the Company reserves the right to take whatever means are appropriate to prevent this, including contacting appropriate law enforcement personnel and imposing disciplinary action, up to and including discharge.
- 4.56 An employee who is required to take a reasonable suspicion test will be considered by the Company as unqualified to work, and placed on immediate suspension, **without pay**, pending the results of the test and consideration of the events or observations which caused the reasonable suspicion. Employees will be reimbursed for this suspension if test results are negative.
- 4.57 An employee who tests positive for drugs and/or alcohol, who refuses or fails to provide a reasonable suspicion drug and/or alcohol test(s) as required, who unnecessarily delays reporting to the collection site after notification, who adulterates or substitutes a specimen, or who otherwise fails to comply with the Company's testing procedures, will be subject to disciplinary action up to, and including, discharge.
- 4.58 An employee who violates the requirement of this section shall be deemed to have engaged in "willful misconduct", which could result in the employee's loss of unemployment benefits and worker's compensation benefits under applicable State law.

4.6 Return to duty testing

- 4.61 The Company is not obligated, and by the inclusion of this provision in this policy, does not undertake or commit to any obligation under this policy, to reinstate or rehire any

employee who violates any Company prohibition or requirement concerning drugs and alcohol.

- 4.62 Should the Company elect to consider reinstating or rehiring an employee who violates any Company prohibition concerning drugs and/or alcohol, that employee will be required to provide a negative test result at the conclusion of their required treatment as recommended by the Company's Substance Abuse Professional (SAP), and prior to being placed in service.
- 4.63 Before being permitted to return to duty, the employee must meet the following criteria:
- i. Execute "last chance agreement" provided by the Company, and endorsed by the Union.
 - ii. Cooperate with a face-to-face evaluation by a SAP approved by the Company.
 - iii. Authorize the Company to be notified of his/her cooperation with the SAP.
 - iv. Complete any treatment required by the SAP.
 - v. Cooperate with a return-to-duty interview with the SAP.
 - vi. Receive a return-to-duty recommendation by the SAP.
 - vii. Provide a negative return-to-duty specimen as required.
 - viii. Submit to any and all unannounced follow-up tests as required by the Company and/or SAP, 4 times during the first 12 months following the employee's return-to-duty.
- 4.64 An employee who tests positive for drugs and/or alcohol who refuses or fails to provide a reasonable suspicion drug and/or alcohol test(s) as required, who unnecessarily delays reporting to the collection site after notification, who adulterates or substitutes a specimen, or who otherwise fails to comply with the Company's testing procedures, will be subject to disciplinary action up to, and including, discharge.
- 4.65 An employee who violates the requirement of this section shall be deemed to have engaged in "willful misconduct", which could result in the employee's loss of unemployment benefits and worker's compensation benefits under applicable State law.

4.7 Follow-up testing

- 4.71 The Company is not obligated, and by the inclusion of this provision in this policy does not undertake or commit to any obligation under this policy, to reinstate or rehire any employee who violates any Company prohibition or requirement concerning drugs and alcohol.
- 4.72 Any employee who is determined to require treatment, including education classes, by a SAP, is required to submit to unannounced follow-up testing as one condition of being reinstated. Rehired, or otherwise permitted to return-to-duty after violating any Company prohibition or requirement concerning drugs and alcohol.
- 4.73 At a *minimum*, the employee will be required to submit to at least four (4) tests during the first 12 months following the employee's return-to-duty. All such tests will be conducted without prior notification to the employee.
- 4.74 An employee who tests positive for drugs and/or alcohol, who refuses or fails to provide a follow-up drug and/or alcohol test(s) as required, who unnecessarily delays reporting to the collection site after notification, who adulterates or substitutes a specimen, or who otherwise fails to comply with the Company's testing procedures, will be subject to disciplinary action up to, and including, discharge.
- 4.75 An employee who violates the requirement of this section shall be deemed to have engaged in "willful misconduct", which could result in the employee's loss of unemployment benefits and worker's compensation benefits under applicable State law.

5.0 TESTING METHODOLOGY AND INTEGRITY

- 5.1 To ensure the integrity and accuracy of each test, all specimen collection analysis, and laboratory procedures shall be conducted in accordance with Company standards and protocol. This includes, among other things:
 - i. Procedures to ensure the correct identify of each employee at the time of testing.
 - ii. A strict chain of custody procedure to ensure that the employee's specimen is not tampered with.

- iii. The use of a trained breath alcohol technician (BAT) for conducting alcohol tests.
- iv. The use of a laboratory which has been certified by the Substance Abuse and Mental Health Services Administration (SAMHSA).
- v. The confirmation of an initial positive drug screen by a second analysis using gas chromatography/mass spectrometry (GC/MS).
- vi. The confirmation of an initial positive alcohol screen by a second analysis.
- vii. The Company's appointment of a qualified Medical Review Officer (MRO) to review drug test results before they are reported to the Company's designated representative.

To further facilitate the integrity and accuracy of each test, the Company will provide employees with written and/or oral instructions regarding the conduct of the specific test before each testing event. The Company considers all such instructions to be a part of this policy. Employees who refuse or otherwise fail to comply with all such instructions will be subject to disciplinary action, up to and including discharge.

5.2 For all drug tests

- 5.21 All drug tests conducted under this policy require that the employee must provide a urine specimen determined by the Company.
- 5.22 At a minimum, urine specimens will be analyzed for the presence of the following drug classes: (1) marijuana; (2) cocaine; (3) opiates; (4) amphetamines; (5) phencyclidine. Specimens will also be analyzed for such other substances as the company may from time to time direct, or as may otherwise be permitted by Federal law. The Company reserves the right to begin testing immediately for an expanded panel of drugs with prior notice to employees.
- 5.23 In general, employees will be permitted to give a urine specimen in privacy and without being observed by collection site personnel. However, an employee forfeits this right whenever there is reason to believe that he/she may alter or substitute a specimen.
- 5.24 All urine drug tests will be administered using the split sample methodology. Under this methodology, the employee must provide at least 45 milliliters (mL) in a collection container. The collector will then divide the specimen into two specimen bottles. A minimum of 30 (mL) will be poured into one specimen bottle and a

minimum of 15 (mL) into the second specimen bottle. Both bottles will be sent to the laboratory. The bottle containing 30 (mL) will be analyzed as the employee's primary specimen. The second bottle will be held by the laboratory, to be sent to another lab at the employee's request in the event that the employee wishes to challenge the result of the primary laboratory. In the event the primary specimen is verified as positive, the employee will be notified by the MRO of the positive test and given the option to have the second bottle sent to a second SAMHSA laboratory for analysis.

To exercise this option, the employee must advise the Company's MRO within 72 hours of being told that the primary specimen was positive.

- 5.25 Nothing in this policy prohibits an employee's use of a medication legally prescribed by a licensed physician: (i) who is familiar with the employee's medical history and specific-sensitive duties, and (ii) who has advised the employee that the prescribed medication will not adversely affect the employee's ability to perform his/her job safely.
- 5.26 Before being tested for drugs, the employee will be given an opportunity to list, on their copy of the chain of custody form, any prescription and non-prescription medications being lawfully used by that employee at that time. A "positive" drug test may be declared "negative" by the Company's MRO, if the employee can prove with clear and convincing evidence that the drug which used prescribed by a licensed physician who is familiar with the employee's medical history and specific duties. The determination of this will be made of the Company's MRO.

5.3 For alcohol tests

- 5.31 All alcohol tests conducted under this policy require that the employee must provide a required specimen for any screening and confirmatory test conducted by, or on behalf of, the Company.
- 5.32 Alcohol tests will be administered by a trained Breath Alcohol Technician (BAT) or screen test technician (STT) using an approved testing device.
- 5.33 Before being tested by the Company, each employee will be required to, (1) present his/her personal identification and (2)

execute a "Breath Alcohol Test Form" provided by BAT/STT. An employee that refuses to provide his/her identification, provides a false identification, refuses to execute the "Breath Alcohol Test Form", or who otherwise refuses or fails to cooperate, will be determined to "refuse to provide a valid specimen when required", and will be subject to disciplinary action, up to and including discharge.

- 5.34 Prior to each alcohol test conducted by the Company, the BAT/STT will instruct the employee on how the test will be performed.
- 5.35 To protect each employee, the BAT/STT will open the testing mouthpiece in the employee's view. The employee will then be directed to blow into the breath-testing device until an adequate amount of breath has been maintained.
- 5.36 In the event that an employee is unable to provide an adequate amount of breath for the initial or confirmatory test after several attempts to do so, the employee will be required to submit to an evaluation by a licensed medical physician to determine whether a medical condition exists that would prohibit the production of a sufficient sample. If the physician determines that a valid medical condition does exist, the test result will be reported to the Company as "negative". If the physician determines that a valid medical condition does not exist, the test result will be reported to the Company as a "verified positive".

6.0 TEST RESULTS

6.1 For Drug Tests

- 6.11 In the event that the test result of an employee's primary specimen is positive, the employee will be notified by the MRO and advised that he/she has 72 hours to request that the MRO send his/her secondary specimen to a second, Company approved laboratory for analysis. Pending the outcome of this additional analysis, the employee will continue being considered physically unqualified to work.
- 6.12 Before an employee's test result will be verified positive for drugs, the employee will be given the opportunity to speak with the Company's MRO and demonstrate that there was a lawful medical explanation for the positive test result. If the MRO determines that a legitimate medical reason does exist, the test result will be

reported to the Company as "negative". If the MRO determines that a lawful medical reason does not exist, the test result will be reported to the Company as a "verified positive".

- 6.13 An employee whose test result is verified positive for drugs, will be considered unqualified to perform or continue performing his/her functions safely, and will be immediately subjected to disciplinary action, up to and including discharge. An employee who violates the requirement of this section shall be deemed to have engaged in "willful misconduct", which could result in the employee's loss of unemployment benefits and worker's compensation benefits under applicable State law.
- 6.14 *No employee who violates this policy will be permitted to return-to-duty unless and until he/she complies with the requirements of Sections 4.6 and 4.7 of this policy.*
- 6.15 An employee who violated this policy shall be deemed to have engaged in "willful misconduct" which could result in the employee's loss of unemployment benefits and worker's compensation benefits under applicable State law.

6.2 For alcohol tests

- 6.21 In the event that the employee provides an adequate breath or saliva specimen and the initial test registers an alcohol concentration level that is less than 0.04, the test result will be reported as a "negative" and no additional test will be required at that time.
- 6.22 In the event that the employee provides an adequate breath or saliva specimen and the initial test registers an alcohol concentration level that is 0.04 or greater, a second, confirmatory test will be performed. In the event that the employee provides an adequate breath specimen and the confirmatory test registers less than 0.04, the test will be reported to the company as a "negative".
- 6.23 In the event that the employee provides an adequate breath or saliva specimen and the initial test registers an alcohol concentration level that is 0.04 or greater, a second, confirmatory test will be performed. In the event that the employee provides an adequate breath specimen and the confirmatory test registers 0.04 or above, at a minimum the employee will be suspended without pay and will be subject to disciplinary action, up to and including discharge.

- 6.24 An employee who violated this policy shall be deemed to have engaged in "willful misconduct" which could result in the employee's loss of unemployment benefits and worker's compensation benefits under applicable State law.

Faygo Beverages, Inc.

Redacted by the U.S. Department
of the Treasury

IAM Local 698

Redacted by the U.S. Department of the Treasury

CONTRACT

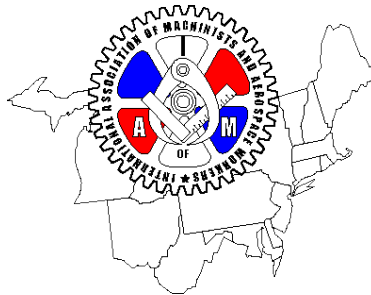
Between

**GEORGE P. JOHNSON COMPANY
AUBURN HILLS, MICHIGAN**



And

**INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS, AFL-CIO
MECHANICS MOTOR CITY LODGE NO. 698**



For the Period of July 1, 2012 through June 30, 2015

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A G R E E M E N T

This is an Agreement between **GEORGE P. JOHNSON COMPANY**, hereinafter referred to as the "Employer" or "Company," and **MECHANICS' MOTOR CITY LODGE NO. 698, I.A.M. & A.W.**, hereinafter referred to as the "Union".

PREAMBLE

It is the general purpose of this Agreement to promote the mutual interests of the Company and its employees and to provide for the operation of the Company's business under methods which will further, to the fullest extent possible, the safety of the employees, economy and efficiency of operation, elimination of waste, realization of maximum quantity and quality of output, cleanliness, protection of property and avoidance of interruptions of production. The parties to this Agreement will cooperate fully to secure the advancements and achievement of these purposes.

It is the further intent and desire of the parties hereto to establish an orderly relationship between the Company and the employees so that grievances and complaints will be settled quickly.

ARTICLE I **APPROPRIATE UNIT**

Section 1. The appropriate unit for the purpose of collective bargaining under this Agreement shall consist of the following classification: Maintenance, (Auburn Hills facility) excluding Supervisors and all other employees not specifically included. The Employer recognizes the Union as the sole and exclusive bargaining representative of all employees in the appropriate unit described herein.

AGREEMENT

THIS AGREEMENT, made and entered into as of the 1st day of July, 2012, by and between the **GEORGE P. JOHNSON COMPANY**, hereinafter referred to as the "Company" and **Mechanics' Motor City Lodge No. 698, IAM & AW, District Lodge No. 60**, hereinafter referred to as the "Union."

WHEREAS, it is the sincere desire of the parties to this Agreement that every possible means be continued and improved toward maintaining cordial and satisfactory relations between the Company and the Union and toward the advancement of mutual interest of both parties.

NOW, THEREFORE, in consideration of the mutual promises and covenants of the parties hereto, it is agreed as follows:

ARTICLE II **RECOGNITION**

Section 1. The Company recognizes the Union as the exclusive representative for all classifications of employees listed for purposes of collective bargaining in respect to rates of pay, hours of employment or other conditions of employment in Article I, Section 1 as the appropriate units and agrees not to bargain with any other group or agency during the life of this Agreement.

Section 2. It shall be a condition of employment that all employees of the Employer covered by this Agreement who are members of the Union in good standing on the effective date of this Agreement or the date upon which this Agreement is signed, whichever is later, shall remain members in good standing and those who are not members on the effective date of this Agreement or the date upon which this Agreement is signed, whichever is later, shall, on the thirty-first (31st) day following the effective date of this Agreement or the date upon which this Agreement is signed, whichever is later, become and remain members in good standing in the Union. It shall also be a condition of employment that all employees covered by this Agreement and hired on or after its effective date or the date upon which this Agreement is signed, whichever is later, shall, on the thirty-first (31st) day following the beginning of such employment become and remain members in good standing in the Union; and in the event an employee covered by this Agreement shall refuse and fail to become a Union member, the Employer shall terminate said employee's employment, and in the event the Employer fails to do so, said Employer shall pay to the Union the amount of Union dues and initiation fees that would have been paid by said employee during the period employed by this Employer, from the date upon which said employee would be required to join the Union and pay dues and initiation fees, this sum is not and shall not be regarded as a penalty, but as liquidated damages.

Section 3. In the hiring of employees to fill job vacancies in any of the classifications set forth in this Agreement, seniority employees shall be given preference and new hires (employees) shall be procured, subject, however, to the following conditions:

(a) Selection of applicants by the Union for referral to jobs shall be on a nondiscriminatory basis and shall not be based on or in any way affected by Union membership, By-Laws, rules and regulations, constitutional provisions, or any other aspect or application of Union membership policies or requirements.

It is further agreed that reasonable standards or criteria for making of referrals will be adopted and that such standards or criteria will be consistent with the terms of this Agreement and applied on a uniform basis.

(b) The Company retains the right to reject any job applicants referred to it by the Union. However, in the event the Company rejects any applicant so referred, it agrees to notify the Union thereof and also to reimburse such rejected applicant for any expenses incurred by him/her in connection with the referral.

(c) The parties to this Agreement shall post in places where notices to employees and applicants for employment are customarily posted all provisions relating to the functioning of hiring arrangements.

Section 4. All employees working for the Company and within the jurisdiction of this Union, shall become Union members, in the event they are not already Union members after the thirty-first (31st) day from their date of hire or thirty one (31) days after the execution of this Agreement, whichever date is later, and in the event an employee falling within such classification shall refuse and fail to become a Union member, the Company shall terminate said employee's employment and in the event the Company fails to do so, said Company shall pay to the Union the amount of Union dues and initiation fees that would have been paid by said employee during the period employed by the Company subsequent to thirty-one (31) days from the date of his/her hire or after thirty-one (31) days from the date of the signing of this Agreement, whichever date is later. This sum is not and shall not be regarded as a penalty but as liquidated damages.

ARTICLE III

UNION REPRESENTATION

The union shall be represented on the premises of the Company by one (1) steward, for the shop, who shall have seniority, and who shall be selected in any manner the Union desires.

The Shop Steward, by virtue of his position, shall have greater seniority than any other employee covered by this Agreement, in his classification or a lower classification, for layoff purposes only, provided he is qualified to perform the duties of the classification.

The Union shall serve upon the Company a written notice listing the Union Steward and Business Representative. The authorized representatives of the Union shall be permitted to enter the Employer's premises during normal business hours.

During the course of the Agent's visit it is agreed that he shall engage in no solicitation while on the premises for shall his presence cause any interruptions or disturbances of the Company's operation.

ARTICLE IV **CHECK-OFF**

Section 1. The Company will deduct from the first pay of each month the Union dues, initiation fees and other assessments of each employee covered by this Agreement for whom the Company has signed authorizations.

Section 2. The Union will furnish the Company with a check-off list in duplicate each month, indicating thereon the amount due for each employee. The Employer shall add to the check-off lists furnished by the Union the names, addresses, social security numbers and dates of hire of all employees that would be in the appropriate units as defined in Article I, Section 1 and whose names do not appear on the check-off lists furnished by the Union. One copy of the check-off lists furnished by the Union shall be returned with the stipulated amount and the additional amounts due for the added employees to the Union prior to the fifteenth (15th) of the month in which deductions were made.

Section 3. When employees are transferred to excluded classifications, the Company will give the Union a written notice of such transfers within a reasonable time from the date of transfer.

ARTICLE V **HOURS OF WORK**

Section 1. The work week will start at 12:01 a.m. on Sunday and shall continue through 12:00 midnight on Saturday. Eight hours shall constitute a standard work day and forty (40) hours shall constitute the standard work week.

Section 2. Time and one-half the regular rate of pay shall be paid for all work performed in excess of eight (8) hours in any one (1) day or forty (40) hours in any one (1) week.

Section 3. All work performed between the hours of 12:01 a.m. and 12:00 p.m. midnight on Saturdays shall be at time and one-half (1-1/2) regular hourly rate.

Section 4. All work performed between the hours of 12:01 a.m. and 12:00 midnight on Sunday shall be at double the regular hourly rate.

Section 5. The employees shall be paid double (2) time for all holidays worked and in addition thereto, shall receive the holiday pay. Holidays are set forth in Section 6 below.

Section 6. The following days shall be observed as paid holidays regardless of the day in the week in which the holiday falls.

New Years Day; Martin Luther King Jr.'s Birthday; Good Friday; Memorial Day; Independence Day; Labor Day; Thanksgiving Day; Christmas Day; Day before Christmas; and Day after Thanksgiving; (or days legally observed as such).

No work shall be performed on Labor Day except by special permission of the Union.

(a) In order to be eligible for holiday pay an employee must work the last scheduled work day before the holiday and his/her first scheduled work day after the holiday, to include mandatory work on Saturday or Sunday when notified by noon of the previous day.

Section 7. If a holiday (as defined under Section 6) falls on a day the Company is not regularly open for business, or if it falls on an employee's regular day off, the employee shall be paid for the holiday and shall not be required to take off without pay an additional day during the week.

Section 8. Holidays shall be counted as days worked for the purpose of computing overtime.

Section 9. All overtime work shall be distributed in each department among all employees in a manner which will give each employee an equal share of overtime so far as is possible.

Section 10. Employees shall be required to notify the Company in case they are unable to report for work. They should notify the Company within the first two hours of the shift starting time of the day they are unable to work.

Section 11. An employee who absents himself from his employment and does not notify the Company within twenty-four (24) hours as to the reasons for his/her absence shall be considered as having voluntarily quit his/her employment.

ARTICLE VI **WAGE PROVISIONS**

Section 1. The Wage Schedule shall be part of and supplementary to this Agreement.

SCHEDULE A

Section 2. It is agreed that the wages outlined in the supplement shall be regarded as the minimal and shall in no way be construed to interfere with the employees receiving higher than the prevailing scale for unusual skill, superior knowledge, length of service, at the discretion of management.

ARTICLE VII **RETROACTIVITY**

Section 1. Any retroactive pay due the employees under this contract shall be as set forth in the Wage Schedule Supplementary to this contract designated as Schedule "A".

ARTICLE VIII **VACATIONS**

Section 1. Employees will earn paid vacation time via an accrual for every straight time hour worked during the employees preceding anniversary year, per the chart below. The vacation that is accrued during the eligibility year will be taken and paid in the subsequent year to any active employee starting on the employees anniversary date. There will be no carryover of vacation time from year to year. Accrued and unused vacation time, shall be paid at time of layoff or next payday after their anniversary date whichever is sooner. Employees receiving a payout due to layoff will be entitled to take unpaid vacation time if/when they return to work only in the "usage year", once an employee reaches their anniversary date the employee shall have no further rights to take or carry over the unused days.

Number of Years with (1500) Straight Time Hours Worked	Maximum Amount of Annual Vacation	Hourly Accrual Rate
1-3	40 Hours	0.0267
4-7	80 Hours	0.0533
Greater than 7	120 Hours	0.0800

Section 2. All accrued vacations and holidays will be paid by the Company when employment is severed.

Section 3. A week of vacation pay will be equal to forty (40) hours straight time pay.

Section 4. There is to be no deduction or loss of vacation if an employee for reason of Medically certified illness up to a maximum of sixty (60) days absence from work.

Section 5. If a paid holiday occurs during the vacation period of any employee, (in effect it's the intent of the parties that such paid holiday would not be counted as a vacation day), such employee shall receive an additional day's vacation with pay for each holiday.

Section 6. Employees who terminate their employment for any reason whatsoever, except those employees whose discharge or resignation is attributable to misappropriation of funds, will receive accrued vacation pay when they are severed from their employment.

Section 7. Employees must provide a two week (14 Days) advance notice when scheduling vacation time. All vacation requests must be submitted in writing, submitted to the appropriate personnel and approved prior to the commencement of the vacation. Emergency vacation requests will be considered and approved at the sole discretion of Management. All vacation requests will be approved and scheduled on a “first come first served” basis.

ARTICLE IX **SENIORITY**

Section 1. Seniority shall accrue from the first day the employee began work at the job site.

Section 2. In the event it becomes necessary to lay-off employees working on a job site because of lack of work or to rehire employees who have been laid off, the following factors will be considered:

- (a) Seniority.
- (b) Ability to perform the job.
- (c) Minimum notice of four (4) hours will be given to employee and steward verbally.

Strict seniority shall govern among employees who have the ability to perform the job and the oldest employee with the longest length of service shall be the last to be laid off and the first to be rehired, unless he/she has been served two warnings, one verbal, one written, for any rule infraction over the past year they would forfeit their seniority for rehire.

Section 3. Employees shall not be required to accept temporary or part-time work in order to retain their seniority.

Section 4. Seniority rights shall be lost for any of the following reasons:

- (a) Employee quits.
- (b) Employee does not report on a call-back within two (2) calendar days after being notified by registered mail, exception being extenuating circumstances to be defined by the Company and the Union at the point in time it is an issue.
- (c) Employee is discharged for just cause and according to Article X Section 2 & 3.

Section 5. Seniority shall be determined on a job site basis, rather than on length of service with a Company.

Section 6. Job site seniority shall apply to all Union (Local 698) members employed at any given location or building at the time at which the Company enters into a maintenance contract at said location; said job site seniority shall be honored by the Company, and shall continue in full force and effect pursuant to the terms of this Agreement.

ARTICLE X

DISCIPLINARY ACTION AND DISCHARGE

Section 1. The first ninety (90) days of employment of all new employees shall be considered a trial period and employees who have completed their trial period shall be discharged for just cause only.

Section 2. The Company shall not discharge or suspend any employee without just cause, and in respect to discharge or suspension, the Company shall 1st give at least two (2) warning notices of the complaint against the employee to the employee, in writing, with a copy to the Union and job steward affected. It is agreed that no warning notice need first be given to an employee before being discharged if the cause for said discharge is dishonesty, drunkenness, sexual harassment or willful destruction of property. The warning notices as herein provided shall remain in effect for a period of six (6) months after which time they shall be null and void. The discharge notice must be in writing and a copy given to the employee and the Union. In the event the employee feels that his/her discharge or penalty is unjustified, he/she must follow the grievance procedure. In the event the employee fails to do so, the discharge or penalty shall be final and conclusive.

Section 3. Excessive absenteeism and tardiness will be grounds for disciplinary action, up to and including termination.

- Excessive absenteeism is defined as missing 2 or more of scheduled work days per month.
 - Excessive tardiness is defined as tardy to scheduled work start time 2 or more days per month.
- If you are absent because of illness for 3 or more consecutive days, your Supervisor/Foreman will require you to submit written documentation from your doctor. Failure to provide documentation will be grounds for disciplinary action up to and including termination.

Occurrences for unexcused absenteeism and/or tardiness will count concurrently towards the total accrual of occurrences for discharge or disciplinary purposes.

