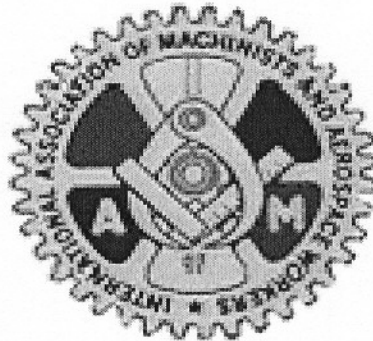


Agreement

Between



INTERNATIONAL ASSOCIATION OF MACHINISTS

and AEROSPACE WORKERS, AFL-CIO

LOCAL LODGE 2552

DISTRICT LODGE 74

AND

SGT, INC.

April 1, 2008 – March 31, 2011

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Agreement

The Agreement is made this 1st day of April 2008, by and between SGT, Inc. (hereinafter referred to as the "Company"), and the International Association of Machinists and Aerospace Workers, AFL-CIO, District Lodge 74, Local Lodge 2552 (hereinafter referred to as the "Union"), covering certain employees of the Company employed at the National Aeronautics and Space Administration, Wallops Flight Facility, Wallops Island, Virginia, and assigned under Honeywell Technology Solutions, Inc. subcontract NEN 408340 to NASA prime Contract No. NN-G-04-DA00-C and its successor contractors as defined under the Service Contract Act.

Article 1 Recognition and Certification

1.01 The Company recognizes the Union as the sole and exclusive agent for collective bargaining of wages, benefits, conditions of employment, conditions of work, hours of work, and adjustment and settlement of disputes and grievances, on behalf of the employees of the Company, employed at the Wallops Island Facility, under Honeywell Technology Solutions, Inc. subcontract NEN 408340 to NASA prime Contract No. NN-G-04-DA00-C and as certified by the National Labor Relations Board, Case No. 5-RC-15245, covering all employees as certified the 5th of September 2001.

Article 2 Discrimination

2.01 The Company and the Union mutually agree that there shall be no discrimination, interference, restraint or coercion by either party against any employee because of his or her membership or non-membership in the Union.

All references to employee(s), man or men, he, him, or his, in this Agreement refer to both male and female employees. The terms are used for the sole purpose of brevity and clarity of language construction only, and do not imply or refer to sex or gender in any way what so ever.

2.02 There shall be no discrimination by the Company or the Union against any employee because of race, sex, creed, color, national origin, age, handicap, veteran status, or any other status, protected by applicable federal, state, or local law, or regulation. There shall be no harassment or discrimination of any nature against any employee exercising his right to file a grievance.

2.03 Each employee shall adhere to the provisions and intent of this Article in his dealings with fellow employees, the Company, its agents, representatives, customers, and suppliers.

Article 3

Union Representation

3.01 The Company shall recognize one (1) Steward designated by the Union and specified in writing to the Company.

3.02 In exercising his responsibilities to the bargaining unit employees, the Steward shall guard against the use of excessive or unnecessary work time and will not unduly interfere with the operations of the Company, or the performance of the Company's contract with NASA. The Steward shall not, during working hours, spend any time whatsoever conducting Union business without the prior approval of the Local Logistics Facility Supervisor (LLFS) and/or his designated supervisor(s).

3.03 The Steward shall, prior to leaving his work station to attend to Union business, receive permission from the Local Logistics Supervisor (LLFS) or his designated Supervisor to do so, and shall report back to said Local Logistics Supervisor (LLFS) or Supervisor upon return to his work station.

3.04 Authorized Agents of the Union shall have access to the Company's establishment during working hours, upon prior notice to the Local Logistics Supervisor (LLFS) and/or his designated supervisor(s) by either the Agent or the Steward, for the purpose of adjusting

disputes and to ascertain if the Agreement is being adhered to. It is expressly understood and agreed that in the event the authorized agent of the Union wishes to see an employee or employees in the Bargaining Unit, the Union shall first advise the Local Logistics Supervisor (LLFS) and/or his designated supervisor(s) of the names(s) of such employee(s), and the Local Logistics Supervisor (LLFS) and/or his designated supervisor(s) shall determine if such employee(s) can be released from their respective work stations without undue interference in the performance of the Company's responsibilities under its contract with NASA, and shall advise the Union of such employee(s) availability.

3.05 The Steward shall be granted preferential seniority and will be retained without regard to seniority, as long as the Company has work which he/she is qualified to perform. In the event the Steward is laid off or terminated, for lack of work to which he/she is qualified to perform, he/she shall be the first recalled when work, he/she is qualified to perform, becomes available.

Article 4

Management Rights

4.01 Except as otherwise provided in this Agreement, the Company shall have the full and exclusive right of management of its business, including, but not limited to:

The direction of the work force

Determine the number of employees necessary to accomplish the work

Plan, direct, and control all business operations

Assign work duties and responsibilities to all employees

The right to hire employees from whatever source it desires

The right to suspend or discharge for just cause

The right of lay off employees for lack of work or other business reasons

The right to promote, demote, or transfer employees

The right to create new jobs or job classifications

The right to promulgate and enforce work and/or safety rules

4.02 The foregoing enumeration of the Company's rights shall not be deemed to exclude other rights, including preexisting rights, and rights it has by law.