Progressive Discipline Chart will be as follows:

- 1st Offense Verbal Warning
- 2nd Offense 1st Written Warning
- 3rd Offense 2nd Written Warning + 2 Day Suspension
- 4th Offense Discharge

ARTICLE XI

GRIEVANCE PROCEDURE

Section 1. A grievance, subject to the following Procedure, shall include any and all disciplinary actions taken by the Company, any and all questions and disputes involving

contract interpretations, and any and all questions and disputes involving conditions of employment.

The Union shall have the right to file a group grievance as to a question or dispute involving more than one employee, which shall be filed with the Administrator for processing at the Third Step of the Grievance procedure set forth below.

In computing the time limits below, Saturday, - Sundays, and Holidays are excluded.

All unsettled grievances, as defined above, shall be subject to the following procedure:

FIRST: An employee having a grievance shall present it to his/her immediate supervisor. The employee may be accompanied by his/her Steward if he/she so desires. The immediate supervisor shall give his/her answer to the employee within five (5) days. If satisfactory settlement is not reached.

SECOND: The employee having a grievance shall reduce it to writing and file the original with the Company, with a copy to the Union, within ten (10) days of the event upon which it is based. The employee and Union Steward shall immediately attempt to settle the grievance with the employee's Department Head. The Department Head shall give his/her written answer to the employee and Union Steward within five (5) days of this meeting. If the grievance is not satisfactorily settled with the Department Head within five (5) days of the written answer.

THIRD: The Steward, employee and Union Representative shall take the matter up with the Administrator of the Company, who shall give his/her written answer within five (5) days. If satisfactory settlement is not reached in twenty (20) days.

FOURTH: The Union may request arbitration. The Union shall thereafter submit the grievance to the American Arbitration Association for processing of said grievance through arbitration in accordance with the Rules and Regulations of the American Arbitration Association.

Section 2. The cost of arbitration shall be shared equally by the Company and the Union.

Section 3. The decision of the arbitrator shall be final and binding on all parties and the Award of the arbitrator shall be enforceable as the agreement of the parties, at law or in equity, in any Circuit court having jurisdiction thereof, as an award rendered in a proceeding under Michigan Compiled Laws s423.9d, and amendments thereto, or in any federal court having jurisdiction thereof.

Section 4. The Company shall provide the Union, on the effective date of this Agreement, and immediately thereafter upon the effectuating any changes therein, the names of the Administrator and the name or names of the respective Department Heads to whom grievances are to be directed, pursuant to the steps outlined in Section 1 of this Article.

Section 5. In the event that one (1) individual is both Administrator and Department Head, Steps "Second" and "Third" shall be merged.

Section 6. A grievance concerning a discharge or suspension may be initiated at Step 3 within the time limits of ten (10) days set forth in Step 2 hereof.

Section 7. Every employee has an absolute right to meet with his/her Steward when the employee believes that he/she has a grievance. Stewards shall be permitted a reasonable amount of time in which to investigate grievances, which may arise and shall notify their supervisor when leaving for this purpose. The Steward shall also notify the supervisor of the area entered when arriving to investigate a grievance.

Section 8. In the event of a pay shortage, an employee is not bound to submit the grievance within the time periods above; however, said grievance must be submitted within three (3) years of the receipt of the pay.

Section 9. Nothing to the contrary withstanding, it is agreed that this Arbitration clause does not provide a bar to the Union's right to strike during the contract term in the event the Company breaches this contract.

In the event the Company fails to deduct and/or remit Union dues and initiation fees or to pay the contract wage rates (or to make its contributions to the Severance Fund)* the Union shall not be required to exhaust the grievance procedure herein but may seek judicial enforcement of the applicable contract provisions.

*If applicable.

ARTICLE XII **LEAVE OF ABSENCE**

Section 1. **Validation** - All leaves of absence as defined and provided for herein must be in writing with the signature of the company and the Union in order to be considered valid.

Section 2. **Health and Welfare Coverage** - Any employee on a leave of absence as provided for herein must make suitable arrangements for continuation of Health and Welfare payments prior to the approval of such leave by the local Union and Company.

Section 3. **Union Activity** - Any employee elected or appointed as an official of the Union or delegated to any labor activity, necessitating a leave of absence, shall be granted a leave of absence without pay for not more than one (1) year and be guaranteed re-employment at the end of such period with the same seniority as though he had been continuously employed,

provided, the Union supplies the Company with proper written notice of not less than forty-eight (48) hours specifying the length of such leave.

Section 4. Employees will earn paid sick time at an accrual rate of (0.043) hours of sick time for every hour worked during the preceding calendar year (1/1 to 12/31) based on (1500) straight time hours worked, up to a maximum of (64) hours. Paid sick time may then be used for absences due to employee illness during the subsequent calendar year from 1/1 to 12/31, following the year in which the sick time was earned for active employees. Paid sick time may be used for employee absence due to illness, which clearly prevents attendance at work. There will be no carryover of sick time from year to year. Accrued and unused sick time shall be paid at time of layoff or next payday after December 31st, whichever is sooner. When paid out at time of layoff when called back the time paid out will be made available as unpaid excused time, only during the same "Calendar Year", once an employee reaches January 1st, of the new year, the employee shall have no further rights to take or carry over the unused days.

Employees must provide as much notice as reasonably possible, within the first two hours of the shift starting time, when using Sick Time. Upon returning to work Employee's must complete the appropriate form to designate the absence from work as sick time within one work day. Failure to designate the absence from work as sick time may result in the Employee incurring an unexcused absence(s) for all days missed from work.

Section 5. The Company agrees to grant written leave of absence for a period up to three (3) months to any employee with one (1) year's seniority where adequate reasons can be shown. By mutual agreement, such leave of absence may be extended. Any employee granted such leave of absence shall be returned to work with accumulative seniority and at the prevailing rate of pay.

Section 6. Employees shall be covered by the Family & Medical Leave Act (FMLA) per regulations.

Section 7. An employee taking the place of another employee on leave shall be placed on the general seniority list and shall be entitled to the rights of a permanent employee in accordance with his/her seniority.

Section 8. Employees shall be covered by the Uniformed Services Employment and Reemployment Rights Act (USERRA) per regulations.

Section 9. An employee with a minimum of twelve (12) months seniority shall be entitled to three (3) paid leave days in the event of a death in said employee's immediate family. The immediate family for purposes of this paragraph, shall consist of parents, spouse, children, brothers, sisters, mother-in-law and father-in-law.

ARTICLE XIII
REST PERIODS

Section 1. All employees covered by this Agreement shall be entitled to each four (4) hour shift to a fifteen (15) minute rest period. In the event two (2) four (4) hours shifts are worked, there shall be a rest period of fifteen (15) minutes given before and after the lunch period.

ARTICLE XIV
INSURANCE HEALTH AND WELFARE

Section 1. The Company shall at all times carry Workmen's Compensation insurance in sufficient amount to provide adequate coverage and protection.

Section 2. The Company shall, regardless of the number of employees in his employ, become a subject Employer under the terms of the Michigan Employment Security Commission.

Section 3. The Company agrees to become and/or continue as a participating Company under the group insurance plan covering the bargaining unit employees (those who have completed the probationary period.)

(A) The parties hereto recognize the Health and Welfare Plan established jointly between the Mechanic's Motor City Lodge No. 698 I.A.M., and Motor Carriers' Employers Association of Michigan and Michigan Cartagemen's Association which has been designated the Mechanics Motor City Lodge No. 698, I.A.M. Welfare Fund

(B) Effective July 01, 2012 and for the duration of this agreement, the Company shall contribute a Maximum rate of \$257.00 per week to the Welfare fund for each employee who works under this Agreement and who has completed his/her probationary period. (One Hundred fifty-two Dollars (\$152) for single coverage and Two Hundred fifty-seven Dollars (\$257) for family coverage). Employee weekly contributions for coverage shall be Forty-Six Dollars (\$46.00) single and Fifty Dollars (\$50.00) family on a pre-tax basis.

Note: Any additional increases shall be paid through payroll deductions by the employee.

Both parties reserve the right to reopen the contract for Health Care purposes only if there is impact resulting from PPACA.

Current contribution for Pension is \$34.98 per week. Effective February 01, 2013, the Company shall contribute \$38.58 per week to the Pension Fund for each employee who works under this Agreement and who has completed his/her probationary period. Effective, February 01, 2014, contributions shall be \$42.55 per week. Effective February 01, 2015 contributions shall be \$46.93 per week.

*Note: The weekly contribution increases in the Pension Fund represent a 10.3% increase per the 2008 Rehabilitation Plan mandated by the Fund's "critical status" under the Pension Protection Act.

When an employee has completed his/her probationary period, the Company shall make the contribution to the appropriate Health & Welfare funds for said employee.

(C) The Company shall pay such amount to the Trustees of the Welfare Fund or to the depository as the Trustees may direct on or before the 10th day of the month following the month for which the contribution is paid. If the Company is delinquent a ten percent (10%) late charge will be added to the current bill, after being notified in writing.

(D) If an employee is absent because of illness or off-the-job injury and promptly notifies the Company of such illness or off-the-job injury, the Company shall continue to make required contributions to Health and Welfare for a period of four (4) weeks. If an employee is injured on the job, the Company shall continue to pay the required contributions until such employee returns to work, however, such contributions shall not be paid for a period of more than six (6) months. If an employee is granted a leave of absence, the Company shall collect of said employee, prior to the leave of absence being effective, sufficient monies to pay the required contributions into the Health and Welfare Fund during the period of absence.

(E) Employees shall pay into the Welfare Fund for insurance coverage for their dependents. The Company agrees to deduct such payments, payable to the Fund for those of its employees who deliver to it a written assignment with signature duly witnessed directing the Company to make such deduction. The deduction will continue until he/she gives written notice to the Company, with signature duly witnessed that he/she is withdrawing such authority. The monies so deducted during the month will be remitted on or before the 10th day of the following month to the Trustees of the Welfare Fund, in conjunction with the payments for employees as provided elsewhere in this Article.

(F) The Company has no obligation or duty hereunder other than to remit the prescribed sums, whether Company contributions or authorized deductions in accordance with the monthly statements forwarded by the Union. The Trustees shall be solely responsible for the procurement of the benefits to be provided under the program. The employees shall have no rights other than those specifically provided the said Trust Agreement.

(G) The Union shall, at the end of each month, furnish the Company a list of the employees for whom insurance contributions shall be paid to the depository (provided, of course, the work requirements have been met during such month.)

(H) The guaranteed contribution rate set forth in paragraph 3(B) above shall be a minimum rate contributed by the Employer throughout the term of this agreement.

The Employer and, the Union agree that, where the cost of providing the coverages specified in this agreement exceeds the amount being contributed by the Employer, the Fund shall have unilateral authority and discretion to adjust benefits, change coverages and/or carriers, and if necessary, eliminate benefits and/or coverage in order to coordinate the cost of benefits provided with the amounts contributed by the Employer.

(I) The guaranteed contribution rate set forth in Section 3(b) herein, shall be a minimum rate contributed by the Employer through the term of this contract. In the event the cost of the coverage presently provided to the employees under the Health Group Insurance Plan shall increase, the Employer agrees to pay the cost of the additional premium for the same coverage as is presently provided, and written notice of such additional cost should be given the Employer a minimum Of sixty (60) days prior to its effective date. Note: The additional premium cost referenced herein shall be paid through payroll deductions by the employee.

(J) In the event of a violation of any of the terms and/or Provisions of this Paragraph, or of failure on the part of the Company to comply with any of the same, the Company shall be directly liable and responsible for any and all benefits provided for herein to which any employee is, may be, or would have been entitled to receive had such violation and/or failure on the part of the Company not occurred.

(K) The Union shall have the right to strike upon failure of an Employer to forward the monthly contribution to the Fund, as set forth herein, without the necessity of utilizing the arbitration provisions of this Agreement and without the necessity of litigation by the Union, the Fund or any affected employee. The right to strike as set forth herein, can be utilized five (5) days after the Employees receipt of written notice of his delinquency by registered mail.

Section.4. Group insurance currently in effect for the employees covered by this Agreement shall be maintained as heretofore and continued as long as these benefits accrue to other employees of the Company.

ARTICLE XV

BULLETIN BOARDS

The Company agrees to provide bulletin boards so placed as to be accessible to all employees covered by this Agreement, exclusively for Union announcements and notices of meetings.

ARTICLE XVI

SUCCESSION

Section 1. If the Company sells, transfers or otherwise disposes of its company or causes it to be merged or consolidated with that of any other person or business, the Agreement by which such sale, transfer, disposition, merger or consolidation is made shall be provided that the person or business thereafter operating the Company shall specifically agree to retain in his employ those employees entitled to their jobs by virtue of this contract.

Section 2. Any Employer failing to comply with the above paragraph shall automatically assume any obligation arising from the failure to do so. However, the employer's liability shall cease completely at the time the successor corporation or entity operating the business agrees to assume all of the terms and conditions of the contract.

Section 3. The parties agree there is to be no subcontracting of work. Any contracts attempting to subcontract work, entered into between the Company and any employees or other parties, are void and null and the Company's responsibility as outlined in the contract herein will not be changed in any manner and said Company will continue to be responsible for all wages, working conditions, vacations, health and welfare payments and other benefits as set forth in this contract.

ARTICLE XVII

BARGAINING UNIT WORK

Section 1. Non-bargaining unit employees will not perform bargaining unit work except for the purpose of training, instruction or in an emergency situation.

ARTICLE XVIII
DURATION

This Agreement shall commence on the 1st day of July, 2012 and shall continue in full force and effect until June 30, 2015, after which date it shall continue for yearly periods from year to year thereafter unless either party gives written notice to the other party of intention to terminate, modify or amend such contract within sixty (60) days prior to the expiration or the end of any yearly extension period.

Signed this _____ day of _____, 2012.

For the Company:

GEORGE P. JOHNSON COMPANY

Otto F. Rosenbusch
Senior Vice President

Susan Scott
Senior Human Resources Mgr.

Brett G. Jordan
Senior Director Project Management

For the Union:

MECHANICS MOTOR CITY
LODGE NO. 698, I.A.M.A.W

Fred D. Koenig
Directing Business Representative

Alejandro Trevino
Steward

SCHEDULE 'A'
WAGE SUPPLEMENT

HOURLY WAGE RATES: Effective July 1, 2012 there will be a wage increase of 3.0% to all employees. A supplemental increase of 2.5% will be effective on July 1, 2013. An additional increase of 2.5% will be effective on July 1, 2014.

Minimum wage rate for maintenance after 1 year:

Position	Current Minimum Rate	New Minimum Rate- eff. 7/1/12	New Minimum Rate- eff. 7/1/13	New Minimum Rate- eff. 7/1/14
Working Foreman	0.10 hr above Maint.	0.10 hr above Maint.	0.10 hr above Maint.	0.10 hr above Maint.
Maintenance	14.04	14.46	14.82	15.19
90 Days Employ	9.00	9.27	9.50	9.74
90 Days- 1 Year	10.64	10.96	11.23	11.51

\$.25 above rate of pay for afternoon and evening shifts.

Mileage to be paid to employee for personal car use per IRS rate when authorized by Management.

For the Company:

GEORGE P. JOHNSON COMPANY

Otto F. Rosenbusch
Senior Vice President

Susan Scott
Senior Human Resources Mgr.

Brett G. Jordan
Senior Director Project Management

For the Union:

MECHANICS MOTOR CITY
LODGE NO. 698, I.A.M.A.W

Fred D. Koenig
Directing Business Representative

Alejandro Trevino
Steward

COLLECTIVE BARGAINING AGREEMENT

BY AND BETWEEN

PENSKE TRUCK LEASING CO., LP.

ALLEN PARK, PLYMOUTH, SAGINAW,
WARREN, and WIXOM, MICHIGAN LOCATIONS

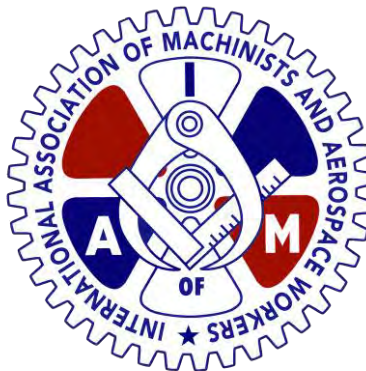


And The

INTERNATIONAL ASSOCIATION of MACHINISTS

and AEROSPACE WORKERS, AFL-CIO

MECHANICS MOTOR CITY LOCAL LODGE No. 698



EFFECTIVE DATES FROM MAY 1ST, 2016 THRU APRIL 30TH, 2019

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LABOR AGREEMENT

This Labor Agreement ("Contract" or "Agreement") made and entered into by and between Penske Truck Leasing CO., L.P. shops in Allen Park, Plymouth, Saginaw, Wixom and Warren, Michigan, hereinafter referred to as the "Employer ", and International Association of Machinists and Aerospace Workers, AFL-CIO, Mechanics Motor City Lodge No. 698, hereinafter referred to as the "Union".

The purpose and intent of this contract is to promote and encourage harmonious industrial relations between the parties in all matters pertaining to wages, hours, rates of pay, working conditions and other conditions of employment.

ARTICLE 1 - UNION RECOGNITION

SECTION 1: The Union shall be the exclusive bargaining agent on wages, hours and conditions for all Technicians (Techs) and Customer Service Representatives (CSR's) employed by Penske for its Truck service shops in Allen Park, Plymouth, Saginaw, Wixom, and Warren, Michigan, including group leaders, but excluding all office clerical employees, professional employees, guards and supervisors as defined in the Act.

SECTION 2: Provisions of section(s) outlined below shall apply only where such Union shop provisions are lawful and only to the extent permitted by law. If the state which is presently a right-to-work state becomes a non-right-to-work state, then this Section shall automatically apply within thirty (30) days of the effective date of such change without further negotiation.

- (a) All present employees who are members of the Union on the date of the execution of this Agreement shall remain members in good standing as a condition of continued employment. All current employees who are not members of the Union and all employees hired hereafter shall become and remain members of the Union in good standing as a condition of continued employment on or after the 31st day following the beginning of their employment or the 31st day after the execution of this Agreement, whichever is the later.
- (b) The Union may demand the discharge of any employee who, as of the tender date specified in (a), is delinquent in payments required under that Section. The Union will provide the Employer with such a demand in writing, provided that the Union has given the employee thirty (30) days written notice of the delinquency. Promptly after receipt of such demand from the Union, including verification of notice to the employee, the Employer shall discharge the employee for failure to comply with the obligations sets forth in (a).
- (c) An employee who has failed to acquire, or thereafter maintain membership in the Union shall be terminated within seventy-two (72) hours after the Employer has received written notice from the Union certifying that membership has been, and is continuing to be offered to such employee on the same basis as all other members, and that the employee has had notice and opportunity to make all dues

payments. This provision shall be made and become effective upon the parties' execution of this Agreement.

- (d) The Union shall comply with all legal obligations in enforcing this union security provision, and shall further indemnify and hold the Employer harmless against any and all legal claims or actions arising from enforcement of this provision.
- (e) The parties recognize that Michigan is a right-to-work state and under the Michigan Labor Code, and that no person can be denied employment because of membership or non-membership in the Union.

SECTION 3: No foreman or salaried employee shall perform work performed by employees covered in this Agreement except in emergencies or for the purpose of training or instruction.

SECTION 4: When new employees are hired, the Employer shall furnish a written report to the Union and the Shop Steward stating the name, classification, hourly rate of pay, and date on which employee's payroll earnings begin.

ARTICLE 2 - MANAGEMENT RIGHTS

SECTION 1: The rights to hire, transfer, promote, layoff, recall, discharge, or discipline employees for cause; and to maintain discipline and efficiency of employees is the sole responsibility of the Employer, except that Union members shall not be discriminated against as such. In addition, the location of plants, the schedules, methods, processes and means of operation are solely and exclusively the responsibility of the Employer.

ARTICLE 3 - SENIORITY

SECTION 1: Employees shall be regarded as probationary employees until their names have been placed on the seniority list. There shall be no responsibility for the re-employment of probationary employees if they are laid off or discharged during this period.

SECTION 2: The Employer and the Union mutually agree and recognize the first ninety (90) calendar days after the payroll earnings begin as a probationary period during which time new employees may be released without recourse to the grievance procedure contained in this Contract. The ninety (90) calendar day probationary period shall be extended by the number of days which the employee is absent from work. After the first of the month following sixty (60) days of full-time employment, the Employer will put into effect the pay for the Health & Welfare Program covered in Article 17. Probationary period can be extended by 30 days upon request from the Company.

SECTION 3: Bargaining Unit seniority shall be determined by the time and date the

employee's payroll earnings begin as of his most recent hire-in date to a location covered under this Agreement. Classification seniority shall commence at the most recent time and date the employee's earnings begin in their current classification. Classification seniority ties to be settled by referral to Bargaining Unit seniority.

SECTION 4: Seniority shall be by occupational classifications. The job classification presently in effect and shown in Article 11-Section 1, shall constitute separate occupational groups for seniority purposes and shall continue in effect unless changed by negotiations with the Union.

- A.** Employees hired and or acquired from Rollins or RentWay shall have three separate seniority dates. The first seniority date shall be the employee's date of hire with Rollins or RentWay. The first seniority date shall be used to calculate the vacation benefit only. The second seniority date shall be the employee's date of hire with Penske Truck Leasing. The third seniority date shall be the employee's job classification seniority date.
- B.** All employees in the Refrigeration Technician Classification prior to April 20, 2009, their seniority date shall be the same as their Penske Truck Leasing hire-in date. Any employees who become a Refrigeration Technician after April 20, 2009, their Refrigeration Technician Classification seniority date shall commence at the time and date their earnings begin as a Refrigeration Technician.

SECTION 5: In the event of a reduction in force, employees will be laid off on the basis of classification seniority. Employees in higher rated classifications can displace employees in lower rated classifications provided they have greater total seniority with Employer and provided they are capable of doing the work. In the event of a shop closing the employees at the effected location will have the opportunity to utilize classification seniority to bid into any other location covered by this Agreement. In the event the Employer opens a new location and agrees to cover such location under this Agreement, the Employer shall have the right to assign employees to such new location provided that the employee agrees to the assignment.

SECTION 6: In increasing the working force, employees with seniority will be called back in the reverse order in which they were laid off. Those employees who have bumped into a lower rated classification to avoid layoff shall be given the first opportunity for recall to their former classification. The Employer is obligated to extend one offer of recall, as such recall opportunity may occur, before promoting from within the bargaining unit or hiring from outside.

SECTION 7: The Employer will observe shift according to classification seniority. Where such seniority right is exercised, the shift shall be retained for not less than six (6) months unless the shift schedule changes or a vacancy occurs. An employee shall only have seniority rights for shift purposes, at his own facility.

SECTION 8: There will be one shift within each classification termed vacation relief

shift for the primary purpose of covering for employees absent while on vacation. There will be one shift within each classification termed LOA relief shift for the primary purpose of covering for employees on LOA. Seniority employees may bid for such shift. If no employee bids the shift, the least senior employee within the classification will be required to take the shift.

SECTION 9: In the event of a new job opening, before hiring from the outside or promoting from within, Employer will post online such new job opening for a minimum period of three (3) working days at each location. The most qualified candidate will be awarded the job. In the event that two or more candidates are equally qualified, then the most senior employee will be awarded the job. Individuals can utilize the grievance procedure if there are disputes in this process. An employee who successfully bids into a new job opening shall be ineligible to bid for a period of six (6) months, except for employees bidding on a promotional opportunity. There will be two (2) bids for any given opening, should a subsequent opening occur, the third (3rd) opening will be filled at the location where the vacancy occurs. When hiring from the outside, the Employer shall have the right to keep the new hire on any shift for a period through probation days before transferring said employee in accordance with the terms of this Agreement.

For training purposes, the Employer may offer qualified employees in seniority order, for purposes of establishing the order of scheduling such opportunity, across all locations the opportunity to work an off-shift day in the next higher classification to gain experience and exhibit skills and abilities to successfully perform at the next level. Such work will initially be performed under the direct supervision of the Employer and or a higher rated technician, and then progress to limited supervision until such time as the employee can successfully exhibit the ability to perform in the next higher classification. The Employer with the assistance of a higher rated technician shall review the employee's work to insure successful completion. Upon successful completion of the work opportunity, the employee will be certified as having performed proficiently and will not be required to continue working the off-shift to exhibit ability. For purposes of this paragraph an employee will possess the minimum qualifications for this offer presuming they have the required CDL-A licensing, no active written warnings, and have enrolled in and are progressing towards completion of the appropriate TCP level of training.

SECTION 10: To protect his seniority, it is the employee's responsibility to keep the Employer informed of his current home address. At the time of layoff, each employee will be given an opportunity to write his correct address over his signature, of which the Employer shall receive and provide the employee with a copy.

SECTION 11: In case of a shortage of work to be performed where it becomes necessary to reduce payroll costs it is agreed that the Employer will give the employees affected one (1) week notice before reduction is made except for a severe condition beyond the control of the Employer.

SECTION 12: Any full time employee covered under this Agreement who is advanced

to a position excluded from the bargaining unit, shall forfeit his classification seniority under this Agreement and will be afforded the opportunity to return to the bargaining unit within one hundred eighty (180) days. At the expiration of this one hundred eighty (180) days period, the employee's name will be deleted from the seniority roster.

SECTION 13: LOSS OF SENIORITY: Seniority shall be broken for any one of the following reasons:

- A. If the employee quits.
- B. If the employee is discharged.
- C. Failing to contact your Supervisor by the end of your third (3rd) scheduled workday and providing a satisfactory reason for missing three (3) consecutive scheduled workdays will be considered a voluntary quit.
- D. If the employee is summoned to return to work from layoff and fails to inform the Employer of his intent to return to work within three (3) working days or report for duty within seven (7) days of notification. Summons to return to work shall be by registered mail sent to his last known address.
- E. If he is laid off for two (2) years; or length of seniority whichever is lesser.
- F. Retirement
- G. If he accepts a position with another employer while on leave of absence.

SECTION 14: The Employer will post an up-to-date seniority list at all locations.

SECTION 15: Should the Employer deem a workforce reduction necessary, if qualified for the duty the Steward at the affected location shall be the last employee to be laid off and first recalled.

SECTION 16: The Employer may employ CSR's on a part-time basis. Such employees will be covered by the terms of the Agreement with the following stipulations:

- A. The Employer will determine the hours to be worked. A part-time employee who refused to work the scheduled hours is considered to have resigned. A part-time employee need not be assigned five consecutive workdays, although any hours worked in excess of forty (40) hours per workweek will be paid at one and one-half (1-1/2x) times the employee's regular straight time hourly rate of pay; however, total hours worked by a part time employee during any rolling twelve (12) month period shall not exceed one thousand (1000) hours.
- B. A part time employee will not be employed if there are full time CSR employees on layoff who have not been offered recall to perform the available work.

- C. Part-time employees will be laid off in order of seniority prior to regular full-time employees. Part-time employees will be recalled in order of seniority. The Employer may employ regular full-time employees prior to recalling part-time employees.
- D. Part-time employees are included only in the "Wages," "Recognition," "Garments," "Check-Off," and "Grievance Procedure" provisions of this Agreement; part-time employees are excluded from all other terms and conditions of this Agreement. Part-time employees can only use the "Grievance Procedure" to settle disputes arising under Article 3, Section 16 only.
- E. The Employer shall offer full time Tech III's or CSR's the option for holiday or overtime work before assigning part time employees to work on a holiday or overtime.
- F. Part-time employees will be paid two (2) times their hourly rate of pay only in an amount equal to the hours actually worked on the holiday.
- G. The Employer may assign any part time employees to any Location covered under this Agreement, in any number, provided that the Employer does not employ, in total, more than one (1) part time employee multiplied by the number of Locations covered under this Agreement at any time.
- H. Part time employees shall be allowed to work with full time Techs to help perform service and maintenance work.

ARTICLE 4 - LEAVES OF ABSENCE

SECTION 1: A leave of absence may be granted for personal reasons for a period not to exceed thirty (30) days upon written application of the employee to and approval in writing from the District Manager. Such leaves of absence shall not be renewed and seniority will accumulate during such leave of absence. The Union shall be notified of all leave of absence requests.

An unpaid leave of absence may be granted for Union Business as follows:

- A. The employee requesting leave must be an elected officer of the Union.
- B. The request for leave must be in writing or email from the Secretary of the Union and submitted to the District Manager or his designated representative one (1) week in advance of the requested leave date. Requests not submitted one (1) week in advance are subject to the Employer approval.
- C. Up to a maximum of ten (10) work days of excused leave per calendar year may be shared between those employees qualified to apply for leave under Paragraph

“A.” in this Section. Additional days may be granted subject to Employer approval.

SECTION 2: Any employee, who is known to be ill, supported by satisfactory evidence, will be granted a sick leave automatically not to exceed six (6) months, or in the event the employee is pregnant twelve (12) months. If the sickness continues beyond six (6) months, sick leave shall be extended on the approval of the management. Seniority of such employees shall accumulate during sick leave and shall be broken, figured from the date the sick leave started, on the same basis as provided in Article 3, Section 13(e), for laid-off employees breaking seniority.

SECTION 3: All of the above leaves of absence, including sick leaves, are granted subject to the following conditions:

- A. The return of any employee to work where such employee requests to return before the expiration of his leave of absence is at the option of the management.
- B. An employee who fails to report for work within three (3) working days after date of expiration of the leave shall be considered as having voluntarily quit.
- C. If upon the expiration of leave of absence there is no work available for the employee in line with his seniority, or if the employee would have otherwise have been subject to layoff according to seniority during the period of the leave, the period which breaks seniority shall start from the date of expiration of the leave.
- D. When a licensed medical physician determines in writing that an employee who is on an approved sick leave is capable of returning to work, the Employer may require an independent fitness for duty examination be performed. The cost of this examination shall be borne by the Employer. If the employee is found fit for duty, his leave of absence shall be terminated and the Employer shall return the employee to work no later than his next scheduled work week.

SECTION 4: Leaves of Absence for Military Service: An employee who is a member of the National Guard or Military Reserve will be granted a leave of absence without pay when ordered to active duty, or for annual training for the days specified in his orders. The Union and the Employer agree that seniority employees who have entered or who hereafter shall enter the Armed Forces of the United States shall be afforded all rights and duties as provided in The Uniformed Services Employment and Reemployment Rights Act of 1994.

SECTION 5: In accordance with applicable State and Federal law, any leave of absence granted shall run concurrently with all other such leave, including for example but not limited to, vacation, personal time, sick time, FMLA, STD, and LTD benefits.

SECTION 6: No leave of absence will be granted for the purpose of trying out a job with any other Employer.

ARTICLE 5 - GRIEVANCE PROCEDURE

SECTION 1: Employees covered by this Contract shall be represented by a Shop Steward and in the event an employee or the Union Representative believes he has been unjustly dealt with or any provisions of this Contract have been violated, he shall proceed as follows below; failure by the Union to comply with the timelines will result in the automatic withdrawal of the grievance. Failure by the Company to comply with the timelines will entitle the Union to be awarded the grievance.:

- A.** Report the matter in writing to the Shop Steward, who will take the complaint to the supervisor involved within seven (7) calendar days of the violation. If a satisfactory adjustment is not made, the Steward will then bring the matter to the attention of the manager or other qualified representative of the Employer within forty-eight (48) hours.
- B.** If not satisfactorily adjusted between the Steward and the Employer's representative within forty-eight (48) hours, then the Steward shall report the matter to the Union Representative on a grievance form.
- C.** If a satisfactory settlement of the grievance is not reached between the Employer and the Union, within seven (7) calendar days from the time of the Employer's answer in paragraph B, the matter shall then be taken up with the Employer's designated representative.
- D.** If a satisfactory settlement of the grievance is not made, the Union, within seven (7) days from the date of the Employer's designated representative's answer in paragraph C, can request that the matter be handled by arbitration.

SECTION 2: A list of seven (7) names will be obtained from the Federal Mediation and Conciliation Service. Upon receipt of such list, the Union and the Employer shall alternately strike three (3) names and the remaining name shall be the impartial arbitrator, the moving party shall have the first strike. Each side has the option to request a new list of arbitrators one time. Decisions of such arbitrator shall be final and binding upon all parties concerned. The Employer and the Union agree to evenly divide all expenses incurred by the arbitrator. The jurisdiction of the arbitrator shall be limited to the specific point or points in issue and shall not extend into unrelated questions not in issue. The arbitrator shall have no power to add to, subtract from or modify any of the terms or conditions of this Agreement. The Union or the Employer shall have the authority to withdraw or settle any grievance prior to the decision or award of the arbitrator. Such settlements shall be final, binding, and limited to resolving only the contested grievance, unless otherwise mutually agreed in writing.

ARTICLE 6 - CONDUCT OF EMPLOYEES

SECTION 1: Employees shall always present a proper and clean appearance and a courteous attitude in public and to customers of the Employer.

SECTION 2: The Employer will not discharge or suspend any employee without just cause and shall give at least one warning of the complaint against such employee in writing to the Union, and the employee, before he is discharged or suspended. Discharge or suspension must be by proper written notice to the employee affected with a copy sent to the Union.

No warning notice need be given in the case of dishonesty, workplace violence, possession of weapons while in the service of Employer or while on Employer property, immoral conduct while on duty, being under the influence of (as determined by failed drug/alcohol testing or a refusal to test) or in possession of intoxicating beverages or controlled substances in an amount other than prescribed to the employee while on duty, failure to report any accident which has resulted in personal injury or property damage, willful destruction of Employer's or public property or the property of fellow employees, theft, becoming involved in a serious motor vehicle accident while driving the Employer's vehicle as a result of negligence or recklessness, failure to immediately report arrest and or conviction of any offense that may or does result in the revocation or suspension of the employee's operator's license or CDL, using any cellular phone, or any hand held or hands free communication device while operating an Employer owned or Commercial Motor Vehicle, refusing to carry out a direct order of a superior, using an Employer's vehicle for personal use without permission, absence for three consecutive days without notifying the Employer. Such notification shall be by telephone or letter but must be made to the District Manager to whom the employee reports or the District Manager's designated representative before the end of the 3rd work day.

SECTION 3: An employee desiring to protest his discharge, disciplinary action or warning notice, shall file a grievance in writing within seven (7) calendar days with the Union and the Employer. The Employer shall issue discharges, disciplinary actions, or warning notices within seven (7) calendar days of the date the violation becomes known to the Employer, with the exception of acts involving proven dishonesty (theft, falsification, sabotage, etc.).

SECTION 4: Disciplinary actions or warning notices over twelve (12) months shall be removed from an employee's record, except for on the job preventable unsafe acts resulting in personal injury and property damage, which shall be removed after eighteen (18) months.

ARTICLE 7 - WORK WEEK

SECTION 1: It is understood that because of the unusual nature of the Employer's business, the operation shall be on a seven (7) day week basis. It is further understood that the Employer shall have the right to establish various shifts, whether it be day, night or Sunday, in order to cover all phases of its business. The workweek shall consist of five (5) consecutive days of eight (8) hours each day; or four (4) consecutive days of ten

(10) hours each day ("4/10") for all employees covered by this Agreement. In the event that the Employer schedules a standard 4/10 workweek, prior to implementation, the Employer and the Union shall meet to bargain a negotiated settlement of the terms of such implementation. All paid time off shall equal current daily work schedule. To that end, employees who are working a shift and have both Saturday and Sunday as part of their regular schedule work week shall receive a fifty cent \$0.50 per hour differential in addition to their regular hourly rate. Employees who work a regular scheduled Saturday shift shall receive a fifty cent (\$0.50) per hour differential for all such Saturday hours worked, this premium is in addition to their regular hourly rate, as well as any applicable Lead and/or Shift Incentive.

SECTION 2: Employees reporting for work on any day in accordance with their schedule shall be given a minimum of eight (8) hours work per day. Where possible the Employer will give advance notice of the need to work on scheduled days off.

SECTION 3: Time and one-half (1-1/2x) shall be paid for all hours worked in excess of eight (8) hours in any one day, and/or forty (40) hours in one (1) week, and double time (2x) shall be paid for all work performed on the seventh (7th) consecutive day worked of the employee's work week. Overtime must be authorized by either the shop manager, or someone acting in a managerial capacity before any such overtime is worked. The Employer will provide five (5) days' notice of mandatory scheduled overtime shifts, unless in case of an emergency that prevents the Employer from providing sufficient notice.

In the event that an employee uses a Sick Day during the workweek, the Employer will not require that employee to work a sixth (6th) day at straight time, however, the employee may volunteer to work the 6th day at straight time.

SECTION 4: Employees who are ordered to report to work on a scheduled day off shall receive a full eight (8) hours work. Any employee covered by this Agreement being called back to work before or after having completed his day's work will be guaranteed a minimum of four (4) hours work or four (4) hours pay. Such time to be computed as time and one-half (1-1/2x) the regular rate of pay.

SECTION 5: An employee regularly scheduled to work the afternoon or night shift shall receive his normal scheduled shift premium when temporarily assigned to the day shift.

SECTION 6: A work day shall mean a period of twenty-four (24) consecutive hours. A work week is defined as seven (7) consecutive work days, Monday through Sunday, commencing with the employee's scheduled starting time on his/her first day of the work week.

SECTION 7: An overtime list shall be posted and kept up-to-date. All overtime work on any shift shall be assigned within the classification and on the shift where it occurs, as defined in Article 7, Section 8 and shall be equally distributed. If an employee refuses or is not available for any reason for an overtime assignment, he shall be charged on his overtime records for the time worked on that assignment. Employees on a particular

job assignment will have first priority to finish work they are doing before the equalization provisions apply. Failure to comply with the provisions of this Section shall subject the Employer to the grievance procedure. In the event a violation is established, the Employer shall be given a maximum of thirty (30) days to comply with the equalization provisions of this Section."

SECTION 8: In all cases of absence, an employee must call in and inform a supervisor at least one hour prior to his shift starting time.

SECTION 9: Employees who are ordered to temporarily report to work at a different location covered under this Agreement shall be paid for the time to transport their tools to the assigned location on the first day of that assignment and then upon completion of that assignment shall be paid to transport their tools back to the employee's original location. The Employer shall also provide a vehicle to transport the employee's tools. Assignments of this nature will be temporary, to meet customer demands, and cover manpower needs. Such assignment will be at least one week in duration. The first workday of the assignment the employee will report to his original location. The employee will then report directly to the location of transfer each workday of the assignment thereafter. The assignment shall not exceed four (4) weeks in duration. Qualifications being equal, associates will be offered assignment in seniority order, greatest to least. If no associate accepts, the qualified least senior associate shall be assigned. The assigned associate will receive mileage pay at a rate of twenty-five cents (\$0.25) per mile traveled to and from the assigned location to that associate's bid location for each day the associate performs the assigned work.

In an effort to offer greater overtime work opportunities to employees at Locations other than that which the overtime work is required, after following the provisions in this Section, in the paragraph above, the Employer will offer the employees at the other Locations covered under this Agreement, an opportunity to work the overtime at the Location where the requirement exists in accordance with the provisions of this Section, in the paragraph above, except that an employee will not be charged for declining the offer to work the overtime at a different Location.

The Employer shall not make overtime mandatory for more than two (2) consecutive weeks. In the event that an employee worked mandatory overtime for two (2) consecutive workweeks, the Employer shall not require that employee to work mandatory overtime for a third (3rd) consecutive workweek. The two (2) week mandatory overtime limit shall reset immediately following the end of the third (3rd) consecutive workweek, however, the employee may volunteer for any overtime that is offered and this limit shall not apply.

SECTION 10: Unless mutually agreed otherwise, the Employer may in any combination place up to two (2) employees on unassigned shifts per Location covered under this Agreement. Unassigned employees shall be covered under all conditions and guarantees of this Agreement except that these employees may be worked on any shift/day during the workweek to make up the full-time workweek. Unassigned employees shall be given two consecutive days off, and placed on either the day shift or

afternoon shift and then given up to (1) week advance notice of when to next report for work if there is a schedule change and the estimated duration of the schedule change. The unassigned position shall be subject to bidding in seniority order greatest to least.

ARTICLE 8 - HOLIDAY PAY

SECTION 1: Hereafter, hourly rate employees shall be paid for the following legal holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Employees may use one (1) floating personal day for Easter Sunday.

Full time employees will receive two (2) Floating Personal Days upon successfully completing probation and will then grow in at the rate of one (1) additional floating day for each subsequent three (3) months of employment until reaching the maximum total of five (5) floating days per calendar year, in accordance with the following:

- A. The employee has seniority as of the date of the holiday, and
- B. The employee must have worked the last scheduled work day, the day of if assigned, and the next scheduled work day of such holiday to receive holiday pay, unless the absence is approved in writing in advance.

SECTION 2: Employees who have been laid off in a reduction in force, or who have gone on a sick leave during the work week of which the holiday falls shall receive pay for such holiday in accordance with Sections 1(A), (B) of this Article.

SECTION 3: When one of the above holidays falls within an eligible employee's approved vacation period, and he is absent from work during his regularly scheduled work week because of such vacation, he shall receive one (1) extra day's vacation with pay.

SECTION 4: When an eligible employee is on an approved leave of absence and returns to work following the holiday but during the week in which the holiday fell, he shall be eligible for pay for the holiday.

SECTION 5: Employees eligible under these provisions shall receive eight (8) hours pay at their regular straight time hourly rate, inclusive of night shift premium for each such holiday.

SECTION 6: Employees who may be requested, or in instances where the Employer fails to obtain a sufficient amount of volunteers, may require a lesser seniority employee to work on any of the above holidays shall be paid holiday pay in addition to double time (2x) for all hours worked in total compensation.

SECTION 7: Employees who have accepted or assigned such holiday work and then

fail to report for and perform such work, without reasonable cause due to unforeseen medical incapacity, shall not receive pay for the holiday.

SECTION 8: In applying this procedure, when any of the above enumerated holidays fall on Sunday and the day following is observed as the holiday by the Employer, it shall be paid as such holiday.

SECTION 9: For the purpose of computing overtime hours in any regular forty (40) hour week in which one of the legal holidays listed above falls, such legal holidays shall count a full eight (8) hours toward the regular forty (40) hour week.

SECTION 10: The Employer will pay for unused floating personal day(s) in the first full pay period immediately following January 1st of each year.

SECTION 11: If a legal holiday identified in Section 1 of this Article, falls on an employee's regularly unscheduled workday, said holiday will be observed on the closest scheduled work day of that work week. If an employee is required to work on a holiday that employee will receive pay for that holiday and two (2) times the regular hourly rate for all hours worked.

SECTION 12: A floating day request must be approved in writing one (1) week prior to occurrence: The Employer will reply to the request within three (3) business days, otherwise the employee may consider the day approved. Floating days not requested one (1) week in advance are subject to availability so as to not interfere with the efficient operation of the business. Four (4) of the floating days may be requested in one half day increments.

ARTICLE 9 - VACATION PAY ALLOWANCES

SECTION 1: The following provisions shall apply for vacation with pay:

- A. Eligibility date for vacation with pay will be the anniversary of the employee's seniority date.
- B. New employees covered by this Agreement having worked twelve (12) months and having worked no less than forty (40) weeks shall be granted an annual vacation of one (1) week (forty (40) hours) with pay, computed at the straight time hourly rate, including shift premium.
- C. Each employee having one (1) or more years seniority as of their eligibility date, who is ineligible for vacation with pay under the above paragraph, shall be entitled to full vacation with pay based upon his seniority, provided he had worked during sixty (60) percent of the fifty-two (52) pay periods ending with the last complete pay period in which his eligibility date occurs.
- D. Employees having two (2) years or more seniority as of their eligibility dates shall receive eighty (80) hours vacation with pay in accordance with the above

provisions.

- E. Employees having eight (8) or more years of seniority as of their eligibility dates shall receive one hundred twenty (120) hours vacation with pay in accordance with the above provisions.
- F. Employees having twelve (12) or more years seniority as of their eligibility date shall receive one hundred sixty (160) hours vacation with pay in accordance with the above provisions.
- G. Employees having twenty-five (25) or more years seniority as of their eligibility date shall receive two hundred (200) hours vacation with pay in accordance with the above provisions.
- H. All vacation pay to be paid on the last regular pay day prior to the employee's vacation.
- I. After the first full year of continuous employment with the Employer, an employee covered by this Agreement, who works more than forty percent (40%) of the year but less than sixty percent (60%) of the year, shall upon termination, receive a pro-rata vacation based upon the above schedule of eligibility. An employee who works in excess of sixty percent (60%) of the year, after the first year, shall receive a full vacation based upon the above schedule of eligibility.
- J. An employee may elect to take vacation pay in lieu of vacation, except for one (1) week.
- K. Employees with three or more weeks' vacation may take one week's vacation one day at a time. Such days shall be requested and approved with two weeks' notice.

SECTION 2: All vacations shall be set by the Employer with due regard for seniority, desires, and preferences of the employee consistent with efficient operations of the business, taking into consideration the volume of business; however, the Employer will not withhold dates or impose black-out dates for vacation selection period.

The Employer may allow up to one employee per classification per shift per location off on vacation if operational needs allow.

Yearly, the Employer will post an eligibility vacation list at all locations during the week of December 1st. This list will be posted for thirty (30) days to enable all employees to show their vacation preferences for the following calendar year. Vacation requests will be deemed as accepted unless rejected within 15 days following the end of the thirty (30) day vacation-scheduling period.

The Employer will review the requests and if any conflicts exist, seniority from last hiring-in date will prevail. The accepted schedule will be re-posted within fifteen (15) days

and this list will be protected from any further seniority preferences. Any changes or requests following the re-posting must be individually approved by management.

ARTICLE 10 - DEATH IN FAMILY

SECTION 1: When a death in the employee's immediate family occurs he will receive pay, not to exceed three (3) days at the regular rate of pay for the time lost from an employee's regular scheduled workweek only. Immediate family shall mean: the employee's spouse, (step) children, (step) mother, (step) father, (step) brother, (step) sister, current mother-in-law / father-in-law, and grandparents/children of the employee. When the death of an employee's current brother-in-law or current sister-in-law occurs he will receive pay, not to exceed one (1) day at the regular rate of pay for the time lost from an employee's regular scheduled workweek to attend the funeral of the deceased.

ARTICLE 11 - WAGES

SECTION 1: JOB CLASSIFICATIONS AND WAGE RATES

CLASSIFICATION	Ratification	5/1/2017	5/1/2018
REFER TECH	\$28.55	\$29.05	\$30.30
TECH I	\$26.55	\$27.05	\$28.30
TECH II	\$22.90	\$23.40	\$24.65
TECH III	\$20.15	\$20.65	\$21.90
CSR RED CIRCLE	\$20.30	\$20.30	\$20.30
CSR	\$17.50	\$17.75	\$18.25

All regular full-time employees shall be compensated at the following progression referenced below as percentages of their classification base rate until completing twenty-four (24) months of employment at which time they will be compensated at the full Contract rate specified herein this Article. The Employer shall retain sole discretion to accelerate the progression as conditions merit.

New Hire	80% of applicable rate
12 months	90% of applicable rate
24 Months	100% of applicable rate

SECTION 2:

- A. Shift Differential. An employee who is scheduled to work at least 60% of their assigned shift on a given workday, outside of the hours of 7:00 a.m. to 3:00 p.m., Monday through Friday, shall receive a shift differential incentive totaling one dollar (\$1.00) per hour for all hours worked during such shift in addition to their applicable hourly wage rate as provided for in this Article. The shift differential

incentive shall also be included in the employee's applicable hourly wage rate when calculating paid vacation, holiday, personal and sick time for each employee otherwise eligible to receive those benefits.

- B. Lead Premium. A group leader, where designated by the Employer, on each shift at Allen Park, Plymouth, Warren, and Wixom Locations, shall receive a one dollar (\$1.00) per hour differential in addition to the rates prescribed above.
- C. The Employer shall provide one set of external hearing protection for Technicians; and, rain gear and boots for each Customer Servicemen, which are to be used during working hours only. Replacement will be made for reasonable wear and tear.

SECTION 3: The Employer will provide tool insurance to the extent of personal loss as a result of proven theft from the Employer's premises and/or breaking and entry into a building in which the employee works and his tools are located and/or as a result of loss due to fire. Tool insurance will also be provided when an employee goes on a service call to a customer. It is the employee's responsibility to provide an inventory of his tools within sixty (60) days after the signing of this Agreement or from the date of employment, whichever is later, to the Employer. The Employer, at its discretion, will from time to time inventory the tools and will determine which tools are not required and will not be covered hereunder. The Employer, at its option, will repair or replace air operated tools with same or better quality listed on an employee's inventory list. There will be no insurance for any tools not listed on a tool inventory on file with the Employer.

SECTION 4: Employees will be reimbursed for business related expenses up to \$200.00 per calendar year upon presenting a paid receipt. Unused sums will not be carried forward.

ARTICLE 12 - GARMENTS

SECTION 1: The Employer will furnish and maintain up to five (5) uniform changes per week for employees covered by this Agreement. The uniform changes will include two (2) shop jackets beginning the 2nd quarter of 2013 and one (1) parka for each CSR, and shall run through the end of this Agreement.

ARTICLE 13 - DUES CHECK-OFF

SECTION 1: The Employer agrees to deduct from the employee's pay, all dues, initiation fees and/or uniform assessments of the International Association of Machinists and Aerospace Workers, and remit dues deductions electronically, or by check if there are issues electronically, to the IAM Grand Lodge office once each month within twenty (20) days after the last regular payday in the month for each and every employee within the appropriate unit, provided, however, that the Union presents to the Employer, a written and signed deduction slip for such dues, initiation fees and/or uniform

assessments. The Union shall indemnify the Employer and hold it harmless against any and all claims, demands, suits or other forms of liability that shall arise out of, or by reason of, any action taken or not taken by the Employer for the bona fide purpose of complying with the provisions of this Article or in reliance on any notice given by the Union to the Employer with respect to the employee's financial obligation to the Union. Any deductions made from subsequent payrolls in that month shall be included with the remittance for the following month. The Employer shall furnish the IAM Grand Lodge office, monthly, with a list of those for whom deductions have been made and the amounts of such deduction.

For the Employer's convenience, the IAM has provided two methods for the transmission of these dues check off documents and dues monies at no cost to the Employer.

1. Electronic Dues Document Upload Website: A secure website that allows the Employer to upload the dues check off documents.
2. Electronic Fund Transfer (EFT) via SunTrust / IAMAW Website: A secure website designed for the electronic transfer of dues money from the Employer to the IAM via a custom Sun Trust website.

In order to start transmitting the dues documents and dues money electronically, please logon and register your Employer at <https://locallodgecheckoff.iamaw.org>.

If you require further assistance, please contact the IAMAW Information Systems department at (301) 967-4799.