Article 5 Union Dues

5.01 The Company agrees to provide for pay roll deduction of Union dues for each employee who is, or who makes application to become, a member of the Union.

5.02 Upon delivery to the Company of a lawful and valid written check-off authorization, signed and dated by the individual employee, the Company shall deduct from his/her pay each month, regular monthly Union Dues of an amount fixed by the Union, and shall forward same not later than the tenth day of the following month, to the International Association of Machinists and Aerospace Workers, District Lodge 74. (address shall be provided by the Union). The standard Union Form NO. MR01 as amended from time to time, shall be provided to the employees, by the Union, and the Company shall honor this form as a "valid pay roll deduction form" for Dues deduction.

Article 6 Savings Clause

6.01 Should any part or provision of this Agreement be rendered invalid by final judgment of a court of competent jurisdiction by reason of any existing or subsequently enacted legislation, such invalidation of any part or provision hereof shall not serve to invalidate the remaining provisions and they shall remain in full force and effect for the term of this Agreement. Upon such invalidation the parties agree to meet and negotiate substitute provisions for such parts or provisions rendered or declared illegal. In the event the parties are unable to agree upon such substitute provisions the

dispute may at the request of either party be referred to arbitration for settlement, but the power of the arbitrator shall be restricted and limited to determining a substitute provision to provide for the same specific objective and purpose of the provision rendered or declared illegal if possible.

Article 7

Initial Review Period

7.01 An employee who has never accrued seniority under this Agreement, or predecessor agreements between the Company and the Union, or a predecessor company, as defined by the Service Contract Act, and the Union, or an employee rehired after termination of seniority, shall be in initial review status until completion of 90 days of employment. The discipline or discharge of an employee who is in initial review status shall not be in violation of this Agreement, and shall not be subject to the grievance and arbitration provisions of this Agreement.

7.02 Upon satisfactory completion of the initial review period, the employees shall become a regular employee with seniority, vacation and sick leave entitlement calculated from the original date of hire.

Article 8

Strikes and Lockouts

8.01 The Company agrees that during the term of this Agreement it will not engage in a lockout of its employees. The Union agrees that during the term of this Agreement there shall not be any strikes, sympathy strikes, sit downs, slow downs, work stoppages, boycotts, picketing, or any other refusal to work or any other interference with the operations of the Company, directly or indirectly for any reason, by any employee or group of employees, and that no officer, agent, representative, steward or member of the local lodge, or the Union, shall ever authorize, call, participate in, instigate, aid, condone or acquiesce in any such actions and that no employee covered by this Agreement shall participate in any of such actions.

Article 9 Supervision

9.01 Employees within the bargaining unit shall be assigned to and answerable to the Local Logistics Supervisor (LLFS), or in lieu thereof a supervisor who shall be designated in writing and who shall be responsible for assigning work, approving absences, and initiating and taking disciplinary actions. Failure to comply with the requirements for a clearance or NAC or denial or withdrawal of such clearance by such governmental agency shall be just cause for discharge of any employee.

Article 10 Safety and Health

10.01 Employees covered hereby shall be required to comply with all safety rules and regulations established by the Company, NASA, as well as State and Federal Law or regulation. Employees shall be required to utilize such protective equipment or clothing as is required to accomplish their respective jobs. The Company shall provide such clothing and equipment. Protective clothing and safety equipment furnished by the Company shall remain the property of the Company and each employee shall be responsible for proper use and care thereof. Those employees required by the Company to wear safety shoes in the performance of their job will be reimbursed for the purchase of such shoes to a maximum of \$100.00 per year on an as required basis as determined by the Company.

10.02 When an employee is injured so seriously as to require that he/she be excused from work by an authorized representative of management, he/she shall be paid for the balance of the regular scheduled shift on which the injury occurred.

10.03 Should the Company have reason to believe an employee covered hereby is physically or mentally unable to satisfactorily perform the duties of his/her job classification, such employee shall be required to take such medical examinations as may be directed by the Company. The Company shall pay for each such examination.

1. Should an employee fail to pass the Company's medical examination and, as a result thereof, is determined by the Company to be unable to perform the duties of his/her job classification, the Company agrees to meet with the Union for the purpose of endeavoring to agree on reassignment of the employee to available work for which he/she is qualified and which he/she is able to perform. Qualifications of the employee to perform other work shall be determined by the Company.
2. If the Company and the Union are unable to reach agreement, the Company may then reassign the employee to available work for which he/she is qualified or be released from the service of the Company. Disputes arising from the provisions of this paragraph shall be subject to the Grievance procedure.

10.04 The Steward, or alternate Steward, shall be a part of any investigation the Company conducts, investigating personnel accidents, injuries, and or unsafe conditions.