ARTICLE 14 - STRIKES, STOPPAGES AND LOCKOUTS

SECTION 1: For the duration of this Agreement, the Union, its officers, representatives and members shall not authorize, instigate, ratify or participate in any strike, slowdown, stoppage of work, interference with business, boycott or picketing, all of which are hereinafter referred to as "strikes". In consideration of this no strike pledge by the Union and the employees, the Employer shall not lockout employees for the duration of this Agreement.

SECTION 2: It shall not be a violation of this Agreement and it shall not be cause for discharge or disciplinary action in the event an employee refuses to enter upon any property involved in a lawful primary labor dispute or refuses to go through or work behind any lawful primary picket line, including the lawful primary picket line of Union's party to this Agreement and including lawful primary picket lines at the Employer's place of business.

SECTION 3: Should a strike or concerted stoppage of work by the bargaining unit

employees other than those permitted by Section 1 hereof occur during the term of this Agreement, the Union, within twenty-four (24) hours after receipt of written notice from the Employer, shall be obligated to do the following things only:

- a.) Advise the Employer in writing that the strike or stoppage has not been called or sanctioned by the Union.
- b.) Advise the employees that, in as much as no such strike or stoppage has been called or sanctioned by the Union, they are engaged in an illegal strike or stoppage and will instruct the employees to return to work immediately.

The obligation of the Union shall be limited to the performance of the acts required by Section 3, and upon compliance by the Union with the provisions of Section 1 of this Agreement, the Union and its officers, agents, and members shall have no further liability during the term of this Contract or thereafter, for any damage suffered by the Employer arising from or out of any stoppage or strike.

After the twenty (24) hour notification is provided by the Union, the Employer shall have the sole and complete right to immediately discharge any employee participating in any unauthorized strike, slowdown, walkout, or any other cessation of work, and such employee shall not be entitled to or have any recourse to any other provision of this Contract.

ARTICLE 15 - INJURIES ON JOB

SECTION 1: In the event a man is injured on the job the Employer agrees to furnish transportation to the doctor and then home or back to work, as the case may be, and to pay the employee for all lost time on the day of injury. An employee must report an injury to Management at the time the injury occurs.

SECTION 2: Should an employee feel that he is not receiving beneficial treatment after two (2) visits to a clinic authorized by the Employer; the employee may request treatment from a different authorized clinic and/or doctor.

ARTICLE 16 - FULL AGREEMENT CLAUSE

SECTION 1: The parties agree that the terms and conditions set forth herein represent their full and complete understandings and contemplations whether or not specifically referred to during negotiations as to wages, hours and working conditions, and that neither party shall be legally obligated to negotiate further on any of the terms and conditions stated above or not set forth herein during the life of this Agreement, except those specifically provided for herein or hereafter mutually agreed to in writing and properly executed by the parties.

SECTION 2: The Employer agrees not to enter into any other Agreement or contract

with the employees covered by this Agreement, individually or collectively, which in any way conflicts with the terms and provisions of this Agreement.

SECTION 3: The Employer is permitted to make and enforce any reasonable rules which do not conflict with the provisions of this Agreement. All such rules shall be posted for a period of six (6) calendar days before becoming effective and the Union shall be furnished a copy of such rules.

SECTION 4: The waiver by either party of any provision or requirement of this Agreement shall not be deemed a waiver of such provision or requirement for the future, or in the past, and shall not constitute a modification of this Agreement unless such provision or requirement is reduced to writing and signed by the parties to this Agreement. An arbitrator shall have no authority to determine or consider that this provision has been waived.

SECTION 5: Any provisions of this Agreement which are not in conformity with any valid Federal, State or Municipal law shall become null and void without voiding the remaining provisions of this Agreement. In such a contingency, the parties shall meet promptly to negotiate substitute provisions for those declared illegal.

ARTICLE 17 - HEALTH AND WELFARE

SECTION 1: Beginning January 1, 2019, full time employees covered by this Agreement will be eligible to enroll in the standard Penske Health Care Plan (the "Plan"). The terms and conditions of the Plan as modified shall be revised from time to time and such revisions will automatically be extended to employees covered by this Agreement at the earliest feasible date but not later than six (6) months from the date of such revisions. During the term of this Agreement, the weekly employee contributions for the health care plan referenced herein this Section shall not increase more than ten percent (10%) annually unless otherwise mutually agreed upon by the parties.

SECTION 2: Discounted DCC Plan. For those full time employees who have elected coverage under the Discounted DCC Plan shall be required to make the following reduced weekly contributions until December 31, 2018, after which time this plan will terminate:

2016 & 2017 & 2018 Discounted DCC Plan	
Single	\$9.63
Associate + 1	\$24.27
Family	\$36.53

SECTION 3: Employees will be eligible to enroll in the Penske Entry Level Benefit Plan (currently the "Plan"), as modified, on the 1st of the month following 60 days of full time employment. The terms and conditions of the Entry Level Plan shall be revised from time to time and any such revisions will automatically be extended to employees covered by this Agreement at the earliest feasible date but no later than six (6) months from the date of such revision. Full time employees will be eligible to enroll in the Plan referenced in Section 1 of this Article, after twenty-four (24) months of employment.

ARTICLE 18 - PENSION

SECTION 1: Effective upon ratification of this Agreement the Employer shall contribute weekly to the Mechanics Motor City Lodge No. 698 Pension Plan the following sum on behalf of such employees as identified in this Agreement:

Date	For PY	Weekly Rate
5/1/16	2016-17	\$257.59
5/1/17	2017-18	\$257.59
5/1/18	2018-19	\$257.59

SECTION 2: The Employer hereby agrees to enter into the appropriate trust agreements and such amendments thereto as are necessary for the administration of such fund, and to designate the Employer Trustees under such agreement, hereby waiving all notice thereof and ratifying all actions already taken or to be taken by such trustees within the scope of their authority.

SECTION 3: If an employee is injured on the job, the Employer shall continue to pay the required contribution for a maximum period of nine (9) months.

SECTION 4: Employers will be permitted to participate in the 401k program established through IAM Lodge 289 in Tacoma, Washington.

SECTION 5: In the event, during the term of this Agreement or after the expiration of this Agreement and before a new agreement or impasse is reached, the pension contribution rates specified herein should for any reason be increased by the Pension Plan Sponsor and/or any person or entity acting for or through such Pension Plan sponsor, the Union will take no action to cause the Employer's withdrawal from the Pension Plan; and, it is agreed that the total amount of said increase(s) shall be offset dollar for dollar by a reduction in wages, contractual benefits (including paid time off), or any contributions to other fringe benefit plans in which the bargaining unit participates. This offset requirement includes 'surcharges' or 'excise taxes' (as such terms are defined in the PPA of 2006) that may be assessed against the Employer.

SECTION 6: In the event that any time during the term of this Agreement or after the expiration of this Agreement and before a new agreement or impasse is reached the Employer at its discretion has the ability to provide an alternative pension plan that is equal to or better than the current vested benefit, including for example conversion to the IAM National Pension Plan, it shall be cause to reopen Article 18 of this Agreement so that the parties may negotiate transition out of the Mechanics Motor City Lodge No. 698 Pension Plan and into such new plan.

ARTICLE 19 - APPRENTICE

SECTION 1: The parties agree that at the option of the Employer, the Employer may participate in an indentured apprentice program at any time during the terms of this Agreement. Details of such an apprentice program will be worked out by mutual agreement between the Union and the Employer.

SECTION 2: The parties agree that at the option of the Employer, the Employer may participate in an advance apprentice program at any time during the term of this Agreement. The Employer and the Union mutually agree to follow the Addendum to this Agreement in regard to this program. Any further details will be worked out by mutual agreement between the Union and the Employer.

ARTICLE 20 - SUBCONTRACTING

SECTION 1: The Employer agrees that all classifications of work contained in this Contract come under the jurisdiction of Mechanics Motor City Lodge No.698, IAMAW and will use Company employees to perform all of said work. There shall be no subcontracting of work unless the Company lacks the necessary skilled employees, technology, specialized equipment or the facilities to perform the subcontracted work. The occasional non-regular use of outside vendors will not be considered subcontracting. It shall be considered a proper subject of the grievance procedure when a Company reduces its force through layoff, retirement or attrition and subcontracts work previously performed by members of the bargaining unit. This provision will not restrict the Employer's ability to utilize outside wash vendors.

It shall not be a violation of the Contract for the Employer to subcontract work provided the bargaining unit members are offered reasonable amounts of overtime, in the week that it occurs.

ARTICLE 21 - MOONLIGHTING

SECTION 1: It is agreed between the Employer and the Union that no employee will work for another Company or go into business for himself while in the employ of the Employer where such business is in competition with the Employer or where such work impedes the efficiency of the individual involved or the efficiency of the operation of the Employer.

ARTICLE 22 - NO DISCRIMINATION

SECTION 1: The Employer and the Union agree that neither will discriminate either directly or indirectly, nor will they permit any of their agents, members or representatives to discriminate either directly or indirectly against any employee by reason of race, gender, color, disability, national origin, age, religion, union affiliation, sexual orientation, veteran status, citizenship, gender identity and/or expression, or other status protected by law.

SECTION 2: The use of the masculine gender in this Agreement shall include both male and female.

ARTICLE 23 - SICK DAYS

SECTION 1: Any employee covered by this Agreement who is absent from work because of a bona fide illness and who has been employed for more than one (1) year shall be entitled to five (5) paid sick leave days. Sick days renew on January 1st of each year.

Employees will receive two (2) Sick Days upon successful completion of probation and will then grow in at the rate of one (1) additional sick day for each subsequent three (3) months of employment until reaching the maximum total of five (5) sick days as referenced herein Section 1, of this Article.

SECTION 2: Any unused sick days shall be paid for to the above qualified employee on January 1st of each year.

SECTION 3: No employee shall be entitled to payment for unused sick days unless he is employed by the Employer on January 1st of each year.

ARTICLE 24 - SUCCESSOR IN INTEREST

SECTION 1: This Agreement shall be binding upon the parties hereto, their successors, administrators, executors and assigns. In the event an entire operation or any separable, independent segment thereof is sold, leased, transferred or taken over by sale, transfer, lease, assignment, receivership or bankruptcy proceeding, such

operation shall continue to be subject to the terms and conditions of this Agreement for the life thereof. It is understood by this Section that the parties hereto shall not use any leasing device to a third Party to evade this Agreement.

SECTION 2: The Employer shall give notice of the existence of this Agreement to any purchaser, transferee, lessee or assigns of the operation covered by this Agreement or any part thereof. Such notice shall be in writing with a copy to the Union not later than the effective date of the sale. In the event that employees' classifications and/or wages are affected by a merging or consolidation of garages because of purchase, acquisition or other means, representatives of the Employer and the Union shall, prior to the actual consolidation or merging of the garage, arrange a meeting to negotiate the proper classifications and wages of the employees affected.

ARTICLE 25 - NON-PARTISAN POLITICAL LEAGUE

SECTION 1: The Employer will deduct for the Machinist's Non-Partisan Political League (MNPL) from the pay of each employee who executes and files with the Company a proper check-off authorization form (as supplied by the Union for such deductions) and forward this amount to the Treasurer of the Machinist's Non-Partisan Political League at 9000 Machinists Place, Upper Marlboro, MD 20772.

ARTICLE 26 - COMMERCIAL DRIVERS LICENSE

SECTION 1: A Class "A" Commercial Driver's License (CDL) is required by all employees for employment. The Employer will provide the following resources for employees to obtain the required CDL:

- A.** When the employee's first road test is scheduled at the provider identified by the Employer, the fee for the first road test will be paid by the Employer; under no circumstances shall the Employer pay for outsourced training or any subsequent road test.
- B.** The cost assessed by the Michigan Secretary of State for the initial CDL will be paid for by the Employer, including any endorsements required by virtue of specialized equipment. CDL renewals will be the responsibility of the employee.
- C.** To maintain continued employment, employees are required to possess a valid CDL learners permit before successfully completing probation, and then possess a valid CDL within six (6) months of employment.
- D.** The Employer will provide training to aid employees.
- E.** The Employer will provide a vehicle to use for testing.

The Employer recognizes circumstances occur where employees may not be able to achieve or maintain a commercial driver's license due to their inability to pass a DOT physical exam. Should the inability to achieve or maintain a commercial driver's license occur due to an inability to pass a DOT physical exam, the Employer will comply with the provisions of the American's With Disabilities Act.

ARTICLE 27 - TRAINING

SECTION 1: All employees are required as directed to participate in Penske provided training. Each employee shall be encouraged to identify their training needs, and desires, in writing and deliver such written requests to their immediate supervisor so that the individual employee's experience and or need for training may be evaluated.

In the event of a Reefer Tech training opportunity, the Employer will post such Reefer Tech training opportunity for a period of three (3) work days at each Location. The most qualified candidate will be awarded the training. In the event that two (2) or more employees are equally qualified, then the most senior employee will be awarded the training. Minimum "qualifications" for bidding on such Reefer Tech training opportunity shall be defined as: possessing a valid CDL-A, no active written warnings, and enrollment in and progression towards completion of the appropriate TCP level of training. An employee who successfully bids into a new Reefer Tech training opportunity, upon award of the position shall be committed to remain in that classification for four (4) years. In the event of a reduction in force within that commitment period Article 3, Section 5, shall be applied.

Copies of all postings will be given to the Union. The Employer will identify the employee to whom the training has been awarded, by email, to notify the Union and the Stewards of the award. It shall be the responsibility of the Union and their Stewards to keep email addresses current.

SECTION 2: To the extent that the training is available, the Penske TCP program and related materials shall be made available to all employees.

ARTICLE 28 - GENERAL

SECTION 1: VISITATION: An official representative of the Union shall be permitted reasonable time to visit the Employer's premises before or after working hours and during break periods for the purpose of ascertaining whether or not this Agreement is being observed by the parties and/or for assisting in the adjusting of grievances. Such representative shall not interfere with the work of any employee and shall, at all times comply with shop rules. Union representatives agree to notify Employer at least 1 hour in advance of any such visits to the represented facility.

SECTION 2: The Employer will furnish a Union Bulletin Board located in the locker room as practicable for use by the Union for notices relating to Union business which shall not

be derogatory of the Employer, Co-workers, Customers, or the General Public.

SECTION 3: STEWARDS: The Employer recognizes the right of the Union to designate Stewards from the Employer's seniority list for each shop covered under this Agreement. The Union will advise the Employer in writing of the designated Stewards. The authority of the Stewards so designated by the Union shall be limited to and shall not exceed the following duties and activities:

- (a) The investigation and presentation of grievances to the Employer in accordance with the provisions of the Agreement at a time that does not interfere with the Employer's operational needs. Employer paid time for grievance handling is a privilege and must be mutually agreed to before such obligation arises.
- (b) The transmission of such messages and information, which shall originate with, and are authorized by the Union, or its officers, provided such messages and information:
 - (1) Have been reduced to writing;
 - (2) If not reduced to writing, are of a routine nature and do not involve work stoppages, slowdowns, refusal to handle goods, or any other interferences with the Employer's business.
- (c) Stewards have no authority to take strike action, or any other action interrupting the Employer's business, except as authorized by official action of the Union.
- (d) For the purpose of layoff, recall, downgrading or demotion, the Steward(s) will have top seniority during their tenure of office presuming they are qualified and able to perform.

SECTION 4: SAFETY: The Employer shall furnish and maintain safe and healthful conditions in the facilities, including clean and adequate washing facilities and toilets, proper ventilation, vehicle lifts, garage doors, lights, special tools, drains and all other related repair and facility equipment. Basic first aid supplies also will be available for first aid treatment, and the Employer shall make available non-prescription safety glasses and any other Employer/OSHA-required safety equipment. All employees shall immediately report to the Employer any mechanical defects or safety hazards in the facilities and/or machinery, tools or equipment of which the employee is aware. An employee also must immediately report any on-the-job accident or injury in which the employee is involved to their manager and must fully cooperate in the investigation of any on-the-job accident or injury involving the employee or any other employee.

SECTION 5: BREAKS, MEAL AND CLEAN-UP PERIODS: Employees shall be entitled to an unpaid lunch period each day of not less than thirty (30) minutes and two (2) paid breaks per day of ten (10) minutes duration.

ARTICLE 29 - TERM OF AGREEMENT

This Agreement shall be effective upon ratification and shall be and continue in full force and effect up to and including three (3) years from May 1st, 2016, and this Agreement shall automatically renew from year to year thereafter, unless notice by registered mail is given by either party to the other not less than sixty (60) days prior to the current termination date thereof, of intention to modify or terminate this Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto.

IN WITNESS WHEREOF the parties hereto have caused their names to be subscribed by their duly authorized Officers and Representatives this 30th day of September, 2016.

FOR THE EMPLOYER:
PENSKE TRUCK LEASING.

FOR THE UNION:
INTERNATIONAL ASSOCIATION of
MACHINISTS and AEROSPACE
WORKERS

Redacted by the U.S.
Department of the Treasury

Jeff McLeod – Business Representative
Redacted by the U.S. Department of the
Treasury

Matt Combs – Bargaining Committee
Redacted by the U.S. Department of the Treasury

Sean McDonald – Bargaining Committee

Redacted by the U.S. Department
of the Treasury

John Roberson – Bargaining Committee
Redacted by the U.S. Department of the
Treasury

Justin Thomas – Bargaining Committee

APPENDIX “A”

During the course of the negotiations, the parties discussed the job duties of the classifications below at length. Recognizing that job duties have changed with time, customers, and technology, the duties referenced below provide guidelines relative to the minimum performance expectations for each classification.

REEFER TECHNICIAN

Major Function: Diagnose, overhaul, adjust and repair or replace all series of motor truck and trailer equipment including but not limited to the following:

Competency Level: Strive to meet or exceed PTL goal times for the facility. Should be able to work unsupervised and assist in training lower job classifications.

<u>Function:</u>	<u>Competency Level:</u>
• Engines (Gas and Diesel)	• Diagnose and repair engine as necessary
• Transmissions (Manual & Automatic)	• Diagnose and repair or replace transmission as necessary
• Differentials/Power Dividers	• Diagnose and repair or replace differential as necessary
• Starters/Alternators	• Remove, Repair & Replace as necessary
• Air Conditioning Systems	• Trained/Certified (Example. Break into system for repairs, electronics, etc.)
• Fan Clutches	• Rebuild and reinstall Fan-Clutch
• Power Steering Systems	• Adjust & Repair
• Electrical/Brake/Cooling Systems	• Adjust, Repair or Install
• Clutches	• Repair or replace Clutch and Reinstall
• PTO Systems	• Installation of PTO System
• Engine Electronics (Gas and Diesel)	• Diagnose and repair or replace as necessary

- Steering Gear Box (Manual & Power)
- Refrigeration Systems (including Cold & Hot Units)
- Diagnose and repair or replace as necessary
- Trained/Certified (Example: Break into system for repairs, electronics, etc.)

Specific Duties: Technician employees timely perform the following functions with no assistance:

- Identify and determine parts required for repair of disassembled units.
- Perform all levels of preventive maintenance service.
- Identify warrantable repairs and document appropriately.
- Maintain work area appearance and safety.
- Road test vehicles as necessary.
- Perform and prioritize duties in a timely and efficient manner.
- All duties of lesser job classifications

Training & Experience: Technician employees should possess the following training and experience:

- A Technician with a minimum of six (6) years practical experience or an equivalent combination of related education and experience.
- A Technician should have specialized training and/or experience in the overhaul of major components (e.g., Detroit Diesel Engines, etc.)
- Be proficient in the use of all tools of the trade (Welding equipment, power tools and shop machinery, computers and or other diagnostic tools).
- Must have current Commercial Driver's License and air brake certification as required by job duties.

TECHNICIAN I

Major Function: Diagnose, overhaul, adjust and repair or replace all series of motor truck and trailer equipment including but not limited to the following:

Competency Level: Strive to meet or exceed PTL goal times for the facility. Should be able to work unsupervised and assist in training lower job classifications.

<u>Function:</u>	<u>Competency Level:</u>
• Engines (Gas and Diesel)	• Diagnose and repair or replace engine as necessary
• Transmissions (Manual & Automatic)	• Diagnose and repair or replace transmission as necessary
• Differentials/Power Dividers	• Diagnose and repair or replace differential as necessary
• Starters/Alternators	• Remove, Repair or Replace as necessary
• Air Conditioning Systems	• Trained/Certified (Example. Break into system for repairs, electronics, etc.)
• Fan Clutches	• Rebuild and reinstall Fan-Clutch
• Power Steering Systems	• Adjust & Repair
• Electrical/Brake/Cooling Systems	• Adjust, Repair or Install
• Clutches	• Remove, repair or replace Clutch
• PTO Systems	• Installation of PTO System
• Engine Electronics (Gas and Diesel)	• Diagnose and repair or replace as necessary
• Steering Gear Box (Manual & Power)	• Diagnose and repair or replace as necessary
• Refrigeration Systems (including Cold & Hot Units)	• Engine Oil Change, Belt Adjustments, PM's

Specific Duties: Technician employees timely perform the following functions with no assistance:

- Identify and determine parts required for repair of disassembled units.
- Perform all levels of preventive maintenance service.
- Identify warrantable repairs and document appropriately.
- Maintain work area appearance and safety.

- Road test vehicles as necessary.
- Perform and prioritize duties in a timely and efficient manner.
- All duties of lesser job classifications

Training & Experience: Technician employees should possess the following training and experience:

- A Technician with a minimum of six (6) years practical experience or an equivalent combination of related education and experience.
- A Technician should have specialized training and/or experience in the overhaul of major components (e.g., Detroit Diesel Engines, etc.)
- Be proficient in the use of all tools of the trade (Welding equipment, power tools and shop machinery, computers and or other diagnostic tools).
- Must have current Commercial Driver's License and air brake certification as required by job duties.

TECHNICIAN II

Major Function: Technician employees perform some diagnosis, ability to adjust and repair or replace all series of motor truck and trailer equipment and remove and replace components including but not limited to the following:

Competency Level: For all major functions should strive to meet or exceed PTL goal times for the facility.

<u>Function:</u>	<u>Competency Level:</u>
• Engines (Gas and Diesel)	• Repair Engine, Perform Tune-ups
• Transmissions (Manual & Automatic)	• Remove and Replace Transmission
• Differentials/Power Dividers	• Remove and Replace Differentials, PD's
• Starters/Alternators	• Remove and Replace
• Air Conditioning Systems	• Trained/Certified to Recharge Systems only
• Fan Clutches	• Remove and Replace Fan Clutch
• Power Steering Systems	• Adjust
• Electrical/Brake/Cooling Systems	• Brake Certified
• Clutches	• Remove and Replace Clutch
• PTO Systems	• Remove and Replace PTO Components
• Refrigeration Systems (including Cold & Hot Units)	• Engine Oil Change, Belt Adjustments, PM's
• Engine Electronics (Gas and Diesel)	• General Competency for Repair and Adjustment
• Steering Gear Box (Manual & Power)	• Adjust & Replace

Technicians may or may not require assistance from time to time by Technician employees or applicable supervisors relative to the above.

Specific Duties: Technician employees timely perform the following functions with no assistance:

- Identify and determine parts required for removal and replacement in unit
- Perform mechanical and general appearance reconditioning of equipment for trade-ins and prepare new equipment for delivery.
- Perform all levels of preventive maintenance service.

- Identify warrantable repairs and document appropriately.
- Maintain work area appearance and safety.
- Road test vehicles as necessary.
- Perform duties in a timely and efficient manner.
- All duties of lesser job classification

Training & Experience: Technician employees should possess the following training and experience:

- A Technician with a minimum of two to four years practical experience or an equivalent combination of related education and experience.
- A Technician should have specialized training and/or experience in the repair and replacement of major components
- Be proficient in the use of all tools of the trade (Welding equipment, power tools and shop machinery, computers and or other diagnostic tools).
- Must have current Commercial Driver's License and air brake certification as required by Job Duties.

TECHNICIAN III

Major Function: Technician employees perform all levels of preventative maintenance, as well as repair and replacement of components of equipment at the direction the Lead Technician and or Maintenance Supervisor/Manager

Competency Level: For all major functions should strive to meet or exceed PTL goal times at the facility. Remove, replace or adjust the following without supervision:

Function:

Competency Level:

- Brakes
- Fifth Wheel
- Preventive Maintenance
- Minor Electrical Repairs
- Cab components & Accessories
- Trailer Maintenance
- Front Ends & Rear Axles
- Adjust
- Oil, Grease
- Certified for Cab, Chassis, Trailer
- Excluding Tune-up & Safety Related Responsibilities
- Replace & Repair Headlights
- Adjust/Replace Mirrors, etc.
- Lube & PM
- Inspect & Report

Specific Duties: Technician employees timely perform the following functions with no assistance:

- Perform all aspects of preventive maintenance on vehicles as trained
- Perform other mechanical repairs and replacements as directed by Lead Technicians or Supervisor as part of overall training
- Road test vehicles as necessary
- All customer service duties as necessary

Training & Experience: This position is the entry level to other Technician positions.

- Technician employees should possess one to two years of practical experience in the trucking or related industry.
- Be proficient in the use of all tools of the trade (Welding equipment, power tools and shop machinery, computers and or other diagnostic tools).
- Must have current Commercial Driver's License and brake certification as required by job duties.

CUSTOMER SERVICE REPRESENTATIVE

Major Function: To provide fuel and washing services to customers and assist Technicians as directed in unskilled duties.

Specific Duties:

- Fuel & Wash Vehicles
- Pick-up and Delivery of Vehicles and Parts as needed
- Fuel Island Inspection
- Standard facility maintenance
- Daily rental check-in/out as required
- Parts pricing and stocking
- Minor Fuel Island Repairs (Mirrors, Light bulbs, etc.)