10.05 Should a walk-around safety inspection of the Company's assigned work locations be conducted pursuant to the provisions of OSHA, the Steward, or alternate Steward, shall accompany the inspection team during regular duty hours without loss of pay.

Article 11

Grievance Procedure

11.01 It is the intent of this Article to establish a means for prompt adjustment of working problems and personal grievances at the job level by a conference between the Local Logistics Supervisor (LLFS) and/or his designated supervisor(s) and the employee involved, providing a Union representative has been given an opportunity to be present. A working problem or personal grievance is defined to be a controversy between any employee, or group of employees, and the Company involving the interpretation or application of provisions of this Agreement or supplements thereto.

11.02 If not resolved in this informal level, a formal grievance shall be filed and processed in accordance with the steps and time limits and mutually agreed upon extensions specified below. For the purpose of this Article a formal grievance is defined as a written statement by the Union, an individual employee, or group of employees (herein called the "Grievant") claiming a violation by the Company of terms of this written Agreement.

11.03 Except for payroll adjustments, no grievance shall be initiated, based on facts, events, or omissions, within the employee's knowledge, which have occurred more than ten (10) working days prior to initiation of such complaint or grievance.

11.04 Both parties agree to exert an earnest effort to settle such grievances through the following steps:

STEP 1. Any matters of contention between an employee, group of employees, or the Union, and the Company, shall be initially discussed between the aggrieved party the appropriate Local Logistics Supervisor (LLFS) and/or his designated supervisor(s). The shop Steward shall be present at all grievance or discipline investigation meetings between Management and members of the Bargaining Unit as a representative of the Bargaining Unit member, if the member so desires, or as a "witness of fact" representing the interest of the Union. If such matter is not resolved at this informal step, the aggrieved party, or parties, may elect to move to step 2.

STEP 2. At the election of the aggrieved party, and within five (5) working days of the meeting in step 1, a formal written grievance, either written by the grievant or the Shop Steward, (if written by the grievant a copy being presented to the Shop Steward), shall be presented to the Local Logistics Supervisor (LLFS). LLFS will forward the grievance to the Director, Human Resources. The Director, Human Resources, shall have five (5) working days to respond in writing to the Shop Steward. The Steward shall indicate his acceptance or rejection of the decision.

11.05 All time limits prescribed herein may be extended by mutual written agreement of the parties. Failure of the Company to respond to a grievance within the time limits set forth herein shall constitute a basis for the Union to escalate the grievance to the next step. Failure of the Union or the employee to process the grievance to the next step within the time limits set

forth herein shall render the subject grievance, and any associated claims, void, and any further action on the subject grievance or the said associated claims shall be barred.

11.06 Nothing in this Agreement shall be construed to prevent an employee from discussing any problem with his supervisor(s), the Local Logistics Facility Supervisor (LLSF) and/or his designated supervisor(s), or any other official of the Company, but there shall be no formal grievance until it has been reduced to writing. The union agrees that neither a Steward nor other Union officials shall incite grievances.

Article 12

Arbitration Procedure

12.01 In the event that the grievance is not satisfactorily disposed of by the procedures of Article 11, then the Union may, within thirty (30) calendar days, after receipt of the Company's response to STEP 2, request the Federal Mediation and Conciliation Service (FMCS) to submit a panel of seven (7) impartial arbitrators from which the Union and the Company shall strike names in order to determine an arbitrator to settle the matter. The Union and Company shall mutually share the expense of the arbitration panel.

12.02 Within thirty (30) calendar days of receipt of the FMCS panel the Union and Company shall, by meeting or phone, "strike names" to determine the arbitrator that will arbitrate the grievance. In striking names the Union shall first strike one name, followed by the Company striking a name, reducing the panel by two names, with this process continuing until only one name remains unstuck. The unstuck name shall be the arbitrator who shall arbitrate the issue.

12.03 The Union and the Company shall equally share the expense and fee of the neutral arbitrator, including any mutually agreed upon services relating to the arbitration proceedings. Each party shall make all arrangements, including pay and/or expenses of any witnesses called or other representatives or persons requested to attend any arbitration hearing. The Company shall excuse from work, without reprisal, all employees called as witness to an arbitration by the Union. The number of employee witnesses shall not be greater than the number that can be released at any one time without interference with the operation of the Company's work.

12.04 The arbitrator shall not have the authority to alter, amend, add to, modify or change the terms and provisions of this Agreement and his/her decision shall be limited to the particular grievance in question. The arbitrator's decision shall be final and binding upon the parties.

12.05 In any case involving discharge or discipline imposed by the Company, back wages, if any are awarded, shall be limited to the amount of wages that the Grievant would otherwise have earned, less any unemployment compensation, substitute earnings or other compensation whatsoever the Grievant earned during the period of discharge or suspension. The Company shall have the right to require the Grievant to produce any records that shall evidence such compensation.

Article 13

Seniority

13.01 Job Classification Seniority shall be defined as the length of continuous service from the employee's latest date of classification into his current job classification, whether established by the present Company or any successive predecessor companies, and shall be recognized on an individual job classification basis.

13.02 Bargaining Unit Seniority shall be defined as the length of continuous Bargaining Unit service, from the employee's earliest date of hire into the Bargaining Unit, whether initially hired into the Bargaining Unit by the current Company, or any successive predecessor companies, and shall be recognized on a Bargaining Unit wide basis.

13.03 In administering this Agreement, seniority shall be defined first as job classification seniority and then bargaining unit seniority, in that order. Said definition shall be the determining factor in effecting layoffs, recalls, promotions, demotions, and respect to other working conditions where specifically stated in this Agreement. An employee replacing another employee as the result of a bump must be able to perform the job with normal orientation but without training.

13.04 The Company shall furnish the Union, initially within 30 days of the ratification of this agreement and updated as changes occur, with an accurate seniority list of all employees in the bargaining unit. Such list is to include the employee's full name, Bargaining Unit Seniority date, job classification, Job Classification Seniority date, and wage rate.

13.05 Seniority shall be canceled and terminated upon the happening of any one of the following events:

Employee quits.

An employee is discharged for just cause.

An employee fails to return to work within ten (10) working days of notice of recall given by the Company by registered or certified mail, and sent to the last known address of the employee.

An employee is absent without previously notifying the Company, except in cases of extenuating circumstances.

An employee overstays a leave of absence without notifying the company, except in cases of extenuating circumstances.

An employee engages in other employment during a paid leave of absence without obtaining the prior written permission of the Company.

An employee gives false reason for obtaining or extending a leave of absence.

Settlement has been made for total disability.

An employee has retired.

An employee has been in layoff status for twelve (12) months or is absent because of sickness or injury other than a job related sickness or injury, or similar cause, for more than twelve (12) months.

An employee is promoted or assigned to jobs outside of the bargaining unit covered by this Agreement.

Article 14

Vacancies

14.01 In making assignments to a permanent job vacancy or a new job, the Company shall consider those employees who have submitted a internal application for such positions. A notice of any such vacancy or new job shall be posted, in plain view, in an area accessible to all employees, by the Company for not less than five (5) consecutive work days. Any employee interested in such position shall, within six work days of the first day of posting, submit an internal application to the Local Logistics Supervisor (LLFS) and/or his designated supervisor(s) for such position. In the event the Company determines that one of the said employees, who have submitted an internal application for such vacancy, is qualified, or more qualified than another employee(s), it shall assign that employee to such position. In the event no employee submits an internal application for such position, or if the Company determines that no applicant is qualified for such position, then an employee shall be hired/transferred to fill the position. The Company's determination of "qualifications" shall be subject to the grievance and arbitration procedure.

14.02 Any employee who is awarded a job opening shall undergo a sixty (60) work day trial period in the new position to which he/she is assigned. If, during the trial period, the Company determines that the employee cannot satisfactorily perform the requirements of the new job, he/she shall be returned to their position, or its equivalent, and shall receive the applicable rate for such position. Employees who are accepted on any job opening and are returned to their former job for failing to meet job requirements shall not be permitted to apply for any job for a period of one (1) year. Any disputes under this paragraph shall be subject to the grievance and arbitration process.

Article 15

Layoff and Recall

15.01 When a reduction of work force becomes necessary, employees shall be retained by the Company in accordance with the definition of seniority set forth in Article 14, and according to the number of employees the Company determines is necessary within each job classification for the reduced operations contemplated by the Company.

15.02 Any employee within a particular job classification who is affected by a layoff within his job classification may bump, based first upon bargaining unit seniority, any less senior employee in any like or lower rated job classification where the employee seeking to bump a less senior employee is qualified for the position in the like or lower rated job classification.

15.03 When increasing the work force, those employees who were reclassified at the time of layoff will be returned to their former classifications in line with their seniority as openings occur. Recall of laid-off employees shall be in reverse order of layoff, the last laid-off is the first recalled. Notification of openings for recall shall be given by the Company by registered or certified mail to the employees last known mailing address as furnished by the employee. A copy of such notice shall also be sent to the Union.

15.04 An employee recalled from layoff shall respond within five (5) work days of receipt of the recall notice as to his intent to return to work. If no response is received within eight (8) work days of the day the notice of recall is mailed the next employee on the seniority list may be recalled and the notified employee will be terminated. If no qualified employee remains on the seniority list a new employee may be hired or assigned to the open position. Failure of the employee to keep the Company advised in writing of his current correct address will relieve the Company of all obligations indicated in this paragraph.

Article 16

Hours of Work

16.01 No provision of this Agreement shall be construed as a guarantee of any specified number of hours of work either per day, per week, or per year.

16.02 The work week shall consist of seven (7) days beginning 12:01 a.m. Monday and ending 12:00 p.m. the following Sunday.