Training & Experience: Entry level position with Company.

- Individuals should possess basic mechanical aptitude as indicated from one year of related industry experience.
- Must have current Commercial Driver's License as required by job duties.
- There is no Tool Requirement for the Position of Customer Service Representative.

APPENDIX "B"

ATTENDANCE GUIDELINES

"Dedication to Excellence" is an integral part of everything we do. The success and improvement of the performance of our Company depends upon individual commitment and teamwork. It is every associate's responsibility to maintain good attendance. While we recognize that perfect attendance is not always possible, excessive absenteeism places an unnecessary burden on our co-workers and negatively impacts productivity and customer service. Managers have the primary responsibility for monitoring associate attendance, in accordance with the following guidelines.

1. As defined in the Collective Bargaining Agreement, regular, full-time associates are eligible for Sick Days after 1 year of continuous service. Sick Days may not be carried forward from year to year. Sick Days will not be considered in an associate's overall attendance record.
2. Absences include associate illness or absence for personal reasons (e.g., Dr.'s appointment, transportation issues, illness of relatives requiring the associate's presence at home, etc.) Absences do not include Vacation Days; Personal days approved in accordance with the timelines in the CBA, Holidays, Jury Duty, Military Leave, FMLA, Worker's Comp, and Sick Days or approved Short-term Disability.
3. Managers may request a doctor's certification of illness to validate a Sick Day.
4. Tardy is defined as the associate's failure to be at his work station at the required time. Leaving early means leaving the work station prior to the scheduled quitting time.
5. In all cases, an associate must personally notify his supervisor or next level supervisor of any absence or being late for the scheduled starting time. Failure to comply may result in disciplinary action up to and including termination. Three consecutive work days of absence without notice is considered job abandonment, and the associate voluntarily terminates his employment.
6. Under this policy, an associate will receive one point for every day of absence. An absence of three or more consecutive days will accrue a maximum of two points. An associate will receive one-half point for every instance of being tardy or leaving early.
7. Each associate's attendance will be monitored over the most recent 12 month period and progressive discipline will be assessed according to the following guidelines:

Points	Action
1	Informal Discussion
2	Written Warning
3	Final Written Warning
4	Termination

In applying this policy, the Employer reserves the right to treat any associate outside of this policy if, in the Employer's opinion, the associate's pattern of attendance so warrants.

AGREEMENT

Between

CENTRAL STATES
MOTOR CARRIERS
ASSOCIATION, INC.

And

IA of M & AW District Lodge 60



May 1, 2007 through April 30, 2012

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THE IA of M & AW DISTRICT LODGE 60 AGREEMENT
For the Period
May 1, 2007 to April 30, 2012

THE CENTRAL STATES MOTOR CARRIERS ASSOCIATION, INC. Negotiating
Committee representing the individual Employers affiliated with it, and
which individual Company _____
hereinafter referred to as the "Employer",

and

IA of M & AW DISTRICT LODGE 60,
hereinafter referred to as the "Union".

The purpose and intent of this Contract is to promote and encourage harmonious industrial relations between the parties in all matters pertaining to wages, hours, rates of pay, working conditions and other conditions of employment.

ARTICLE I

Appropriate Unit

The appropriate unit for the purpose of collective bargaining under this Contract shall consist of all employees performing the following work: leadmen, welders, diesel mechanics, automotive machinists, automotive electricians, journeymen mechanics, bumpers and painters, body and trailer builders, body and trailer repairmen, general maintenance, equipment checker, apprentice mechanics, stockroom clerks, parts pickup men, tarpaulin repairmen, greasers, helpers, firemen, gasers, washers, garage attendants and porters, but excluding office-clerical employees, truck drivers, dock and warehousemen, supervisory employees and guards as defined in the Act.

ARTICLE II

Section 1. - Recognition, Union Shop and Dues

The Company recognizes the Union as the exclusive bargaining representative of all employees in the appropriate unit described above in all matters pertaining to wages, hours, rates of pay, working conditions and other conditions of employment and in the handling and adjustment of grievances.

Section 2.

As a condition of employment all employees covered by this Contract shall, thirty-one (31) days after the date of execution of this Contract, or in the case of new employees, thirty-one (31) days after the payroll earnings begin, become members of the Union and remain members in good standing in the Union during the term of this Contract

Employer will, within two (2) weeks after receipt of written notice from the Union, discharge any employee who has failed to tender to the Union his dues, or who is delinquent in the payment of his dues or assessments, in any amount.

Section 3. - Probationary Period

The Company and the Union mutually agree and recognize the first sixty (60) calendar days after the payroll earnings begin as a probationary period during which time new employees may be released without recourse to the grievance procedure contained in this Contract. The sixty (60) calendar day probationary period shall be extended by the number of days which the employee is absent from work because of sickness, accident or injury, layoff for lack of work and/or leave of absence.

After the first thirty (30) calendar days, of the sixty (60) day probationary period, all conditions and benefits of the Contract shall apply to the probationary employee, with the exception of those mentioned in the preceding paragraph.

Should an Employer terminate an employee during his probationary period and subsequently rehire that employee within ninety (90) days from the date of termination, all days worked during the employee's previous employment shall be credited to his sixty-day probationary period.

Section 4. - Reporting of New Employee

When new employees are hired, the Company shall furnish a written report to the

Union and the Shop Steward within twenty-one (21) calendar days stating the name, classification, hourly rate of pay, and date on which the employee's payroll earnings began. If the Company fails to comply with this provision and a question arises as to an employee's classification, the classification shall be determined by the highest classification of work the employee has performed.

Section 5. - Check-Off

The Employer agrees to deduct from the employee's pay all dues, initiation fees and/or uniform union assessments of the Mechanics' Motor City Lodge No. 698, IA of M & AW, and pay to Lodge No. 698 for each and every employee within the appropriate unit, provided, however, that the Union presents to the Employer written and signed deduction slips for such dues, initiation fees and/or uniform union assessments. The Company shall send a check covering the items referred to above to the Secretary-Treasurer of the Union not later than twenty (20) days after the receipt by the Company of the statement. Failure to comply with the above will result in the Employer's account becoming delinquent and subject the Employer to a seven per cent (7%) delinquency charge of the total amount of the bill.

Section 6. - Non-Discrimination

The Employer and the Union agree not to discriminate against any individual with respect to his hiring, compensation, terms or conditions of employment because of such individual's race, color, religion, sex, age or national origin, nor will they limit, segregate or classify employees in any way to deprive any individual employee of employment opportunities because of his race, color, religion, sex, age or national origin.

ARTICLE III

Section 1.

The scale of wages for the following classifications of work shall be Minimum Rates Per Hour, effective May 1, 2007 and for the duration of the agreement:

Classification	\$-1.07
Leadman	(See Note No. 1.)
Welders, Diesel Mechanics, Automotive Machinists and Automotive Electricians	\$22.14

Journeyman Mechanics, Trailer Mechanics, Body Builders, Bump Painter, Repairman and/or General Maintenance (an employee hired as a building maintenance person shall receive the Journeyman's rate of pay).....	\$22.04
Equipment Checkers.....	\$21.08
Stockroom Clerks and Tarpaulin Repairmen.....	\$21.01
Helpers.....	\$20.88
Computer Data Entry Technician.....	\$18.88
Gasers, Washers, Porters..... (See Note No. 2.)	\$17.13

Note No. 1. - All Leadmen shall be paid an additional .15 cents per hour over and above his prior classification rate of pay.

Note No. 2. - Gasers, Washers and Porters employed prior to May 01, 1979 shall receive the following rate of pay effective May 1, 2007 and for the duration of the agreement: \$20.15.

Advanced Apprentice Mechanic	The rates of pay outlined in the Policy of Apprenticeship in effect between the parties are incorporated herein by reference.
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All premiums and shift differentials, to which the employee would otherwise have been entitled, shall be included in the rate of pay for vacations and personal days.

Effective May 1, 2007 the entry level wage rate is eliminated and all employees are to be paid in accordance with the above wage rate schedule.

To all active employees on the seniority list as of June 8, 2007 a signing bonus of One Thousand Eight Hundred Dollars (\$1,800.00) will be paid in the following progression: Effective upon ratification of this agreement, Nine Hundred Dollars (\$900.00) will be paid to the above eligible employees. Effective May 1, 2008 the

remaining Nine Hundred Dollars (\$900.00) will be paid to the above eligible employees.

Section 2. - Shift Differential

A shift differential above the employee's established rate of pay shall be paid to all employees whose regularly scheduled starting time is 2:00 p.m. or between 2:00 p.m. and 5:00 a.m. Effective May 1, 2007 the differential shall be 30 cents per hour and shall so remain for the duration of this Agreement.

Section 3. - Shift Designation

Afternoon, night and day shifts shall be designated in the following manner:

Any employee starting 12:00 noon to 7:00 p.m. shall be considered working on the afternoon shift.

Any employee starting 7:00 p.m. to 5:00 a.m. shall be considered working on the night shift.

Any employee starting 5:00 a.m. to 12:00 noon shall be considered working on the day shift.

Section 4.

When a starting time is changed more than one hour, it must be posted for bid within the classification, shift, and location.

Section 5. - Hours of Employment and Weekly Guarantee

The standard guaranteed work-week shall be forty (40) hours per week, and the standard guaranteed work-day shall be eight (8) consecutive hours per day.

Employees reporting late to work will have broken his/her guarantee for the day, and shall not be eligible for premium pay until they have fulfilled eight (8) straight time hours.

Work shall be scheduled for five (5) consecutive days: Monday through Friday or Tuesday through Saturday. The parties may, by mutual agreement, negotiate a new schedule of operations based on business conditions at the Employer.

All companies signatory to this Agreement may schedule no more than thirty percent (30%) of their entire work force as may be required, with a minimum of one (1) man, on a Tuesday through Saturday schedule. Same work-week shall be maintained on both schedules. Current weekly working schedules shall be posted. Regular employees shall have the same starting time each work-day in the calendar week, subject to these exceptions:

1. In any work-week in which a holiday falls, the employer shall change the shifts of employees whose shifts start the day before the holiday or start on the holiday and work into the day after the holiday. The employer must notify the business representative, the shop steward, and the affected employees no later than the beginning of the work week in which the shift change occurs.
2. At its option, the employer may elect to start a Saturday shift no more than two (2) hours earlier than the regular shift starting time.

Provided, however, in the event an employee quits without notice, is discharged or is injured on the job, shift schedules may be changed at any time at the option of the Employer for the remainder of the work-week in question by utilizing the junior employees within the classification.

In cases of Acts of God, strikes and work stoppages against the Employer, riots and/or civil commotion, a recall from layoff in excess of two (2) weeks, the above weekly guarantee shall not apply. If an employee reports for work and has not been notified in the appropriate manner not to do so, then the employee shall receive four (4) hours reporting pay.

Four (4) ten-hour days flexible work-week optional out of Monday through Saturday, excluding Sunday by the Employer advising the Local Union and its affected members that they are going to institute a flexible work-week. Any contractually compensated days off shall be paid accordingly.

In the event of absenteeism for any reason, the employer may use a laid-off employee to replace such absenteeism, at the employer's option, and the daily guarantee shall apply, but the weekly guarantee shall not apply to such laid-off employee used to replace absenteeism. Appropriate health, welfare and pension contributions shall be paid on the replacement employee, limited to those days upon which work was actually performed.

Either guarantee will be reduced by the number of hours that an employee is late, absent or on layoff in excess of two (2) weeks.

In any week in which a paid holiday or holidays falls within an employee's regularly scheduled work-week, the guaranteed work-week shall be reduced accordingly, and all hours worked in excess of the reduced work week shall be paid at the rate of one and one-half times the regular rate. Overtime pay and/or premium pay shall not be

pyramided.

Section 6. - Overtime Rates

- (a) Time and one-half (1-1/2) will be paid for all work performed outside the regular schedule of hours. All Sunday and holiday work will be paid for at the rate of double (2) time. The term "Sunday work" means those hours between 12:00 midnight Saturday and 12:00 midnight Sunday.

The term "holiday work" means those hours between 12:00 midnight of the day preceding the holiday and 12:00 midnight of the holiday.

- (b) It is intended by the parties that employees work a reasonable amount of daily and/or weekend overtime when the operation requires.

When daily overtime is required the Employer will ask employees to work in accordance with Article VII, Section 3(c). If an insufficient number of employees volunteer, the Employer shall require employees to work overtime in inverse order of seniority provided that employee may not be required to work overtime if he has worked a reasonable amount of overtime in the week or has good cause for not working the overtime requested. Employees unable to work overtime on any given day will notify the Employer of that unavailability at the start of their shift if they are aware of it at that time.

Section 7.

Under no circumstances shall there be any pyramiding of overtime and/or premium pay under this Contract.

Section 8.

All Saturday and Sunday call-in overtime shall be within the actual eight (8) hour shift as scheduled.

Section 9.

Any and all riders and/or addenda to this Agreement shall be voided and expire May 1, 2007. Parties to these riders or any rider must renegotiate said riders, reduce such agreements or riders to writing and submit the signed agreements and/or riders before they can be binding on the parties.

Section 10.

The parties agree that due to the current economic conditions, the parties have the right to negotiate an area or company rider to this agreement and such area or company rider must be ratified by the affected members and/or employees. The Lodge 698 and Employer Negotiating Committee agree that upon written notice, the parties shall meet and conclude negotiations on a company rider and/or area rider within thirty (30) days from the commencement of negotiations.

ARTICLE IV

Section 1. - Paid for Time Guarantees

The Company agrees that when employees are required to work a sixth or seventh consecutive day or any of the holidays set forth in Section 1 of Article IX, they shall be guaranteed a daily minimum of four (4) hours' work.

Section 2. - Call Back Time

Any employee covered by this Contract, being called back to work after having completed his day's work, will be guaranteed a minimum of two hours' work. They shall be allowed one (1) hour's running time. All time to be computed as time and one-half (1-1/2) the regular rate of pay except Sunday and holidays, when it shall be computed at two (2) times the regular rate of pay. However, such employees shall not be compelled to return to work.

Section 3.

Employees called in early and who work through their regular shift, shall not qualify for running time.

Section 4. - New Classification

The rates of pay of any employee not specifically mentioned in this Contract, who comes under the jurisdiction of the Union, shall be agreed upon between the Employer Association and the Union.

Section 5. - On-the-Job Injury

On the day that an employee receives an on-the-job injury it shall be necessary for the

Employer to pay said employee for his full eight hour shift even though he may not be able to complete same.

However, on days subsequent to the day of the injury, the Employer will only be required to pay for the time that the employee spends receiving treatment if said treatment must be scheduled during the employee's regular working hours. Therefore, if it is possible for the treatment to be scheduled during non-working hours, the Employer will not be liable for pay for the time spent receiving the treatment.

The above, of course, assumes that the employee is physically capable of performing his work.

ARTICLE V

Pay Period

Employees covered by this Contract shall be paid weekly. However, if any Company is not using the weekly system for payroll, they shall not be required to change the present system. The Employer shall be permitted, to modify its payroll system provided that such modification is first approved by the Joint Arbitration Committee, as designated in Article XIV of this Agreement.

Pay shall be ready by the end of the working shift. Provided, however, the Employer agrees to make the necessary arrangements to pay employees on the afternoon shift at the end of their working shift beginning on Thursday whenever possible.

Pay shall be ready and distributed by end of shift on Thursday. In case there is a delay after twenty-four (24) hours, a supplemental method of pay will be made in the amount of an advance of Fifty Dollars (\$50.00).

All new employees hired after the ratification date of this Agreement shall participate in the direct deposit payroll system.

ARTICLE VI

Section I - Leadman Duties and Qualifications and Classifications

A Leadman shall be defined as an employee who performs work but who directs the activities of the other employees without the authority to hire or fire or effectively recommend such action; and/or who is charged with the responsibility of making

decisions as to what repairs are necessary.

In a one man shop, an employee otherwise qualified shall be paid the leadman rate, provided that this provision is not applicable to situations wherein one-man shops are under the direction of a Company supervisor.

Section 2. - Journeyman Mechanics

A Journeyman Mechanic shall be defined as one who has served four (4) years at the trade or any specialized branch thereof, and is qualified to perform the following operations or any specialized branch thereof: maintaining, repairing of trucks, trailers and equipment; dismantling and rebuilding of internal combustion motors, vehicles, chassis and parts thereof including servicing of brakes and/or towing of defective equipment and other road service.

Section 3. - Diesel Mechanic

A Diesel Mechanic shall be defined as a journeyman who is qualified and normally works on the internal functions and fuel system of the diesel engine.

Section 4. - Automotive Electrician

An Automotive Electrician shall be defined as an employee who is required to overhaul and rebuild distributors, generators, voltage regulators, starters, and alternators.

Section 5. - Helpers

A Helper shall be defined as one who assists the journeyman mechanics in the performance of their duties and shall be permitted to make mechanical repairs with the direction of a journeyman mechanic and shall be permitted to furnish his own tools.

Helpers shall also perform the duties of fireman or a greaser.

Section 6. - Equipment Checkers

An Equipment Checker's duties shall consist briefly of changing tires, spark plugs, making minor brake adjustments and/or minor light repairs, all of which work is being done incidental to the checking of equipment prior to the same being sent out on the road.

Section 7. - Stock Room Clerk

A Stock Room Clerk shall be permitted to pick up and deliver parts, stock and order parts, maintain the parts room inventory, handle the dissemination of parts to other

shop employees and other duties related to the efficient functioning of the Stock Room as designated by supervision. Nothing contained herein shall prevent the Company from utilizing the services of other employees in the ordering of, picking up, or dissemination of parts.

ARTICLE VII

Section 1. - Seniority

- (a) Company seniority shall be determined by the time and date each employee's payroll earnings begin, as of his last hire in date, or, in the case of a probationary employee, as defined in Article II, Section 3, paragraph 3.
- (b) Classification seniority shall commence at the time and date each employee's earnings begin in such classification. All employees shall accumulate seniority in their present and prior classifications.
- (c) The parties agree to a voluntary lay-off provision for the classifications contained herein when there is to be a lay-off, subject to the following provisions and further subject to Section 2 hereinafter:
 - 1. A voluntary lay-off shall be within the classification and shall not be used to bump employees in lesser classifications.
 - 2. Company seniority within the classification shall prevail for the above preference.
 - 3. All voluntary lay-offs are to be in writing, approved by the employer and the local lodge, with written notification to the Motor City Funds. The parties, including the employee electing lay-off, understand and agree that said lay-off may affect the future entitlement to welfare and/or pension benefits, and upon election of voluntary lay-off waive any and all claims, whether their own or on behalf of their beneficiaries, for any possible loss or reduction of benefits.
 - 4. An employee on a voluntary lay-off must give written notification to the employer, not later than the Monday preceding the start of the work week when he or she intends to return to work.
 - 5. The employer reserves the right to cancel the voluntary lay-

off at any time, and the employee must return when recalled, but in no event later than three days following said recall, unless agreed to otherwise by the employer. Failure to return upon recall shall result in the termination of seniority.

Section 2.

- (a) All lay-offs shall be in writing, with a copy to the employee and the local lodge. The local lodge shall then immediately notify the affected Funds of all such lay-off notices received.
- (b) In case of layoffs, employees who have more Company seniority than other employees in the same wage group or a lower classification, may transfer into these classifications provided that they are qualified to perform the duties of the classifications; except that, no journeyman shall be returned to the classification of apprentice.
- (c) A laid off employee may exercise Company seniority to return to work in his same wage rate group or lower classifications other than his regular one, provided that he is qualified to perform the duties of the classification. However, this option shall be waived if the opportunity is offered to the employee and is refused by him. Such waiver shall be in writing with a copy to the Union.
- (d) A laid off employee who elects to take a less seniority employee's job in his same wage rate group or lower classification which he is qualified for, shall remain in that classification as long as he has more company seniority than any other employee in that classification and he is not recalled to his regular classification or circumstances provided for in Article VII, Section 3(b) occur.
- (e) Before an employee can accept work in a lower classification same must be agreed to by the Union as well as the employee. This does not apply where a layoff is involved. If an employee voluntarily demotes himself to a lower classification, he shall not be allowed to bid up to the same job for a period of one year.

Section 3.

- (a) Classification seniority shall prevail for shift preference, job bidding or shift schedule changes. However, where such seniority right is exercised, the shift or job chosen shall be retained for not less than six (6) months, unless a vacancy occurs, a new position is created or shift schedules are changed.

- (b) When a vacancy occurs, a new position is created or shift schedules are changed, it shall be posted on the bulletin board for a period of not less than five (5) working days and employees with seniority may bid for such jobs, providing they are qualified for such job. The posting of the job shall list the qualifications for the job. Such employees shall be given a trial period not to exceed thirty (30) days and if qualified shall remain on such job. The employees selected for a new position or shift change or vacancy shall be notified before the end of his presently scheduled work week.
- (c)
 - (1) An overtime time list shall be posted and kept up-to-date. All overtime work on any shift shall be assigned within the classification and on the shift where it occurs, as defined in Article III, Section 3, and shall be equally distributed. If an employee refuses or is not available for any reason for an overtime assignment, he shall be charged, on his overtime records, for the time worked on that assignment.
 - (2) With respect to daily, Sunday and holiday overtime, a deviation will be allowed provided the same is mutually agreed to in writing by the Company and the Local Union and a copy of the same is filed with the Joint Arbitration Committee.
 - (3) Failure to comply with the provisions of this Section shall subject the Employer to the grievance procedure. In the event a violation is established, the Employer shall be given a maximum of thirty (30) days to comply with the equalization provisions of this Section.

Section 4.

A current seniority list, complete with classification and employment date, must be posted where it will be accessible to the employees at all times; and, a copy of same shall be mailed to the Union. The Company shall provide a bulletin board for approved Union and Company business.

Section 5. - Shop Steward

The shop steward, by virtue of his position, shall have greater seniority than any other employee covered by this Contract in his classification, the same wage rate group or a lower classification for all purposes, provided he is qualified to perform the duties of the classification.

The steward shall not be required to go off the clock when handling grievances and/or

Union business with the Employer on the Employer's premises during his regularly scheduled hours.

Section 6.

No employees covered by this Contract may hold regular jobs at more than one place of employment.

Section 7.

The Employer agrees not to enter into any agreement or contract with his employees, individually or collectively, which in any way conflicts with the terms and provisions of this Contract.

Section 8. - Wage Reduction/Job Security Plans

Consistent with past agreements between individual employers and the local Lodge, wage reduction/job security plans are recognized as valid under the terms of this collective bargaining agreement and do not violate the provisions thereof. Current wage reduction/job security plans in effect prior to the date of this agreement shall be re-voted according to their terms. Such current plans shall remain in effect until the later of the expiration of the plan or until a replacement plan is approved by a unit employee vote as required by this Section. Failure to obtain the required unit employee vote pursuant to this Section will result in the restoration of full contract wages and wage related fringes, effective May 1, 2007.

Wage reduction under any Plan hereinafter adopted shall not exceed fifteen percent (15 %) of the applicable wage rates, and such plan shall be adopted only if approved by seventy five percent (75%) of the employees voting by secret ballot, in which case all unit employees shall be covered by such plan.

Section 9.

Seniority rights and employment shall be terminated if an employee:

Seniority Termination

- (a) Is discharged.
- (b) Voluntarily quits.
- (c) Fails to comply with leave of absence provisions.
- (d) Is laid off for a period exceeding the length of his employment but in no case in excess of three years.

- (e) Absence due to illness or injury in excess of twenty-four (24) months, except in such case as a longer period of time is mutually agreed to by the Company and the Union.
- (f) Is absent three (3) consecutive working days without notice and/or valid excuse.
- (g) Is summoned to return to work and fails to inform the Company of his intent to return to work within three (3) working days and report for duty within seven (7) days of notification. Summons to return to work shall be by telegram or registered mail sent to his last known address.
- (h) Holds more than one regular job.

ARTICLE VIII

Leave of Absence

Section 1. - Validation

All leaves of absence as defined and provided for herein must be in writing with, the signature of the Company and the Union in order to be considered valid.

Section 2. - Union Activity

Any employee elected or appointed as an official of the Union or delegated to any labor activity, necessitating a leave of absence, shall be granted a leave of absence without pay for not more than one (1) year and be guaranteed re-employment at the end of such period with the same seniority as though he had been continuously employed, provided, the Union supplies the Company with proper written notice of not less than forty-eight (48) hours specifying the length of such leave.

Section 3. - Company Employment Outside Bargaining Unit

Any regular full-time employee advanced to a position excluded from the bargaining unit, shall retain his seniority under this Agreement for a period of ninety (90) days. At the expiration of the ninety (90) day trial period, if such employee has not returned to work under this Agreement, he shall forfeit all seniority rights. Such leave of absence may be extended for an additional ninety (90) days by written mutual agreement signed by both the Company and the Union.

Section 4. - Military Leave

The parties hereto agree that the Company will comply with the Selective Service and Training Act and amendments thereto.

Under no circumstances will this clause be construed as to require the Company to increase the number of employees beyond those actually needed.

Section 5. - Personal Leave of Absence

Any employee desiring leave of absence from Employer in excess of seven (7) calendar days shall secure written approval from both the Union and the Company. Such approval shall not exceed thirty (30) calendar days. An employee may apply for extension not to exceed thirty (30) calendar days which must be in writing and may be or may not be approved by Company and Union. Only one such extension may be granted.

Any excused absence of less than seven (7) calendar days must be approved in writing by the Employer in advance of the time off being granted and a copy shall be sent to the Local Union.

An employee using leave of absence as subterfuge shall lose his seniority rights and job.

Employees shall not accept employment elsewhere while on leave of absence unless mutually agreed upon between the Company and the Union. Failure to comply with this provision shall result in complete loss of seniority rights and job.

Section 6. - Employee Benefits

None of the employee benefits defined within this Agreement shall accrue to an employee while on a leave of absence, except in the Holiday Article, seniority and vacation rights.

Section 7. - Health and Welfare Coverage

Any employee on a leave of absence as provided for above must make suitable arrangements for continuation of Health and Welfare payments prior to the approval of such leave by the Local Union and Company.

Section 8. - Personal Days

Five (5) personal days effective the 1st of May, 2007, five (5) personal days effective the 1st of May, 2008, five (5) personal days effective the 1st of May, 2009, five (5) personal days effective the 1st of May, 2010 and five (5) personal days effective the 1st

of May, 2011, for a total of twenty-five (25) days accumulated over the life of this contract. If not used prior to the end of each contract year, the Employee shall be compensated for personal days at eight times the straight time hourly rate for each unused personal day.

- (a) Payment for personal days used shall be calculated at eight (8) hours straight time pay at the applicable rate.
- (b) To be eligible, the Employee must be on the seniority list, either active or inactive, at the commencement of each contract year (May 31, 2007, May 1, 2008, May 1, 2009, May 1, 2010 and May 1, 2011).
- (c) In order to receive pay for the unused personal days at the end of the contract year, the Employee must have worked ninety (90) days. Time worked shall include days worked, vacations and holidays.
- (d) The Employee must provide the Employer with written notice specifying the date requested as a personal day. Said notice must be given no more than fourteen (14) calendar days and no fewer than three (3) calendar days prior to the date requested.
- (e) The allowance of a personal day shall be set by the Employer with due regard to the desires and preferences of the Employee consistent with efficient operations.
- (f) Where more than one Employee requests the same personal day and the Employer is unable to grant the personal day to all those Employees requesting, the Employer shall grant the personal day to the Employee first requesting same, consistent with the efficient operation of the Employer's business.
- (g) The Employer may, at his sole option, elect to pay an Employee for absence due to illness in lieu of personal days.

Section 9.

Physicals given to employees when they initially return to work are necessary and appropriate under the collective bargaining agreement.

ARTICLE IX

Holidays

Section 1.

Regular employees will be paid eight (8) hours' pay at straight time hourly rate for the following ten (10) holidays: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Friday after Thanksgiving, Christmas Eve, Christmas Day and the employee's birthday and anniversary date when not worked, provided they comply with the qualifications set forth hereinafter. If an employee's birthday falls on February 29th during other than leap year, the holiday shall be March 1st.

When an employee's birthday and/or anniversary day holiday falls on a day of the scheduled work week other than the first (1st) or last day, or outside of an employee's scheduled work week, such employee may, at his option, take such holiday on the day of the week that it falls, or select the first day or the last day of the scheduled workweek in which such holiday falls as their birthday and/or anniversary day holiday for the purposes of having a long weekend. If the employee opts for the long weekend, he shall give the Employer written notice of such intent no more than fourteen (14) and not less than three (3) days before the day so requested and such employee shall not be eligible for work call during the period of such long weekend. Granting of the requested time off shall be subject to the employer's operational needs, but will not be unreasonably denied.

If an employee's birthday falls on one of the other established holidays above, the holiday shall be the day following. Provided, however, an Employer and Union may mutually agree to substitute another holiday for one (1) of the above-designated holidays provided that such substitution is first approved by the Joint Arbitration Committee as designated in Article XIV of this Agreement.

Section 2.

Regular employees called to work on any of the above-listed holidays shall be paid a minimum of six (6) hours' pay at two (2) times the regular rate in addition to the eight (8) hours referred to above.

Section 3.

In the event a holiday falls within an employee's vacation period, he shall be granted an additional day's pay.

Section 4.

In order to qualify for eight (8) hours of straight time pay for a holiday not worked, it is provided that regular employees must work the regular scheduled workday which immediately precedes or follows the holiday, except in cases of proven illness or unless the absence is agreed to in writing by the Employer.

Section 5.

Employees who are serving the first thirty (30) days of their probationary period are not entitled to holiday pay.

Section 6.

Regular employees are entitled to holiday pay if the holiday falls within the first thirty (30) days of absence due to illness, non-occupational injury, or within the first six (6) months of absence due to occupational injury, or during period of approved absence. This does not apply to employees taking leave of absence for full time employment with the Union.

Section 7.

If any holiday falls within the 30-day period following an employee's layoff due to lack of work, and such employee is also recalled to work during the same 30-day period but did not receive any holiday pay, then in such case he shall receive an extra day's pay for each holiday payable at his next regularly scheduled pay day. Said extra day's pay shall be equivalent to eight (8) hours at the straight time hourly rate specified in the Contract. An employee who was laid off because of lack of work and is not recalled to work within the aforementioned 30-day period is not entitled to the extra pay upon his return. Under no circumstances shall the extra pay referred to herein be construed to be holiday pay or shall be considered as hours worked for weekly overtime.

ARTICLE X

Vacations

Section 1.

New employees covered by this Contract having worked twelve (12) months and worked no less than 40 weeks, shall be granted an annual vacation of one week with pay, computed at the straight time hourly rate.

Section 2.

All employees covered by this Contract having acquired two (2) years' seniority, shall be granted an annual vacation of two (2) weeks with pay, computed at the straight time hourly rate.

Section 3.

All employees covered by this Contract having acquired eight (8) years' seniority, shall be granted an annual vacation of three (3) weeks with pay, computed at the straight time hourly rate.

Section 4.

All employees covered by this Agreement, having acquired fifteen (15) years' seniority, shall be granted an annual vacation of four (4) weeks with pay, computed at the straight time hourly rate.

Section 5.

All employees covered by this Agreement having acquired twenty (20) years' seniority shall be granted an annual vacation of five (5) weeks with pay computed at the straight time hourly rate.

Section 6.

After the first year, any employee covered by this agreement who works more than forty percent (40%) of the year, but less than sixty percent (60%) of the year, shall receive a prorated vacation. Any employee who works in excess of sixty percent (60%) of the year, after the first year, shall receive a full vacation of forty-five (45) hours' pay.

Section 7.

For the sole purpose of computing vacation pay, a week shall consist of forty-five (45) hours' pay per week at the employee's regular rate of pay.

Section 8.

All vacations shall be set by the Employer with due regard for the seniority, desires and preferences of the employee consistent with efficient operations.

Section 9.

All vacations earned must be taken by employees and no employee shall be entitled

to vacation pay in lieu of vacation. Provided, however, if mutually agreed between the Employer and employee, the employee shall either take the fourth and fifth weeks of vacation or shall take only three weeks and receive compensation for the fourth and fifth week of vacation in lieu of vacation.

Eligible employees may split two (2) weeks of their earned vacation into a maximum of ten (10) calendar days. The employee must give not less than three (3) working days notice to the company in order to utilize this provision. Such time off is subject to operational needs.

Vacation checks shall be issued immediately prior to the employee's vacation.

On-the Job Injury: Time off can only be used in the computation for a vacation during one vacation anniversary year only. No further credit shall be allowed.

Section 10.

An employee shall have twelve (12) months from his anniversary date in which to take his vacation time off; provided if the vacation is taken in the sixth month or later, an employee must wait one (1) month from his return from said vacation to take his next vacation.

The above shall not be construed to prohibit splitting of vacation earned in any one anniversary year, but is intended to prohibit taking of vacations which were earned during two consecutive anniversary years.

Section 11.

Length of service of apprentices shall be considered as seniority for vacation benefits.

Section 12.

Employees eligible for vacation shall be paid at their current hourly rate. A vacation schedule shall be posted on the bulletin board and kept up-to-date. An employee after a year of service may take his vacation after having worked sixty percent (60%) of the year.

ARTICLE XI

Discharge or Discipline

Section 1.

The employer shall not discharge nor discipline any employee without just cause; but in respect to discharge shall give at least one warning notice of the complaint against such employee to the employee, in writing, and a copy of same to the shop steward and the Union, except as provided by the "Uniform Rules and Regulations". Such notice shall state in full the complaints of the Company. No warning notice need be given to an employee before he/she is discharged if the cause of such discharge is dishonesty, drinking of alcoholic beverages on duty or unprovoked physical assault upon a supervisor or possession of or sale of LSD, marijuana, heroin or similar controlled substances or when discharge is prescribed by Uniform Rules and Regulations as set forth in this agreement. Prior warning notice is not required if the cause of discharge is drug intoxication as provided in this Article. Discharge, discipline or warning notice shall be given the employee in writing within fifteen calendar days of the violation or knowledge of the violation.

Section 2.

- (a) An employee may be discharged or disciplined by the Employer for the violations of posted rules which have been approved by the Union. Discharge or discipline must be by proper written notice.
- (b) It shall be considered a disciplinary offense under Rule 3(i) of the Uniform Rules and Regulations should an employee fail to comply with Safety Standards as prescribed by the Occupational Health and Safety Act or State of Michigan Health and Safety Act.

Section 3.

Any employee who is discharged must be given written notice specifying reason and/or reasons for said discharge.

Section 4.

An employee desiring to protest his/her discharge, disciplinary action or warning notice, shall file a grievance in writing within fifteen (15) calendar days with his/her Union and the Company.

Section 5.

Should the Union desire a hearing on the employee's discharge, disciplinary action or, warning notice, it shall request the hearing in writing within seven (7) calendar days from the date the Union receives the grievance from the employee. Should such hearing prove that an injustice has been done an employee, he shall be reinstated with back pay for all time lost.

Section 6.

No employee shall be allowed to sign a voluntary quit in lieu of discharge without Union Representation present (i.e., Business Representative, Steward or Committeeman).

Section 7. - Alcohol and Drug Use

While abuse of alcohol and drugs among our members/employees is the exception rather than the rule, Mechanics' Motor City Lodge 698 and the signatory employers share the concern expressed by many over the growth of substance abuse in American society.

The parties have agreed that the Drug and Alcohol Abuse Program will be modified in the event that further federal legislation or Department of Transportation regulations provide for revised testing methodologies or requirements. The parties have incorporated the appropriate changes required by the applicable DOT drug testing rules under 49 CFR Part 40, and agree that if new federally mandated changes are brought about, they too will become part of this Agreement. The drug testing procedure, agreed to by labor and management, incorporates state-of-the-art employee protections during specimen collection and laboratory testing to protect the innocent.

In order to eliminate the safety risks which result from alcohol and drugs, the parties have agreed to the following procedures:

UNIFORM TESTING PROCEDURE

A. Probable Suspicion Testing

In cases in which an employee is acting in an abnormal manner and at least one (1) supervisor, two (2) if available, have probable suspicion to believe that the employee is under the influence of controlled substances, the Employer may require the Employee (in the presence of union shop steward if possible) to undergo a urine specimen collection and a breath alcohol analysis as provided in Section 4 B. The supervisor(s) must have received training in the signs of drug intoxication in a prescribed training program which is endorsed by the Employer. Probable suspicion means suspicion based on specific personal observations that the Employer representative can describe concerning the appearance, behavior, speech or breath

odor of the employee. The observations may include the indications of chronic and withdrawal effects of controlled substances. The supervisor(s) must make a written statement of these observations within twenty-four (24) hours. A copy must be provided to the shop steward or other union official after the employee is discharged. Suspicion is not probable and thus not a basis for testing if it is based solely on third (3rd) party observation and reports. If requested, the employee will sign a consent form authorizing the urine collection and breath analysis and releasing the results of the urine laboratory testing to his/her Employer's Medical Review Officer (MRO), and the breath testing results to the Employer. The employee shall not be required to waive any claim or cause of action under the law. For all purposes herein, the parties agree that the terms "probable suspicion" and "reasonable cause" shall be synonymous.

A refusal to provide a urine specimen or undertake a breath analysis will constitute a presumption of intoxication and the employee will be subject to discharge without a prior warning letter. If the employee is unable to produce 45mL of urine, he/she shall be given up to 40 ounces of fluids to drink and shall remain at the collection site under observation until able to produce a 45mL specimen, for a period of up to three (3) hours. If the employee is still unable to produce a 45mL specimen, the Employer shall direct the employee to undergo an evaluation by a licensed physician concerning the employee's inability to provide an adequate amount of urine. If the physician concludes that there is no medical condition that would preclude the employee from providing an adequate amount of urine, the employee will be considered to have refused the test. If an employee is unable to provide a sufficient breath sample for analysis, the procedures outlined in the DOT regulations shall be followed for all employees. Absent a medical condition, as determined by a licensed physician, the employee's failure to provide an adequate amount of breath will be regarded as a refusal to take the test.

Contractual time limits for disciplinary action shall begin on the day on which the specimens are taken.

In the event the Employer alleges only that the employee is intoxicated on alcohol and not drugs, previously agreed-to procedures in this Agreement for determining alcohol intoxication shall continue to apply.

In the event the Employer is unable to determine whether the abnormal behavior is due to drugs or alcohol, the drug testing procedure contained herein and the breath alcohol testing procedure contained in Section 4 B shall apply. If the laboratory results are not known prior to the expiration of the contractual time period for disciplinary action, the cause for disciplinary action shall specify that the basis for such disciplinary action is for "alcohol and/or drug intoxication."

B. DOT Random Testing

It is agreed by the parties that random urine drug testing will be implemented only

in accordance with DOT rules under 49 CFR Part 382, Section C.

The method of selection for random drug testing will be neutral so that all employees subject to testing will have an equal chance to be randomly selected.

The term "employees subject to testing" under this agreement is meant to include any employee required to have a Commercial Drivers License (CDL) under the Department of Transportation regulations. Employees out on long term injury or disability for any reason shall not be tested.

The split sample procedure and the one-time rehabilitation shall apply to random urine drug testing.

C. Non-Suspicion Based Post-Accident Testing

Non-suspicion-based post-accident testing is defined as urine drug testing as a result of an accident which meets the definition of an accident as outlined in the Federal Motor Carrier Safety Regulations. Urine drug testing will be required after accidents meeting the following conditions and employees are required to remain readily available for testing for thirty-two (32) hours following the accident or until tested.

Employees subject to non-suspicion-based post-accident testing shall be limited to those employees subject to DOT drug testing, who are involved in an accident where there is:

- i. a fatality, or;
- ii. a citation under State or local law is issued to an employee for a moving traffic violation arising from the accident in which
 - (a) bodily injury to a person who, as a result of the injury, immediately receives medical treatment away from the scene of the accident, or
 - (b) one or more motor vehicles incurring disabling damage as a result of the accident, requires the vehicle(s) to be transported away from the scene by a tow truck or other vehicle

The employee has the responsibility to make himself/herself available for urine drug testing within the thirty-two (32) hour period in accordance with the procedures outlined in this subsection. The employee is responsible to notify the Employer upon receipt of a citation and to note receipt thereof on the accident report. Failure to so notify the Employer shall subject the employee to disciplinary action.

If the employee receives a citation for a moving violation more than thirty-two (32) hours after a reportable accident, he/she shall not be required to submit to post-accident urine drug testing.

The Employer shall make available a urine drug testing kit and an appropriate collection site for the employee to provide specimens.

The split sample procedures and the one time rehabilitation provisions shall apply to non-suspicion-based post-accident drug testing.

D. Chain of Possession Procedures

Any specimens collected for drug testing shall follow the DHHS/DOJ (Department of Health and Human Services/Department of Transportation) specimen collection procedures. At the time the specimens are collected for any drug testing, the employee shall be given a copy of the specimen collection procedures. In the presence of the employee, the specimens are to be sealed and labeled. As per DOJ regulations, it is the employee's responsibility to initial the specimens, additionally insuring that the specimens tested by the laboratory are those of the employee. The required procedure follows: (1) When urine specimens are to be provided, at least 30 mL of specimen shall be collected and placed in one (1) self-sealing screw-capped container. A urine specimen of at least 15 mL shall be placed in a second such container. They shall be sealed, labeled and initialed by the employee without the containers leaving the employee's presence. The employee has the responsibility to identify each container and initial same. Following collection, the specimens shall be placed in the transportation container together with the appropriate copies of the chain of custody form. The transportation container shall then be sealed in the employee's presence. The employee has the responsibility to initial the outside of the container. The container shall be sent to the designated testing laboratory by the fastest available means.

In this urine collection procedure, the donor shall urinate into a collection container capable of holding at least 60 mL, which shall remain in full view of the employee until transferred to tamper-resistant urine bottles, and sealed and labeled, and the employee has initialed the bottles.

It is recognized that the Employer has the right to request the personnel administering a urine collection to take such steps as checking the color and temperature of the urine specimen(s) to detect tampering or substitution, provided that the employee's right to privacy is guaranteed and in no circumstances may observation take place while the employee is providing the urine specimens, unless required by DOJ regulations. If it is established that the employee's specimen has been intentionally tampered with or substituted by the employee, the employee is subject to discipline as if the specimen tested positive. In order to deter adulteration of the urine specimen during the collection process, physiologic determinations such as creatinine, specific gravity and/or chloride measurements may be performed by the laboratory.

Any findings by the laboratory outside the "normal" ranges for creatinine, specific gravity and/or chloride shall be immediately reported to the Company's MRO. The

parties recognize that the key to the chain of custody integrity is the immediate sealing and labeling of the specimen in the presence of the tested employee. If such container is received undamaged at the laboratory properly sealed, labeled and initialed, consistent with DOT regulations as certified by the laboratory, the employer may take disciplinary action based upon properly obtained laboratory results.

E. Urine Collection Kits and Forms

The contents of the blood and urine sample kits shall be as follows:

1. The kit shall include two (2) screw-capped self-sealing tamper-resistant urine collection bottles of appropriate capacities, and one of which contains a temperature reading device affixed to the outside of the container capable of registering the urine temperature specified in the DOT regulations.
2. A uniquely numbered (i.e. Specimen Identification Number) DOT approved chain of custody form with similarly numbered Bottle Custody Seals, and a transportation kit seal (e.g. Box Seal) shall be utilized during the urine collection process and completed by the collection site person. The appropriate laboratory copies are to be placed into the transportation container with the urine specimens. The exterior of the transportation kit shall then be secured, e.g. by placing the tamper-proof Box Seal over the outlined area. The employee has the responsibility to initial the sealed transportation container.
3. Shrink-wrapped or similarly protected kits shall be used in all instances.

F. Laboratory Requirements

(1) Urine Testing

In testing urine samples, the testing laboratory shall test specifically for those drugs and classes of drugs and employing the test methodologies and cutoff levels covered in the DOT Regulations 49 CFR, Part 40.

(2) Specimen Retention

All specimens deemed "positive" by the laboratory, according to the prescribed guidelines, must be retained at the laboratory for a period of one (1) year.

(3) Split Sample Procedure

There will be a split sample procedure for all employees selected for urine drug testing. When any test kit is received by the laboratory, the "primary" sealed urine specimen bottle shall be immediately removed for testing, and the remaining "split" sealed bottle shall be placed in secured storage. Such specimen shall be

placed in refrigerated storage if it is to be tested outside of the DOT mandated period of time.

The employee will be given a shrink-wrapped or similarly protected urine collection kit containing two (2) containers for the urine specimen. One container must contain at least 30 mL of urine, and a urine specimen of at least 15ml shall be placed in the second (2nd) container. Both shall be sealed in the employee's presence, initiated by the employee, then forwarded to an approved laboratory for testing. If the employee is advised by the MRO that the first (1st) urine sample tested positive, in a random, return to duty, follow-up, probable suspicion, or post-accident urine drug test, the employee may, within seventy-two (72) hours of receipt of actual notice, request from the MRO that the second (2nd) urine specimen be forwarded by the first laboratory to another independent and unrelated approved laboratory of the parties' choice for GC/MS confirmatory testing of the presence of the drug. If the employee chooses to have the second (2nd) sample analyzed, he/she shall at that time execute a special check-off authorization form to ensure payment by the employee. If the employee chooses the optional split sample procedure, and so notifies his Employer, disciplinary action can only take place, after the first (1st) laboratory reports a positive finding and the second (2nd) laboratory confirms the presence of the drug. However, the employee may be taken out of service once the first (1st) laboratory reports a positive finding while the second (2nd) test is being performed. If the second (2nd) test is positive, and the employee wishes to use the rehabilitation options of this Section, the employee shall reimburse the Employer for the cost of the second (2nd) sample's analysis before entering the rehabilitation program. If the second (2nd) laboratory report is negative, the employee will be reimbursed for the cost of the second (2nd) test and for all lost time. It is also understood that if an employee opts for the split sample procedure, contractual time limits on disciplinary action are waived.

(4) Laboratory Accreditation

All laboratories used to perform urine testing pursuant to this Agreement Substance Abuse & Mental Health Services Administration (SAMHSA).

G. Laboratory Testing Methodology

The initial testing methodology shall be by immunoassay which meets the requirements of the Food and Drug Administration for commercial distribution. The initial cutoff levels used when screening urine specimens to determine whether they are negative or positive for various classes of drugs shall be those contained in the Scientific and Technical Guidelines for Federal Drug Testing Programs (subject to revision in accordance with subsequent amendments to the HHS Guidelines).

All specimens identified as positive on the initial test shall be confirmed using

gas chromatography/mass spectrometry (GC/MS) techniques. Quantitative GC/MS confirmation procedures to determine whether the test is negative or positive for various classes of drugs shall be those contained in the Scientific and Technical Guidelines for Federal Drug Testing Programs (subject to revision in accordance with subsequent amendments to the HHS Guidelines).

All specimens which test negative on either the initial test or the GC/MS confirmation test shall be reported only as negative. Only specimens which test positive on both the initial test and the GC/MS confirmation shall be reported as positive.

When a grievance is filed as a result of a positive drug test, the Employer shall obtain the test results from the laboratory relating to the drug test, and shall provide a copy to the Union.

When Schedule I and Schedule II drugs are detected, the laboratory is to report a positive test based on a forensically acceptable positive quantum of proof. All positive test results must be reviewed by the certifying scientist and certified as accurate.

(1) Prescription and Non-Prescription Medication

If an employee is taking a prescription or non-prescription medication in the appropriate described manner he/she will not be disciplined. Medications prescribed for another individual, not the employee, shall be considered to be illegally used and subject the employee to discipline.

(2) Medical Review Officer (MRO)

The Medical Review Officer (MRO) shall be a licensed physician with knowledge of substance abuse disorders. The MRO shall review and interpret all urine drug test results, as required by the DOT for all employees tested for drugs under this Agreement, from the laboratory and shall examine alternate medical explanations for such positive tests. Prior to the final decision to verify a positive urine drug test result, all employees shall have the opportunity to discuss the results with the MRO. If the employee has not discussed the results of the positive urine drug test with the MRO within five (5) days after being contacted, or refuses the opportunity to do so, the MRO shall proceed with the positive verification.

(3) Substance Abuse Professional (SAP)

The Substance Abuse Professional (SAP), as provided in the regulations, means a licensed physician (Medical Doctor or Doctor of Osteopathy), or a licensed or certified psychologist, social worker, or employee assistance professional, or an addiction counselor (certified by the National Association of Alcoholism and Drug Abuse

Counselors Certification Commission or by the International Certification Commission or by the International Certification Reciprocity Consortium/Alcohol & Other Drug Abuse). All must have knowledge of and clinical experience in the diagnosis and treatment of alcohol and controlled substance-related disorders.

II. Leave of Absence Prior to Testing

(1) An employee shall be permitted to take leave of absence in accordance with the FMLA or applicable State leave laws for the purpose of undergoing treatment pursuant to an approved program of alcoholism or drug use. The leave of absence must be requested prior to the commission of any act subject to disciplinary action.

(2) Employees requesting to return to work from a voluntary leave of absence for drug use or alcoholism shall be required to submit to testing as provided for in Part J of this Section. Failure to do so will subject the employee to discipline including discharge without receipt of a prior warning letter.

The provisions of this Section shall not apply to probationary employees.

I. Disciplinary Action Based on Positive Test Results

1. If the MRO reports that a urine drug test is positive, the employee shall be subject to discharge except as provided in Part J.

2. The following actions shall apply in probable suspicion testing based on DOT and contractual mandates.

- a. If the urine drug test is positive according to the procedures described in Part G the employee shall be subject to discharge.
- b. If the breath alcohol test results show a blood alcohol concentration equal to or above the level previously determined by this Agreement for alcohol intoxication, the employee shall be subject to discharge pursuant to this Agreement.
- c. If the breath alcohol test is negative and the urine drug test is negative, the employee shall be immediately returned to work and made whole for all lost earnings.

J. Return to Employment After a Positive Urine Drug Test

(1) Any employee testing positive for drugs in a urine drug test (other than under probable suspicion testing), thereby subjecting the employee to discipline, shall be granted reinstatement on a one (1)-time lifetime basis if the employee successfully completes a program of evaluation and/or rehabilitation as prescribed by the Substance Abuse Professional (SAP). The SAP will evaluate the employee, and if

necessary, refer him/her to a treatment program which has been approved by the Welfare Fund. Any cost of evaluation and/or rehabilitation, over and above that paid for by the Welfare Fund, must be borne by the employee.