16.03 The workday shall be defined as a period of twenty-four (24) consecutive hours beginning in the morning, immediately after midnight, and ending twenty four (24) hours later at midnight.

16.04 In the event that the normal work shift schedule, or any other working schedule is changed, modified, or amended by NASA, then the working hours for the employees so affected shall be changed to conform with NASA directives.

Article 17

Report, Stand by, Pay

17.01 An employee, in the absence of notice not to report for work, who reports for work on his regularly scheduled shift and for whom the Local Logistics Supervisor (LLFS) and/or his designated supervisor(s) determines there is no work available shall, except for picketing directed against the Company, receive a minimum of four (4) hours pay at his straight time base rate. Under this paragraph the hours which are paid as report pay time shall be considered as time worked for purposes of computing overtime.

117.02 An employee who is required to stand by for recall to work, during any time employee is normally away, or off, from work, shall receive one (1) hours pay each time the employee receives notification that the is to stand by for recall to work. An employee shall not remain in a stand by status for more than twelve (12) continuous hours, unless the Company, prior to the end of a continuous twelve (12) hour stand by shift, notifies the employee that he is to remain on stand by for another continuous twelve (12) hour shift.

Article 18

Absence from Work

18.01 Except for illness, injury or other reasons beyond their control, employees are expected to report for work as scheduled unless the absence is authorized by the Local Logistics Supervisor (LLFS) or the designated Supervisor. Unauthorized absences shall subject employees to appropriate disciplinary action.

18.02 It is the duty of every employee who, for any reason is unable to report for work as scheduled, or who expects to report to work late, to notify the Local Logistics Supervisor (LLFS) and/or his designated Supervisor of

the reasons therefore, indicating when he/she expects to report to work. Employees absent will make every reasonable effort to notify the Local Logistics Supervisor (LLFS) and/or his designated Supervisor within one (1) hour before their scheduled starting time.

Article 19

Sick/Personal Leave

19.01 Eligible employees, employees who have completed their initial review period, will accrue sick/personal leave to a maximum of eighty (80) hours per contract year, accrued at the rate of 1.54 hours for each complete week an employee is in a pay status during the contract year.

19.02 Employees may use sick/personal leave, in accordance with the terms of this Agreement, from one half (1/2) hour increments up to three days, without prior approval of the Company, to cover absences from work due to sickness, injury, or personal business, at the option of the employee. The Company shall not require any employee to utilize sick/personal leave for any reason. The Company reserves the right to require proof of illness for any period of sick/personal leave exceeding three (3) days. Said sick/personal leave hours may be extended provided the employee has sufficient hours accrued to cover the extended absence.

19.03 An employee may request up to three (3) days sick/personal leave provided he/she has sufficient sick/personal leave hours accrued pursuant to the provisions of this Article.

19.04 Any unused sick/personal leave may be carried forward to the subsequent contract year until a maximum of thirty (30) days is accrued. Sick/Personal leave may not be accumulated in excess of thirty (30) days. Any accumulation of sick/personal leave in excess of thirty (30) days shall be forfeited by the employee.

19.05 Employees will be paid for any unused sick/personal leave to a maximum of thirty (30) days upon termination of employment, or the loss of contract by the Company.

Article 20

Leave of Absence

20.01 The Company shall abide by all the Terms and Conditions of the Family Medical Leave Act.

20.02 To the extent permitted by workload commitments, an employee shall be granted a leave of absence, without pay, for a period not to exceed twelve (12) months. When circumstances permit, applications in writing for such leave of absence, stating the reasons therefore, must be submitted to the Local Logistics Supervisor (LLFS) and/or his designated supervisor(s) no less than two (2) weeks prior to the first work day of such requested leave.

20.03 Annual military leave will be granted employees not to exceed thirty (30) days and the Company will pay the difference between military reserve duty pay and the employee's regular base pay up to fifteen (15) days per year provided the employee has completed twelve (12) months of employment. Employees must present to the Company a copy of military orders or other certification stipulating the period of service and submit certification as to military pay and allowances received.

20.04 In case of ;the death of a member of the immediate family of an employee, the employee shall be granted a maximum of five (5) workdays off with straight time pay to attend the funeral and tend to administrative details. Members of the immediate family shall be the spouse, children, stepchildren, grandchildren, parents, stepparents, grandparents, brother, half brother, sister, half sister, spouse's parents, spouse's brother, and spouse's sister. In the event other members of the employee's family should die, the employee shall be granted three (3) work days off, with straight time pay, to attend the funeral tend to administrative details. Other members of the employee's family shall be sons-in-law, daughters-in-law, spouse's grandparents, uncles, and aunts. The Company may require reasonable proof of death under this Article.