(2) Employees electing the one-time lifetime evaluation and/or rehabilitation must notify the Company within ten (10) days of being notified by the Company of a positive urine drug test. The evaluation process and/or rehabilitation program must take a minimum of ten (10) days. The employee must begin the evaluation process and/or rehabilitation program within fifteen (15) days after notifying the Company. The employee must request reinstatement promptly after successful completion of the evaluation process and/or rehabilitation program. After the minimum ten (10) day period, the employee may request reinstatement, but must first provide a negative return to duty urine drug test, to be conducted by a clinic and laboratory of the Employer's choice, before the Employee can be reinstated. Any Employee choosing to protest the discharge must file a protest under this Agreement. After the discharge is sustained, the employee must notify the Company within ten (10) days of the date of the decision, of the desire to enter the evaluation process and/or rehabilitation program.

(3) While undergoing treatment, the employee shall not receive any of the benefits provided by this Agreement except the continued accrual of seniority.

(4) Before reinstatement after the minimum ten (10) day period, the employee must have successfully completed any recommended treatment and submitted to a return-to-duty urine test with a negative result. The employee will be subject to at least six (6) unannounced follow-up urine drug tests in the first year, as determined by the SAP. If at any time, the employee tests positive or refuses to submit to a test, the employee shall be subject to discharge.

(a) Return-to-duty drug test is a urine drug test which an employee must complete with a negative result, after having been evaluated by a SAP and having successfully completed treatment.

(b) Follow-up drug testing shall mean those unannounced urine drug tests required (minimum of six (6) in a twelve (12) month period) when an employee has tested positive for drugs and has been evaluated by the SAP, completed treatment, and returned to work. The SAP has the authority to order any number of follow-up urine drug tests and to extend the twelve (12) month period up to sixty (60) months.

K. Paid-for Time

L. Training

Employees undergoing substance abuse training as required by the DOT will be paid for such time and the training will be scheduled in connection with the employee's normal work shift, where possible.

2. Testing

Employees subject to testing and selected by the random selection process for urine drug testing shall be compensated at the regular straight time hourly rate of pay in the following manner provided that the test is negative:

A. Random Drug Test

1. for all time at the collection site
2. (a) for travel time one way if the collection site is reasonably en route between the employee's home and the terminal, and the employee is going to or from work;
or
(b) for travel time both ways between the terminal and the collection site, only if the collection site is not reasonably en route between the employee's home and the terminal.
3. When an employee is on the clock and a random drug test is taken any time during the employee's shift, and the shift ends after eight (8) hours, the employee is paid time and one-half for all time past the eight (8) hours.
4. The Employer will not require the employee to go for urine drug testing before the employee's shift, provided the collection site is open during or immediately following the employee's shift.
5. During an employee's shift, an employee will not be required to use his/her personal vehicle from the terminal to and from the collection site to take a random drug test.

B. Non-Suspicion Based Post-Accident Testing

1. In the event of a non-suspicion-based post accident testing situation, where the employee has advised the Employer of the issuance of a citation for a moving violation, but the Employer does not direct the employee to be tested immediately, but sends the employee for testing at some later time [during the thirty-two (32) hour period], the employee shall be paid for all time involved in testing, from the time the employee leaves home until the employee returns home after the test.

Section 8. - Alcohol Testing

The parties agree that they will continue to negotiate language to be incorporated in this Agreement consistent with the drug and alcohol testing regulations published by

the U.S. Department of Transportation and the Federal Highway Administration.

The parties agree that in the event of further federal legislation or DOT regulations providing for revised methodologies or requirements, those revisions shall, to the extent they impact this Agreement, be subject to mutual agreement by the parties.

A. Employees Who Must Be Tested

There shall be random, non-suspicion-based post-accident and probable suspicion alcohol testing of all employees subject to DOT-mandated alcohol testing. This includes all employees, who as a condition of their employment, are required to have a DOT physical, a CDL, and are subject to testing for drugs under this Article.

Employees covered by this Collective Bargaining Agreement who are not subject to DOT-mandated alcohol testing are only subject to probable suspicion testing as provided in this Agreement. The alcohol breath testing methodology outlined in this Agreement will be utilized for all employees required to undergo probable suspicion testing.

B. Alcohol Testing Procedure

All alcohol testing under this Section will be conducted in accordance with applicable DOT/FHWA regulations. Breath samples will be collected by a Breath Alcohol Technician (BAT), who has successfully completed the necessary training course that is the equivalent of the DOT model course. The training shall be specific to the type of Evidential Breath Testing (EBT) device being used for testing. The Employer shall provide the employees with material containing the information required by Section 382.601 of the Federal Motor Carrier Safety Regulations.

1. Screening Test

The initial screening test used in Evidential Breath Testing (EBT) device, unless other testing methodologies or devices are mandated or agreed upon, to determine levels of alcohol. The following initial cutoff levels shall be used when screening breath samples to determine whether they are negative or positive for alcohol.

Breath Alcohol Levels:

Less than 0.02% BAC - Negative

0.02% BAC and above - Positive (Requires Confirmation Test)

2. Confirmatory Test

All samples identified as positive on the initial screening test, indicating an alcohol concentration of 0.02% BAC or higher, shall be confirmed using an IBST device that is capable of providing a printed result in triplicate; is capable of assigning a unique sequential number to each test; and is capable of printing out, on each copy of the printed test result, the manufacturer's name for the device, the device's serial number and the time of the test, unless other testing methodologies or devices are mandated or mutually agreed upon.

A confirmation test must be performed a minimum of fifteen (15) minutes after the screening test, but more than thirty (30) minutes after the screening test.

The following cutoff levels shall be used to confirm a positive test for alcohol:

Breath Alcohol Levels:

Less than 0.02% BAC - Negative

0.02% BAC to 0.039% BAC - Positive *

0.04% BAC and above - Positive

* Refer to Section 4 I. for Discipline Based on a Positive Test

C. Notification

All employees subject to DOT-mandated random alcohol testing will be notified of testing by the Employer, in person or by direct phone contact.

D. Pre-Qualification Testing for Non-DOT Personnel

An employee who transfers from a non-DOT covered position to a safety sensitive position, requiring DOT-mandated alcohol testing, will be subject to an alcohol test as part of the pre-qualification conditions for filling such position. Employees will be advised in writing prior to transferring to a safety sensitive function as defined by DOT, that pre-qualification testing will be conducted to determine the presence of alcohol. Any employee testing positive below the state DWI/DUI limit in a pre-qualification alcohol test shall not be permitted to requalify, for a period of one (1) year.

E. Random Testing

The method used to randomly select employees for alcohol testing shall be neutral, scientifically valid and in compliance with DOT regulations.

The annual random testing rate for alcohol use shall be the rate established by the Administrator of the FHWA.

In the event of a grievance or litigation, the Employer shall, upon written request from the employee, release to the employee and the Union (in its capacity as representative of the grievant and as a decision maker in the grievance process), information required to be maintained under the DOT alcohol testing regulations and arising from the results of an alcohol test which is subject to release under the regulations.

The parties agree that no effort will be made to cause the system and a method of selection to be anything but a true random selection procedure ensuring that all affected employees are treated fairly and equally.

Employees subject to random alcohol testing shall be tested within one (1) hour prior to starting the tour of duty, during the tour of duty, or immediately after completing the tour of duty.

Employees who are on long-term illness or injury leave of absence, disability or vacation shall not be subject to testing during the period of time they are away from work.

F. Non-Suspicion Based Post-Accident Testing

In the event of a non-suspicion-based post-accident testing situation, where the employee has advised the Employer of the issuance of a citation for a moving violation, but the Employer does not direct the employee to be tested immediately, but sends the employee for testing at some later time [during the thirty-two (32) hour period], the employee shall be paid for all time involved in testing, from the time the employee leaves home until the employee returns home after the test.

G. Substance Abuse Professional (SAP)

1. The Substance Abuse Professional (SAP), as provided in the regulations, means a licensed physician (Medical Doctor or Doctor of Osteopathy), or a licensed or certified psychologist, social worker, or employee assistance professional, or an addiction counselor (certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission or by the International Certification Commission or by the International Certification Reciprocity Consortium/Alcohol & Other Drug Abuse). All must have knowledge of and clinical experience in the diagnosis and treatment of alcohol and controlled substance-related disorders.

2. The Employer will provide the employee with a list of resources available to the employee in evaluating and resolving problems with the misuse of alcohol as soon as practicable but no later than thirty-six (36) hours after the Employer's receipt of notice from the BAT, exclusive of holidays and weekends. The SAP will be the only person responsible for determining, during the evaluating

process, whether an employee will be directed to a rehabilitation program, and if so, for how long.

3. Follow-up and return-to-duty tests need not be confined to the substance involved in the violation. If the SAP determines that an employee needs assistance with an alcohol and drug abuse problem, the SAP may require drug tests to be performed along with any required alcohol follow-up and/or return-to-duty tests, if it has been determined that an employee has violated the drug testing prohibition.

4. Any cost of evaluation by the SAP and/or rehabilitation recommended by the SAP associated with the abuse of alcohol while performing or available to perform safety-sensitive functions under this Agreement, over and above that paid by the Welfare Fund must be borne by the employee. The Employer shall pay for pre-qualification alcohol testing for employees who transfer from a non-DOT covered position to a safety-sensitive position requiring DOT-mandated alcohol testing provided the employee tests negative. The Employer will also pay for random, non-suspicion based post-accident and probable suspicion alcohol testing. Return-to-duty and follow-up alcohol testing that is prescribed by the SAP, will be paid for by the Employer, provided the employee tests negative.

H. Probable Suspicion Testing

Employees subject to DOT probable suspicion alcohol testing under this Section shall be tested in accordance with current, applicable DOT regulations.

For all purposes herein, the parties agree that the terms "probable suspicion" and "reasonable cause" shall be synonymous.

Probable suspicion is defined as an employee's specific observable appearance, behavior, speech or body odor that clearly indicates the need for specific probable suspicion alcohol testing.

In the event the Employer is unable to determine whether the abnormal behavior or appearance is due to alcohol or drugs, the Employer shall specify that the basis for any disciplinary action or testing is for "alcohol and/or drug intoxication." In such cases, the employee shall be tested in accordance with Article XI, Section 7, and applicable DOT alcohol testing and regulations.

In cases where an employee has specific, observable, abnormal indicators regarding appearance, behavior, speech or body odor, and at least one (1) supervisor, two (2) if available, have probable suspicion to believe that the employee is under the influence of alcohol, the Employer may require the employee, in the presence of a union shop steward or other employee requested by the employee under observation, to submit to a breath alcohol test. Suspicion is not probable and thus not a basis for testing if it is based

solely on third party observation and reports.

The supervisor(s) must make a written statement of these observations within twenty-four (24) hours. Upon request, a copy must be provided to the shop steward or other union official after the employee is discharged or suspended or taken out of service.

All supervisors and Employer representatives designated to determine whether probable suspicion exists to require an employee to undergo alcohol testing shall receive specific training on the physical, behavioral, speech and performance indicators of how to detect probable suspicion alcohol misuse and use of controlled substances as required by DOT regulations.

In the event the Employer requires a probable suspicion test, the Employer shall provide transportation to and from the testing location.

I. Preparation for Testing

All alcohol testing shall be conducted in conformity with the DOT alcohol regulations. Any alleged abuse by the Employer, such as proven harassment of any employee or deliberate violation of the regulations or the contract shall be subject to the grievance procedure to provide a reasonable remedy for the alleged violation.

Upon arrival at the testing site, an employee must provide the Breath Alcohol Technician (BAT) with proper identification. If requested, the employee will sign a consent form authorizing the BAT to collect a breath sample and release the result of the breath testing to his/her Employer, but shall not be required to waive any claim or cause of action under the law.

A standard DOT approved alcohol testing form will be used by all testing facilities.

J. Specimen Testing Procedures

All procedures for alcohol testing will comply with Department of Transportation regulations.

No unauthorized personnel will be allowed in any area of the testing site. Only one alcohol testing procedure will be conducted by a BAT at the same time.

The employee will provide his or her breath sample in a location that allows for privacy. The Employer agrees to recognize all employees' rights to privacy while being subjected to the testing process at all times and at all testing sites. Further, the Employer agrees that in all circumstances the employee's dignity will be considered and all necessary steps will be taken to ensure that the entire process

does nothing to demean, embarrass or offend the employee unnecessarily. Testing will be under the direct observation of a Breath Alcohol Technician (BAT). All procedures shall be conducted in a professional, discreet and objective manner. Direct observation will be necessary in all cases.

The employee shall provide an adequate amount of breath for the Evidential Breath Testing device. If the individual is unable to provide a sufficient amount of breath, the BAT shall direct the individual to again attempt to provide a complete sample. If an employee is unsuccessful in providing the requisite amount of breath, the Employer then must have the employee obtain, as soon as practical, an evaluation from a licensed physician selected by the Employer and Local Union concerning the employee's medical ability to provide an adequate amount of breath. If the physician is unable to determine that a medical condition has, or with a high degree of probability could have, precluded the employee from providing an adequate amount of breath, the employee's failure to provide an adequate amount of breath will be regarded as a refusal to take the test and subject the employee to discharge.

K. Leave of Absence Prior to Testing

An employee shall be permitted to take leave of absence in accordance with the FMLA or applicable State leave laws for the purpose of undergoing treatment pursuant to an approved program of alcoholism or drug use. The leave of absence must be requested prior to the commission of any act subject to disciplinary action. This provision does not alter or amend the disciplinary provision. (Article XI, Section 7)

Before returning to work from a voluntary leave of absence, the employee must have completed any recommended treatment and taken a return-to-duty test, with a result of less than 0.02% BAC, and further be subject to six(6) unannounced follow-up alcohol tests in the first twelve (12) months following the employee's return to duty.

L. Disciplinary Action Based on Positive Test Results

1. First Positive Test

0.02% BAC-0.039% BAC

Out of service for 24 hours

0.04% BAC - Less than State DWI/DUI limit

Out of service for the length of time-determined by the SAP with a minimum of twenty-four (24) hours

State DWI/DUI limit and
Above Subject to
discharge

2. Second Positive Test

0.02% BAC - 0.039% BAC

Out of service for a five (5) calendar day suspension

0.04% BAC - Less than State DWI/DUI limit

Out of service for the length of time determined by the SAP with a
minimum of a twenty (20) calendar day suspension

State DWI/DUI limit and
Above Subject to
discharge

3. Third Positive Test

0.02% BAC - 0.039% BAC

Out of service for a fifteen (15) calendar day suspension

0.04% BAC - Less than State DWI/DUI limit

Out of service for the length of time determined by the SAP with a
minimum of a thirty (30) calendar day suspension

State DWI/DUI limit and
Above Subject to
discharge

4. Fourth Positive Test

0.02% BAC - 0.039% BAC

Subject to discharge

0.04% BAC - Less than State DWI/DUI limit

Subject to discharge

State DWI/DUI limit and Above

Subject to discharge

4. An employee who is tested positive in a non-suspicion-based post accident alcohol testing situation shall be subject to the following discipline for the positive alcohol test or the vehicular accident, whichever is greater:

First Non-Suspicion-Based Post-Accident Positive Test - 0.02% BAC - 0.039% BAC - Thirty (30) calendar day suspension. 0.04% BAC and higher - Subject to discharge.

Second Non-Suspicion-Based Post-Accident Positive Test - 0.02% BAC and higher - Subject to discharge

6. An employee's refusal to submit to any alcohol test will subject the employee to discharge.

M. Return to Duty after a Positive (Greater than .04 to the State Limit) Alcohol Test

Before returning to work the employee must have completed any recommended treatment determined by the SAP and taken a return to duty alcohol test, with a result of less than 0.02% BAC, and further be subject to at least six (6) unannounced follow-up alcohol and/or drug tests as determined by the SAP.

N. Paid-for-Time - Testing

Employees subject to testing and selected by the random selection process for alcohol testing shall be compensated at the regular straight time, hourly rate of pay provided that the test is negative.

1. Random Alcohol Tests

a. Paid for all time at the collection site.

b. (1) for travel time one way if the collection site is reasonably en route between the employee's home and the terminal, and the employee is going to or from work;

or

(2) for travel time both ways between the terminal and the collection site, only if the collection site is not reasonably en route between the employee's home and the terminal.

c. When an employee is on the clock and a random alcohol test is taken any time during the employee's shift, and the shift ends after eight (8) hours, the employee is paid time and one-half for all time past the eight (8) hours.

d. The Employer will not require the employee to go for alcohol testing before the employee's shift, provided the collection site is open during or immediately

following the employee's shift.

e. During an employee's shift, an employee will not be required to use his or her personal vehicle from the terminal to and from the collection site to take a random alcohol test.

2. Non-Suspicion-Based Post-Accident Testing

a. In the event of a non-suspicion-based post-accident testing situation, where the employee has advised the Employer of the issuance of a citation for a moving violation, but the Employer does not direct the employee to be tested immediately, but sends the employee for testing at some later time (during the eight (8) hour period), the employee shall be paid for all time involved in testing, from the time the employee leaves home until the employee returns home after the test.

D. Record Retention

The Employer shall maintain records in a secure manner so that disclosure of information to unauthorized persons does not occur.

Each Employer or its agent is required to maintain the following records for two years:

1. Records of the inspection and maintenance of each EBT used in employee testing;
2. Documentation of the Employer's compliance with Quality Assurance Program for each EBT it uses for alcohol testing; and
3. Records of the training and proficiency testing of each BAT used in employee testing.

The Employer must maintain for five years records pertaining to the calibration of each EBT used in alcohol testing, including records of the results of external calibration checks.

ARTICLE XII

Assignment of Work and Subcontracting

- (a) There shall be no subcontracting of work presently being done by company employees unless the company lacks the necessary skilled employees,

technology, or specialized equipment to perform the subcontracted work. The use of outside vendors will not be considered subcontracting provided two (2) hours of overtime is offered and worked or offered and declined within the classification qualified to perform said work and on the shift during which the work is tendered to the outside vendor or vendors.

- (b) Any dispute arising under this Article shall be submitted to the grievance procedure in Article XIV of the Agreement. Further, either the Company or Local Union shall have the right to request a special meeting of the Arbitration Committee to handle said dispute upon giving the other party and the Co-Chairmen of the Committee five (5) days' notice.

ARTICLE XIII

Time Off

- (a) Employees when requesting time off will give at least one (1) working day's notice in advance. The granting of such request shall be at the discretion of the Employer with due regard to the desires and preferences of the employee, consistent with efficient operations.
- (b) Failure of any employee to comply with the provisions of this Article shall subject him to disciplinary action.

ARTICLE XIV

Grievance Procedure and Union Liability

Section I.

Employees covered by this Contract shall be represented by a Shop Steward and in the event an employee or Union Representative believes he has been unjustly dealt with or any provisions of this contract have been violated, he shall proceed as follows:

- (a) Report the matter in writing to the Shop Steward, who will take the complaint to the foreman involved. If a satisfactory adjustment is not made, the Steward will then bring the matter to the attention of the Superintendent or other qualified representative of the management.

- (b) If not satisfactorily adjusted between the Steward and the Company's Representative within forty-eight (48) hours, then the Steward shall report the matter to the Union Representative on a grievance form.
- (c) If, a satisfactory settlement of the grievance is not made by the Company and the Union within seven (7) days from the time the Company was contacted by the Union representative, either the Union or the Company can request that the matter be handled by the Joint Arbitration Committee.
- (d) Disputes and grievances shall be put in writing and presented to the Company within one (1) week, whenever possible, after the grievance arises, but in no case later than fifteen (15) calendar days after the grievance arises except as may be otherwise provided in agreement.

Back Pay Time Limitations

- (e) Compensation or money adjustments for either the Company, Union or employee(s) resulting from any grievance decision shall not apply beyond the most recent anniversary date of the Contract, nor in any event for more than thirty-five (35) calendar days preceding the date the written, grievance is received by the Employer.

Section 2. - Arbitration

- (a) The Joint Arbitration Committee shall be set up by the Employers and the Union, each having an equal representation, and shall settle all grievances and disagreements presented to it, by a majority vote. Where the Committee is unable to resolve a grievance by majority vote, it shall select one representative for the union and one representative for the employers, not then participating in the arbitration of the grievance, to conduct an independent review of the underlying circumstances, and to expeditiously make a non-binding recommendation to the Committee for the resolution of the dispute. All decisions and findings of the Arbitration Committee shall be final except when a majority decision cannot be reached, then, in such case, an impartial Arbitrator shall be selected by the Joint Arbitration Committee. If the Joint Arbitration Committee cannot agree upon an Arbitrator they shall obtain a list of three (3) names from the Chairman of the Michigan Employment Relations Commission. Upon receipt of such list, the Employers shall eliminate one name, the Union shall eliminate another and the remaining name shall be the impartial Arbitrator. Decisions of such Arbitrator shall be final and binding upon all parties concerned. The Employer and the Union agree to evenly divide all expenses incurred for the Arbitrator.
- (b) The jurisdiction of the Arbitrator shall be limited to the specific point in

issue and shall not extend into unrelated questions not at issue.

The Arbitrator shall have no power to add to or subtract from or modify any terms of this Agreement or any agreement made supplemental thereto, or to establish or change any compensation. His only power shall be limited to interpreting and applying the Agreement to the matter in dispute.

- (e) The Company shall pay all settled grievances within thirty (30) days of the settlement (if at the company level) or from receipt of the Grievance Committee minutes.

Should the Company fail to comply within the thirty (30) day period set forth above, after the proper official of the Local Lodge has given seventy-two (72) hours notice to the Company of such failure to comply, the Local Lodge or District shall have the right to take such action as they deem necessary until the Company complies.

- (d) The classification of Advanced Apprentice Mechanic shall carry a starting rate as set forth. In event said Joint Apprenticeship Committee reaches a deadlock as the Apprentices' wage increases, or other conditions, said deadlock shall be referred to the grievance procedure set forth in Article XIV, Grievance Procedure and Union Liability, of the Agreement.

Section 3. - Strike and Lockout

It is mutually agreed that all controversies and disagreements between the Employer and the employees, the Union and its members, including differences as to interpretation of the terms of this Contract, shall be settled in accordance with the procedure herein provided and that there shall at no time be any strikes, tie-ups of equipment, slow-downs, walkout or any cessation of work or use of pickets on the part of the employees or the Union, nor shall the Employer use any method of lockout. Should either the Union or the Company not accept and abide by the decision as set forth in the arbitration procedure above, then, in such instance, all provisions in this Contract to the contrary, neither party shall have the benefits of this paragraph.

Both the Union and the Employer shall have equal opportunity to utilize the grievance and arbitration machinery contained in this Contract.

The employee will not be required to work on equipment of other Employers that are struck under this Agreement where both Employers are signatory to this Agreement. This does not apply to the normal interchange of equipment.

Section 4. - Union Responsibility

- (a) Authorized representatives of the Union shall be permitted to enter the Company's premises during normal business hours.
- (b) It is further mutually agreed that the Local Union will serve upon the Company a written notice, which notice will list the Union's authorized representatives who will deal with the Company, make commitments for the Union generally, and in particular have sole authority to act for the Union in calling or instituting strikes or any stoppages of work, and the Union shall not be liable for any activities unless so authorized. It is further agreed that in all cases of an unauthorized strike, slow-down, walkout, or any unauthorized cessation of work, the Union shall not be liable for damages resulting from such unauthorized acts of its members. While the Union shall undertake every reasonable means to induce such employee or employees to return to their jobs during any such period of unauthorized stoppage of work mentioned above, it is specifically understood and agreed that the Company during the first twenty-four (24) hour period of such unauthorized work stoppage shall have the sole and complete right to discipline short of discharge, up to and including a thirty (30) day suspension; and such union member shall not be entitled to or have recourse to any other provision of this Contract.
- (c) After the first twenty-four (24) hour period of such stoppage and if such stoppage continues, however, the Company shall have the sole and complete right to immediately discharge any employee participating in any unauthorized strike, slowdown, walkout, or any other cessation of work, and such employee shall not be entitled to or have any recourse to any other provision of this Contract.

Section 5. - Health and Welfare, Pension Contributions and Union Dues Delinquencies

- (a) Notwithstanding anything herein contained, it is agreed that in the event any Employer is delinquent at the end of a period in the payment of his contribution to the Health and Welfare or Pension Fund or Funds created under this Agreement, in accordance with the rules and regulations of the Trustees of such Funds, or the non-submission of Union Dues to the Union, after the proper official of the Local Lodge has given seventy-two (72) hours notice to the Employer of such delinquency in Health and Welfare and/or Pension payments, the Local Lodge or District shall have the right to take such action as they deem necessary until such delinquent payments are made, and it is further agreed that in the event such action is taken, the Employers shall be responsible to the employees for losses resulting there from.
- (b) Contributions not paid by the established due dates shall be considered

delinquent. Action for collection of delinquent contributions may be instituted by the Local Lodge, District, or the Trustees. Employers who are delinquent shall pay all attorney fees and other costs of collection.

Section 6. - Protection of Rights

It shall not be a violation of this Agreement and it shall not be cause for discharge or disciplinary action in the event an employee refuses to enter upon any property involved in a lawful primary picket line, including the lawful primary picket line of the Union party to this Agreement, and including the lawful primary picket lines at the Employer's place of business.

Section 7.

If at any time during the term of this Contract a "Hot Cargo" clause becomes lawful, then the parties hereto agree to meet and negotiate on such a clause.

Section 8.

- (a) Any provisions of this Contract which are not in conformity with any valid Federal, State or Municipal law shall become null and void without voiding the remaining provisions of this Contract.
- (b) In the event the circumstances in Section 8(a) occur the parties shall negotiate in good faith an adequate replacement. If such negotiations shall not result in a mutually satisfactory agreement, either party shall be permitted to take legal or economic recourse as to the void.