20.05 When an employee is necessarily absent from his regular work shift by reason of required jury service, or to report to a court in person in response to a jury duty summons, or to report for jury examination, he/she shall be granted pay, at the regular straight time rate not to exceed eight (8)

hours in any one twenty four (24) period or thirty (30) work days in any one calendar year, for those hours during which he/she is necessarily absent from his regular work shift, excluding holidays and regular scheduled days off, on his regular scheduled pay day, less any fee or other compensation paid to him/her by the court for such service. Employees are required to present any documentation attesting to the fee paid to them by the Court upon receipt of said documentation and award of payment by the court. Employees required to be absent from work due to jury service, as stated above, must provide proof of the stated service prior to their absence. The employee shall present to the Company a statement from a Court, or a court official, attesting to the date, or dates, and time of such required service.

20.06 Upon furnishing the Company reasonable advance notice, wherever possible two (2) weeks, employees will be granted leave of absence without pay for the purpose of attending to Union Business. Such leave is limited to ten (10) work days per calendar year. The Company shall grant reasonable extensions, on a case by case basis if required, upon written request by the Union. Such leave shall be limited to one (1) employee at any given time.

20.07 Maternity leave shall be treated as any other disability and will be covered under the applicable disability plan.

20.08 Employees shall be given paid time off for all periods of time which are declared as administrative leave periods by NASA Wallops Flight Facility for contractor personnel. It is to be noted however that critical functions identified by NASA will be manned as required by Company personnel. Employees working on such administrative leave days will be paid an extra five (5) dollars per hour for all hours worked on such administrative days off.

20.09 Employees on approved leaves of absence shall maintain levels of seniority existing at the commencement of said leave.

Article 21 Holidays

21.01 The following days are designated as holidays:

New Year's Day

Martial Luther King's Birthday

President's Day

Memorial Day

Independence Day

Labor Day

Columbus Day

Veteran's Day

Thanksgiving Day

Christmas Day

In addition, any other day set by Presidential Proclamation, administrative order or legislative action as a day to be observed as a holiday, whereby NASA, Wallops Station, may be closed for normal business to include contractors.

21.02 Should any of the above holidays fall on Saturday or Sunday, the Company will observe as the holiday the day determined by NASA, Wallops Flight Facility.

21.03 Employees shall receive holiday pay. Holiday pay shall be eight (8) hours pay at the eligible employee's regular straight time rate, excluding any premiums. Employees who have satisfied the requirements of his/her review period are eligible for holiday pay, provided that they are in a pay status on the last scheduled workday preceding the day the holiday is observed and the first scheduled workday following the day the holiday is observed.

Article 22

Vacation

22.01 Each regular full time employee who has completed his initial review period shall accrue vested vacation leave for each complete calendar week in a pay status. The amount of vested vacation which an employee will accrue for each calendar week shall be determined by the number of years of continuous service completed by the employee from his seniority date of hire in the Bargaining Unit, as defined by the conditions of the Service Contract Act, in accordance with the following chart:

<u>Accrual Rate</u>	<u>Vacation Earned</u>	<u>Years of Service</u>
1.54	80 hours	1 st through 4 th years
2.31	120 hours	5 th through 10 th years
3.08	160 hours	11 th and succeeding years

22.02 An employee, whose designated job classification is listed in Appendix "A" of this Agreement shall be compensated for vacation at the straight time base pay rate of pay for the designated job classification at the time the vacation is taken.

22.03 Paid holidays falling within an employee's authorized and previously scheduled vacation period, shall not be charged to that employee's vacation account.

22.04 An employee who leaves the employ to the Company shall be paid for accrued vested vacation credits at his straight time hourly rate.

22.05 The Company shall return request for vacation either approved or disapproved within five (5) work days of submittal. If two employees request, at the same time, the same period of vacation, and the Company determines that only one employee may be allowed to take vacation, the Company shall allow the senior of the two employees to take the vacation. Once an employee's vacation request is approved it will not be overridden by a request from a more senior employee for the same time frame.

22.06 Any vacation leave accrued and vested in excess of two times the employee's annual accrual rate shall be paid to the employee by the next regular scheduled pay day.

22.07 Employees within the same job classifications and/or pay rate may, due to humanitarian reasons, donate vested vacation leave to other Bargaining Unit employees of the same job classification and/or pay rate who have insufficient leave.

Article 23

Wage Rules

23.01 The rates set forth in Appendix "A" attached hereto and made a part of this Agreement shall prevail on and after the effective date indicated hereon. There shall be no cross classification work performed.

23.02 When a new job classification, in addition to those listed in Appendix "A" is created, the wage rate therefore, shall be determined by negotiation between the Company and the Business Representative of the Union.

23.03 Pay increases or decreases shall become effective on the date of implementation of a new classification.

23.04 Payday is to be Friday by 4:30 p.m. for the two weeks period ending in the previous calendar week. If Friday is a holiday, Thursday is to be payday. Direct deposit checks or notices will be mailed to the employee's home address. A payroll check delivery delay caused by the U. S. Mail or other carrier shall be deemed as act beyond the control to the Company.

23.05 An employee who is called back to work after completing their normal work day, or called in on a regular scheduled day off shall receive a minimum of four (4) hours work or four (4) hours pay at one and one half (1 ½) times his straight time rate.

23.06 Employees assigned by the Company to work hours other than the normal regularly scheduled shift hours shall receive a shift premium of twelve percent (12%) of his straight time hourly rate in addition to his

regular hourly rate, for all hours worked. The shift premium shall be paid regardless of overtime or any other compensation due but will not be compounded by overtime or other compensation, and remain twelve percent (12%) of the base hourly rate only. No premium payment shall be paid to any employee who requests a work assignment outside of his regular shift.

23.07 Flex Time may be utilized at the option of the employee and approval of the Local Logistics Supervisor (LLFS) an/or his designated supervisor(s) and under the guidelines of the Federal Law governing hours of work (FSLA). In no event will an employee be forced to use Flex Time to prevent the payment of Overtime or premium pay. In no event will an employee be paid overtime in excess of an eight (8) hour day when utilizing Flex Time options.

Article 24

Overtime

24.01 It is recognized and agreed that from time to time overtime work may be necessary, and provided reasonable advance notice is given (except in emergency situations, not later than Friday when the overtime involves Saturday and Sunday work, or not later than the end of the regular shift on the day preceding the day on which overtime involves the extension of a shift) the Company may assign employees to work overtime. Such assignments will be made in a fair and equitable manner, based on the employee's job classification. Paid time off and holidays shall be considered as hours worked in computing overtime.

24.02 An employee not excused by the Company from performing assigned overtime, who refuses to report for such overtime will be subject to appropriate disciplinary action.

24.03 No overtime shall be worked except by the direction of the Local Logistics Supervisor (LLFS) and/or designated Company Supervisor, unless said overtime is part of an employee's regular work shift and/or schedule.

24.04 All hours over eight (8) in any one twenty four (24) hour period shall be paid at one and one half (1 ½) the employees regular base straight time hourly wage rate. All hours worked on a Saturday shall be paid at one and one half (1 ½) the employee's regular base straight time hourly wage rate.

All hours worked on a Sunday shall be paid at twice the employee's regular base straight time hourly wage rate. This paragraph may be modified by Flex Time and make up time elected at the option of the employee and approved by Local Logistics Supervisor (LLFS) and/or his designated supervisor(s) as noted in Article 23.07.

Article 25

Health and Welfare Insurance

The parties have provided for an insurance program, pension, and savings plan, the provisions of which are covered below. No matter respecting the provisions of the programs and plans shall be subject to the grievance procedure established in this Agreement. The Company shall have the responsibility for administration of the Insurance Program set forth in Article 25.01.

25.01 Effective 6/1/2005 employees will receive the "SGT Standard" medical, dental, prescription drug, and vision benefit levels and employee contribution levels as such may change from time to time.

25.02 SGT shall contribute to the I.A.M. National Pension Fund, National Pension Plan for each hour or portion thereof for which employees in all job classifications covered by this Agreement are entitled to receive pay under this Agreement as follows:

The hourly contribution rate shall be that which is set forth in Appendix "A" of this Agreement.

The Company shall continue contributions based on a forty (40) hour work week while an employee is off work due to paid vacations or paid holidays. The Company shall also make contributions whenever an employee receives severance pay, vacation pay at termination, or vacation pay in lieu of time off.

Contributions for a new, temporary, probationary, part-time and full-time employee are payable from the first day of employment.

The I.A.M. Lodge and the Company adopt and agree to be bound by, and hereby assent to, the Trust Agreement, dated May 1, 1960, as amended, creating the I.A.M. National Pension Fund and the Plan rules adopted by the Trustees of the I.A.M. National Pension Fund in establishing and administering the foregoing Plan pursuant to the said Trust Agreement, as currently in effect and as the Trust and Plan may be amended from time to time.

The parties acknowledge that the Trustees of the I.A.M. National Pension Fund may terminate the participation of the employees and the Company in the Plan if the successor collective bargaining agreement fails to renew the provisions of this pension Article or reduces the Contribution Rate. The parties may increase the Contribution Rate and/or add job classifications or categories of hours for which contributions are payable.

The Company may evaluate, at its option and cost, the annual 5500 report of the National Pension Fund and the most recent actuarial statement that shows the plan's unfunded vested liability for the year.

If at any point during the five (5) year "Free Look" period (January 1, 2004 through January 1, 2009), the Plan has any unfunded vested liability, the Company can, at its option, exercise the right to withdraw under the provisions of the "Free Look" clause. If such option is exercised, the Company will be responsible to assure that year to date contributions are current and no other withdrawal liability payments will be required as determined under Title IV Subtitle E of ERISA.

This Article contains the entire agreement between the parties regarding pensions and retirement under this Plan and any contrary provisions in this Agreement shall be void. No oral or written modification of this Agreement shall be binding upon the Trustees of the I.A.M. National Pension Fund. No grievance procedure, settlement or arbitration decision with respect to the obligation to contribute shall be binding upon the Trustees of the said Pension Fund.