ARTICLE XV

Welfare

The Employer agrees to pay into the appropriate Welfare Fund Two Hundred Forty Eight Dollars and Seventy-six Cents (\$248.76) per week, effective the first pay period after May 1, 2007 for each regular employee with a family who has been on the payroll thirty (30) days or more, covered under the classifications of this agreement, who is on the seniority list and working under the terms and conditions of this agreement. The contribution rate for single employees who otherwise meet all the above eligibility requirement shall be One Hundred Sixty Three Dollars and Forty Four Cents Fifty Four Dollars (\$163.44) per week effective May 1, 2007. By the execution of this agreement, the Employer authorizes the Employer Associations who are parties hereto to enter into appropriate trust agreements and such amendments thereto as are necessary for the administration of such fund, and to designate the employer Trustees under such agreement, hereby waiving all notice thereof and ratifying all actions already taken or to be taken by such Trustees within the scope of their authority.

The employer contribution for an employee with a family shall be the following: Effective May 1, 2008 Two Hundred Sixty Five Dollars and Seventy Eight (265.78); effective May 1, 2009 Two Hundred Eighty Four Dollars and Sixteen Cents (\$284.16); effective May 1, 2010, Three Hundred Four Dollars and One Cent (\$304.01); and effective May 1, 2011, Three Hundred Twenty Five Dollars and Forty Five Cents (\$325.45). The employer contribution for a single employee shall be the following: Effective May 1, 2008 One Hundred Seventy Three Dollars and Sixty Three Cents (\$173.63); effective May 1, 2009 One Hundred Eighty Four Dollars and Sixty Four Cents (\$184.64); effective May 1, 2010, One Hundred Ninety Six Dollars and Fifty Three Cents (\$196.53); and effective May 1, 2011 Two Hundred Nine Dollars and Thirty Seven Cents (\$209.37). Should the cost of maintaining existing benefit levels exceed the contributions allocated by the Trustees, any additional contributions needed shall be paid by the employee.

The Trustees shall also determine the form and nature of the information to be submitted by the respective Health, Welfare and Pension Funds, which information shall be submitted by the respective Health, Welfare and Pension Funds, which information shall be submitted to the Motor Carriers Association bargaining committee prior to May 1 of each contract year.

If an employee is absent because of illness or off-the-job injury and notifies the Employer of such absence, the Employer shall continue to make the required contributions for a period of four (4) weeks. If an employee is injured on-the-job, the Employer shall continue to pay the required contributions until such employee returns to work. However, such contributions shall not be paid for a period of more than twelve (12) months from the date of injury. If an employee is granted a leave of absence, the Employer and Union jointly shall collect from said employee, prior to the leave of absence being effective, sufficient monies to pay the required contribution into the Health and Welfare Fund during the period of absence.

Contributions to the Health and Welfare Fund must be made for each week for each regular employee to the appropriate fund.

ARTICLE XVI

Pension

The first pay period after May 1, 2007, the Employer shall contribute per week to the Pension Fund for each Employee covered by this Agreement who has been on the payroll thirty days or more Two Hundred Sixteen Dollars and Seventy Cents (\$216.70); effective the first pay period after May 1, 2008, the contribution rate shall be Two Hundred Thirty Eight Dollars and Thirty Seven Cents (\$238.37); effective the first pay period after May 1, 2009, the contribution rate shall be Two Hundred Sixty Two Dollars and Twenty One Cents (\$262.21); effective the first pay period after May 1, 2010, the contribution rate shall be Two Hundred Eighty Eight Dollars and Forty Three Cents (\$288.43); effective the first pay period after May 1, 2011, the contribution rate shall be Three Hundred Seventeen Dollars and Twenty Seven Cents (\$317.27).

By the execution of this Agreement the Employer authorizes the Employer Association which is party hereto to enter into appropriate trust agreements and such amendments thereto as are necessary for the administration of such fund, and to designate the Employer Trustees under such agreement, hereby waiving all notice thereof and ratifying all actions already taken or to be taken by such Trustees within the scope of their authority.

If an employee is absent because of illness or off-the-job injury and notifies the Employer of such absence, the Employer shall continue to make the required contributions for a period of four (4) weeks. If an employee is injured on the job, the Employer shall continue to pay the required contributions until such employee returns to work, however, such contribution shall not be paid for a period of more than one (1) year.

Contributions to the Pension Fund must be made for each regular or extra employee, even though such employee may work only part-time under the provisions of this Contract, including weeks where work is performed for the Employer but not under the provisions of this Contract, although contributions may be made for those weeks into some other Pension Fund. Employees who work either temporarily or in the case of emergency under the terms of this Contract shall not be covered by the provisions of this paragraph.

ARTICLE XVII

Section 1.

The Employer shall be responsible for all employees' tools damaged or destroyed as a result of fire on the Employer's premises, or theft through break-in or illegal entry, not to exceed present value, unless the Employer has furnished a safe place for the keeping of tools. The employees must provide the Employer with a written inventory of his tools and failure to do so will preclude his recovery under this Section.

Section 2. - Special Tools

- (a) The Employer shall furnish special tools, the nature of which shall be resolved by mutual agreement between the Union and the Employer's Representatives.
- (b) During the life of this Agreement if metric tools become necessary the Company shall have available one set of 1/2" Drive Ratchet-Shallow and Deep Sockets (16-26 mm) and one set of combination wrenches 1/4" through 1-5/16" (6-32 mm).
- (c) The Employer shall furnish all special tools, specifications, and/or shop manuals needed to maintain and repair the Employer's equipment. When new equipment is brought into the fleet, the Employer will

provide necessary tools, equipment and manuals needed to train the employees in properly maintaining and repairing the equipment, except those hand tools normally provided by the employees.

Section 3. - Tool Allowance

- (a) Effective May 1, 2007, the monthly tool allowance shall be Forty-five (\$45.00) Dollars. The building maintenance duties and/or tool allowances are subject to good faith negotiations between the Employer and the Union. Failure to reach agreement allows either the Employer or the Union to submit the dispute to the grievance procedure as outlined in Article XIV(b). To be eligible for the tool allowance each month the employee must work at least seventy percent (70%) of the scheduled work days in that month. Vacation time shall be counted as time worked for purposes of this Section. Employees laid-off during a calendar month shall receive tool allowance for that month.
- (b) The tool allowance shall be paid in the first pay period of each month.
- (c) The Employer shall pay the above tool allowance with a separate check (a different method of pay agreed to by the Company and Union shall be allowed).

Section 4.

The parties agree that the use of employee-owned air tools is mutually advantageous to all parties concerned and, therefore, the Company agrees to repair said tool(s) for normal breakdown or replace said tool(s) at no cost to the employee provided the following conditions are met:

- (a) The employee will furnish the Company with the serial number of the tool(s). Tool(s) must be in working condition at this time.
- (b) Repairs of tool(s) are subject to the tool(s) being used on the Company premises. If the employee wishes to use the tool(s) off the premises, or for personal use, said tool(s) shall be inspected by the supervisor and checked out. The same procedure will be applied when the tool(s) is returned for use on Company premises.
- (c) The Company will not be responsible for damages resulting from use other than at the Company.
- (d) The Company has the right to request employees to produce tool(s) at

any time. Failing to do so will exclude employees from this part of the Agreement.

- (e) The decision to repair or replace said tool(s) shall be at the Company's discretion only.

Section 5. - Sanitary Facilities

The Company shall provide sanitary facilities in accordance with applicable government requirements.

Any violation of this provision will be processed through the grievance procedure, as provided in Article XIV of this Agreement.

Section 6. - Boots and Aprons

Washers and porters shall be provided with the necessary boots and aprons. Newly hired washers and porters shall be provided with unused boots.

Rain gear will be provided for those employees who regularly work outside.

Section 7. - Exhaust System

Employers will provide an exhaust system complying with applicable government requirements.

Section 8. - Itemized Deductions

Employers will show deductions made from the check of any employee by itemizing the deductions on the paycheck or on an attached statement.

Section 9. - Breaks

Employees will be allowed a paid thirty (30) minute break during an eight (8) consecutive hour shift. Break time shall be determined by the Employer.

Section 10. - Machinists Non-Partisan Political Action League

The Employers signatory to this Agreement agree to make voluntary deductions for the Machinists Non-Partisan Political Action League from Employee payroll when so authorized in writing by the Employee, and to remit such amounts deducted in a timely manner and in a fashion agreed upon by the parties.

Section 11. - Policy of Apprenticeship

The parties to this Agreement shall be bound by the Policy of Apprenticeship agreed to by Motor Carriers Employers' Association of Michigan and Lodge No. 698.

ARTICLE XVIII

Coveralls

Section 1.

The Employer shall arrange and assume the cost of uniforms (shirts and pants) or coveralls. All employees shall have one clean uniform or coveralls per day within the forty (40) hour-standard guaranteed work week.

Section 2.

Employees are to have the right to choose the type of material (cotton or polyester) for his uniform. The employee shall select the type of material on a yearly basis only. Coverall types (polyester or cotton) are to be selected each year unless the employee has a significant change in classification necessitating a change in type of coveralls.

ARTICLE XIX

Funeral Leave

In the event of a death in the family (father, mother, wife, husband, brother, sister, son or daughter) a regular employee who is not on layoff, leave of absence and/or vacation shall be entitled to a maximum of three (3) days off with pay to attend the funeral. Two (2) days guaranteed pay regardless of day of death or day of funeral. In the event of the death of a grandchild, or the parent of a current spouse, a regular employee who is not on layoff, leave of absence, and/or vacation shall be entitled to a maximum of one (1) day off with pay to attend the funeral.

ARTICLE XX

Successor In Interest

This Agreement shall be binding upon the parties hereto, their successors, administrators, executors and assigns. In the event an entire operation, or any separable, independent segment thereof is sold, leased, transferred or taken over by sale, transfer, lease, assignment, receivership or bankruptcy proceeding, such operation shall continue to be subject to the terms and conditions of this Agreement

for the life thereof. It is understood by this section that the parties hereto shall not use any leasing device to a third party to evade this Agreement.

The Employer shall give notice of the existence of this Agreement to any purchaser, transferee, lessee, or assigns of the operation covered by this Agreement or any part thereof. Such notice shall be in writing with a copy to the Union not later than the effective date of sale. In the event that employees' classifications and/or wages are affected by a merging or consolidation of garages because of purchase, acquisition or other means, representatives of the Employer and the Union, shall, prior to the actual consolidation or merging of the garage, arrange a meeting to negotiate the proper classifications and wages of the employees affected.

ARTICLE XXI

The Union, its members and the Employer agree at all times, as fully as it may be in their power, to further their mutual interest of the Mechanics' Motor City Lodge No. 698 (IA of M & AW). The Union and the Employer recognize the principle of a fair day's work for a fair day's pay.

ARTICLE XXII

Jury Duty

Effective May 1, 2007, all employees called for jury duty will receive the difference between eight hours pay at the applicable hourly wage and actual payment received for jury service for each day of jury duty to a maximum of ten days pay per year for each eligible employee.

When such employees report for jury service on a scheduled workday, they will not be required to report for work that particular day.

Time spent on jury service will be considered time worked for purpose of employee contributions to health and welfare and pension plans, vacation eligibility and payment, holidays and seniority, in accordance with the applicable provisions of the Supplemental Agreements to a maximum of ten days.

ARTICLE XXIII

Change of Operations

When a new branch, terminal, division, garage or operation is opened, the Employer shall offer the opportunity to transfer to regular positions in these new locations in order of their company or classification seniority to employees affected in

whole or in part by such openings. This clause is only effective if within thirty-five (35) miles of the main post office to the other city's main post office and where both locations are within the jurisdiction of Lodge 698.

Employees transferring at the opening that are following their work shall transfer with all of their seniority and shall be dovetailed with the other seniority lists of garage employees that the work, etc. is transferred to.

In the event of a subsequent layoff at the originating garage, the employees so laid off shall have the right after exercising all of their seniority through all existing classifications to bump another employee with less seniority only after a thirty (30) working day layoff. The intent of the thirty (30) working day period is to avoid bumping between garages during temporary layoff periods.

ARTICLE XXIV

Term of Agreement

Section 1.

The parties agree to meet and consider the economy and the effect that it has had on the Industry and will reopen this Contract for negotiations if the parties agree and as economic conditions dictate.

Section 2.

This Contract shall become effective the first day of May, 2007, and shall continue in full force and effect until the last day of April, 2012, after which date this Contract shall continue in full force and effect from year to year thereafter, unless written notice to change or modify any part or all of this Contract is served by either party upon the other, sixty (60) days prior to the anniversary date.

UNIFORM RULES AND REGULATIONS

Governing the Actions of Garage Employees

The following rules and regulations and the penalties to be charged for violation of same, are placed into effect, with the joint approval of Employers and the Union, so that all employees of the Company may know what duties are required of them in the general conduct of the Company's business.

Nothing in these rules and regulations shall abrogate the employee's right through the Union of which he is a member, to challenge a penalty through the regular

grievance machinery. Rules and regulations therein contained shall not supersede any provision of present union contracts.

The Company reserves the right, upon proper notification of the Union, to revise the Rules and Regulations listed herein, subject to the affirmative decision of a majority of the Joint Arbitration Committee, and also reserves the right to the use of the grievance machinery as contained in its present contracts:

1. ACCIDENTS

(a) Major Chargeable Accident: Discharge

(b) Minor Chargeable Accident:

1st Offense	- Reprimand
2nd Offense	- Three Day Layoff
3rd Offense	- One Week Layoff
Subsequent Offenses	- Discharge

(c) Failure to report all accidents promptly, and personal injury to self or others or major accidents immediately:

1st Offense	- One Week Off
2nd Offense	- One Week Off
3rd Offense	- Discharge

2. EQUIPMENT

Unauthorized use of motor vehicles: Layoff or Discharge

3. CONDUCT

(a) Drinking alcoholic beverages while on duty or on Company property: Discharge

(b) Drinking alcoholic beverages during the lunch period:

1st Offense	- One Week Off
2nd Offense	- Discharge

(c) Drinking alcoholic beverages prior to reporting for duty, where the employee's condition is such that it may affect

the proper performance of his duties or impair his or the safety of other employees:

- | | | |
|--|-------------|-------------------|
| | 1st Offense | - Loss of Day |
| | 2nd Offense | - One week layoff |
| | 3rd Offense | - Discharge |
- (d) Proven theft or dishonesty of any kind, while on duty on Company premises: Discharge
- (e) Flagrant disobeying of orders and/or insubordination (defined as less than refusing a work assignment):
- | | | |
|--|-------------|----------------|
| | 1st Offense | - Reprimand |
| | 2nd Offense | - One week off |
| | 3rd Offense | - Discharge |
- (f) Conviction for driving recklessly while on duty:
- | | | |
|--|---------------------|--------------------|
| | 1st Offense | - Reprimand |
| | 2nd Offense | - Three Day Layoff |
| | 3rd Offense | - One Week Off |
| | Subsequent Offenses | - Discharge |
- (g) Refusal to perform assigned work covered by the Agreement: Voluntary Quit
- (h) Gambling on Company premises: Discharge
- (i) Violation of posted rules as prescribed by Occupational Health and Safety Act or the State of Michigan:
- | | | |
|--|---------------------|--------------------|
| | 1st Offense | - Reprimand |
| | 2nd Offense | - Reprimand |
| | 3rd Offense | - Three Day Layoff |
| | 4th Offense | - One Week Off |
| | Subsequent Offenses | - Discharge |
- (j) Physical assault on Company representatives or other employees during working hours or on Company premises: Discharge
- (k) Possession or use of dangerous weapons during working hours or on Company premises: Discharge

By adoption of this rule, the parties do not intend to

include in "possession" a tool including a knife which is possessed by the employee for legitimate purposes. By the same token, a legitimate tool "used" as a "weapon" will be considered by the parties to be a violation of the rule.

4. ATTENDANCE

(a) Reporting Late For Work:

1st Offense	- Reprimand
2nd Offense	- Reprimand
3rd Offense	- Three Days Off
4th Offense	- Discharge

(b) Absent one or two successive working days without prior notice.

1st Offense	- Reprimand
2nd Offense	- One Day Off
3rd Offense	- One Week Off
4th Offense	- Discharge

(c) Excessive absenteeism (where notice is given). All appealable cases to Joint Arbitration Committee:

1st Offense	- Reprimand
2nd Offense	- One Week Off
3rd Offense	- Discharge

5. MISCELLANEOUS

(a) Quality and quantity of work consistently not in agreement with work standards:

1st Offense	- Reprimand
2nd Offense	- Reprimand
3rd Offense	- One Week Off
Subsequent Offenses	- Discharge

(b) Garnishee Suits:

1. Upon being served with a garnishee summons the Company will immediately notify the principal defendant so

that he may have an opportunity to secure a release for the Company before the Company is required to file a disclosure.

2. A warning notice will be issued to the principal defendant for the first such summons served upon it; and to the principal defendant for the second such summons. The service of a third summons will result in the dismissal of the principal defendant from our employ.
3. In any case where a release is obtained and in the possession of the Company before it is required to make a disclosure to the court, then that case shall not count as one of the three leading up to discharge as mentioned in Paragraph No. 2.
4. The above stated provisions (i.e.: 1-3 inclusive) are effective only in so far as they are not in conflict with applicable Federal and State law.

- (c) Penalty for five minor offenses in a ninety (90) day period will result in one (1) week off.
- (d) Penalty for three major offenses in separate categories in a nine (9) month period: Discharge

Minor offenses against any employee's record that are over six (6) months old shall be forgiven.

A major offense against any employee's record that is over nine (9) months old shall be forgiven.

NOTE 1: A minor offense is defined as one for which the penalty is a reprimand.

NOTE 2: A major offense is defined as one for which the penalty is disciplinary time off.

Discharge, discipline or warning notice shall be given to the employee (copy to Union) in writing within seven (7) days of the violation or knowledge of the violation.

IN WITNESS WHEREOF, The Employer and IA of M & AW District Lodge 60 hereto
have hereunto set their hands and seals this _____ day of
_____ 2008.

CENTRAL STATES MOTOR CARRIERS ASSOCIATION, INC.

431 Sixth Street
Rochester, Michigan 48307-1401
Phone: 248.650.2520

Raymond J. Buratto
John Barker
Len Waldo

IA of M & AW DISTRICT LODGE 60,
One Heritage Place, Suite 550
Southgate, Michigan 48195
Phone:(734)281-2822

Bobby Atanasovski
Robert Craik
Scott Ferguson
Al Langtry

CENTRAL STATES MOTOR CARRIERS ASSOCIATION, INC.:

Redacted by the U.S. Department of the Treasury

BY

/s/ Raymond J. Buratto, Esq.

Redacted by the U.S.
Department of the Treasury

BY:

/s/ John Barker

Redacted by the U.S. Department of the
Treasury

BY:

/s/ Len Waldo

IA of M & AW DISTRICT LODGE 60:

Redacted by the U.S. Department of the Treasury

BY: _____

BY: _____

Robert Craik

BY: _____

Scott Ferguson

BY: _____

Redacted by the U.S.
Department of the Treasury

Al Langtry

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS**



DISTRICT LODGE 60

One Heritage Place / Suite 550 / Southgate, Michigan 48195 / (734) 281-2822 / Fax (734) 281-2922
E-Mail: iamdistrict60@core.com

**AFFILIATED
LODGES**

Local 82
Local 218
Local 698
Local 2259
Local DS-110
Local S-46

MEMORANDUM OF AGREEMENT

USF Holland, Inc., hereafter, referred to as the "Company" and IA of M & AW District Lodge 60, hereinafter referred to as the "Union" have agreed on the matter as set forth below:

The Company will post the new positions at the "Pontiac" location and award the positions to Local No. 698, members working at the "Romulus" location in compliance with the contract.

The Pontiac and Romulus seniority lists will be considered separate.

The only time employees would be allowed to transfer from one location to the other would be upon the creation of a job opening for whatever reason, and also in the event of a lay-off at either location they would be allowed to exercise their seniority to bump to either location in order to maintain work.

Employees transferring to locations in compliance with #3 will be placed on the seniority list in the order that they transferred in. They will nevertheless keep their previous seniority. If they are transferred to their original location they will be placed in their original seniority order.

**CENTRAL STATES MOTOR
CARRIERS ASSOCIATION, INC.**

Redacted by the U.S. Department of the
Treasury

Raymond L. Buratto, Esq.

Redacted by the U.S. Department of
the Treasury

John Barker

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Len Waldo

IA of M & AW DISTRICT LODGE 60

Redacted by the U.S. Department of the
Treasury

Bo

Robert Craik

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Treasury

Al

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS**



DISTRICT LODGE 60

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**AFFILIATED
LODGES**

Local 82
Local 218
Local 698
Local 2259
Local DS-110
Local S-46

**ARTICLE III
Section 1**

RJD 07.02.08

N.W. 7/2/03

BA 7/2/08

Entry Level Rates

Upon date of Hire	80%
Employee's first anniversary	90%
Employee's second anniversary	100%

**ARTICLE IX
Section 1**

Holidays

Employees hired on or after May 1, 1986 shall waive the birthday holiday in their first year of employment. The remaining holidays shall be paid. Beginning with the second year of employment, the employee referred to above shall receive all contractual holidays, including birthday.

**CENTRAL STATES MOTOR
CARRIERS ASSOCIATION, INC.**

Redacted by the U.S. Department of the
Treasury

Raymond J. Buratto, Esq.

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the Treasury

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Len Waldo

IA of M & AW DISTRICT LODGE 60

Bobby Atanasovski

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- The parties agree to new collective bargaining agreements, effective from ratification through March 31, 2017.
- The national economic package is as follows:
 - 10% wage concession to increase to 15% for the duration of the agreement.
 - Three (3) year wage freeze. In the fourth year of the agreement, IAM-represented employees shall receive the same wage increases the Companies negotiate for IBT-represented employees for that contract year, subject to the 15% reduction.
 - For those employees in the IAM National Pension Plan, contributions shall be paid on a maximum of 1601 hours for three (3) years at the current contribution rate, per the applicable agreement. In the fourth year of the agreement, the maximum shall be 2080 hours.
 - The contribution rate into the IAM Motor City Pension Fund for Detroit employees and into the IAM District 9 Pension Trust for St. Louis employees shall be \$2.50 per hour in 2013, \$2.50 per hour in 2014, \$3.00 per hour in 2015, and \$3.00 per hour in 2016. In the event one or both of the funds do not approve the lower rate, the Companies shall have the option of moving those employees to the IAM National Pension Plan. If the Company opts not to move employees to the IAM National Pension Plan, the employees shall remain in their existing fund at the current rate.
 - YRC Freight employees in Kansas City shall remain in the Central States Pension Fund at the current rate of \$1.75 per hour. No further contributions to the IAM National 401(k) Plan shall be required. Instead, the Company shall contribute to the IAM National Pension Fund for Kansas City employees at the following rates: \$2.50 per hour in 2013, \$2.50 per hour in 2014, \$3.00 per hour in 2015, and \$3.00 per hour in 2016.
 - Employees currently in the IAM Local 701 Pension Plan shall remain in that plan at the current contribution rate for the duration of the agreement.
 - All IAM-represented employees shall be moved out of their respective health & welfare plans and into the Automobile Mechanics' Local 701 Union & Industry Welfare Fund (the Local 701 H&W Plan), subject to the Local 701 H&W Plan's approval. The IAM agrees to use its best efforts to ensure that all IAM-represented employees are permitted to move into the Local 701 H&W Plan.
 - The Companies shall pay annual contribution rate increases required by any H&W fund to maintain the current level of benefits. In the fourth year of the contract, any H&W increase shall be capped at the amount the Companies negotiate for IBT-represented employees for that contract year.
 - A total of three (3) personal and/or sick days shall be eliminated.
 - Vacations for all employees shall be reduced by two (2) weeks for the first two (2) years of the agreement. The reduction shall occur starting for the employee's next anniversary year following ratification. In the third and fourth years of the agreement, vacation shall be reduced by one (1) week for all employees. Employees shall be

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permitted to take the number of weeks of vacation they had reduced as unpaid leave, up to two weeks. The unpaid leave shall be taken as five (5) consecutive days off. The scheduling of those unpaid days off shall be in accordance with the existing vacation scheduling procedures at the applicable facility.

- All vacation shall be paid at forty (40) hours per week.
- All locations that currently have two (2) fifteen (15) minute breaks shall be reduced to two (2) ten (10) minute breaks, unless otherwise required by law. Exceptions are straight 8's and 4-10 hour shifts, which will remain the same.
- All tool allowances shall be eliminated.
- The Companies recognize the Union's concerns about outsourcing and the availability of overtime opportunities. If and when a Company's business levels and shop workload consistently increase and the Company otherwise would outsource such work, the Company will make a good faith effort to make daily overtime opportunities available where work is available. The foregoing shall not apply to work historically not performed by shop employees.

To ensure compliance with this provision, the parties shall establish a subcommittee to review and resolve disputes concerning this provision and potential outsourcing abuses. To the extent the subcommittee is unable to resolve the dispute, the matter shall be referred to the grievance procedure. This provision shall apply for the duration of the agreement.
- YRC Freight agrees to meet with Local 701 to discuss call-off times and a Sunday, Monday, Tuesday work week.
- All other existing contract language and any other IAM agreements (including MOU's, LOU's, etc.) at the various YRC and Holland locations remain unchanged, subject to the items outlined above.
- Upon expiration of the collective bargaining agreements following March 31, 2017, the 15% wage reduction, the two (2) week vacation reduction, and the personal/sick day reduction for IAM-represented employees shall be eliminated.

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