25.03 The Company will allow employees to contribute (by payroll deductions) to the I.A.M. 401(K) plan. The employees will be able to change their contribution percentages no more than once every three (3) months.

Article 26

Travel

26.01 Travel pay for all travel by employees in performance of their duties shall be in strict accord with the current Standard Government allowances for per diem and associated travel expenses (Office of Personnel Management, Joint Travel Regulations). All of the terms and conditions of this Agreement shall apply for purposes of pay while in a travel status.

Article 27

Non-Bargaining Personnel Doing Hourly Work

27.01 Employees of the Company who are excluded from the Bargaining Unit will be permitted to perform work normally performed by Bargaining Unit employees for the following reasons only:

When instructing or training employees

When situations arise in a department and it is necessary for the individual to act for the safety of equipment and personnel.

When testing operations and equipment or performing work of an experimental nature.

In the absence of Bargaining Unit personnel.

In this regard, the Company shall make every reasonable effort to limit such assignments to a minimum, providing qualified employees can be obtained. Nothing herein shall be construed as authorizing any assignment of unit work to exclude employees which result in the layoff of a bargaining unit employee and/or inhibiting the growth of the bargaining unit.

Article 28

Discipline

28.01 Disciplinary action shall be initiated by the Company for just and sufficient cause and the principle of progressive discipline shall be adhered to except in extreme cases.

28.02 The following steps shall constitute progressive discipline for any disciplinary action taken:

- 1st Offence: Verbal warning by designated supervisor.
(written note of action acceptable if signed by Steward)
- 2nd Offence: Written warning.
- 3rd Offence: Suspension without pay for up to five (5) working days.
- 4th Offence: Discharge.

28.03 The following are examples of extreme cases of infractions which are exempt from progressive discipline, but not exempt from the just cause provision of this Agreement:

Stealing from the Company, a fellow employee, or the Customer.

Use or possession of alcohol or illegal substances on Company or NASA property.

Fighting, Gambling, or falsifying Company records.

Direct insubordination, refusal to perform duties of job classification

Failure to obtain a satisfactory NAC or have a NAC removed.

Refusal to carry out the reasonable directions of the Local Logistics Supervisor (LLFS) or his designated supervisor.

Flagrant safety violation.

28.04 Written warnings shall be removed from an employee's record one (1) year from the date of issue of said written warning. A written warning shall not be used against any employee for the purpose of discipline, in any form, once it has been removed from his/her record.

28.05 There shall be no disciplinary investigation meetings, or conferences which may result in disciplinary action being taken, or communication of any nature where disciplinary action is contemplated, between management and any employee, unless the shop Steward has been, prior to the commencement of the meeting, conference, or communication, afforded the

opportunity to be present. At any time during any communication between management and any Bargaining Unit employee that an employee request a Steward the communication between the Company and the employee shall cease until the Steward is present.

28.06 Nothing in this Agreement shall excuse an employee from complying with lawful directives and instructions issued by the Company, however, this will not negate the employee's right to grieve such action.

Article 29 Drug Policy

29.01 The Union and the Company agree to establish a drug free work place. Both recognize the requirement for an employee to be drug free as a condition of employment or continued employment. Accordingly it is agreed that the distribution, possession, or use of controlled substances in the work place is strictly prohibited.

29.02 Employees may be sampled for drug use upon occurrence of work related accidents, or upon reasonable probable cause.

29.03 If an employee is drug tested by the Company for any reason he/she shall have the right to request and receive a "split sample" test as defined by the Department of Transportation Regulations concerning "split sample test". If the employee's sample is found to be positive, he may have the "split sample" tested at a facility of his choosing, as long as it is a reputable laboratory with personnel certified and licensed by any federal or state authority having jurisdiction therefore, and if the "split" is found to be negative the original sample shall be deemed a "false positive".

Article 30 Successor Clause

30.01 This agreement shall be binding upon the parties hereto, and it is understood that the parties shall not use any sale, transfer, lease assignment, receivership or bankruptcy as a means of evading the terms of this Agreement.

Article 31

Finality

31.01 This Agreement contains the entire understanding between the parties hereto. This Agreement supersedes all other prior written, oral or other agreements and/or understandings between the parties, including but not limited to, agreements or understandings resulting from the past practice of the parties. This Agreement shall be deemed to have incorporated all matters considered by the parties to have been an appropriate subject of bargaining.

31.02 This Agreement shall not be deemed to have been amended, superseded, supplemented, changed, altered or modified in any manner except by the written agreement of the authorized representatives of the parties hereto.

Article 32

Duration

32.01 This Agreement shall become effective April 1, 2008, and shall remain in full force and effect until March 31, 2011, and from year to year thereafter unless either party shall, no more than ninety (90) days and no less than sixty (60) days prior to any anniversary date hereof, notify the other party of a desire to negotiate a new agreement. Upon such notification of either party, the parties shall mutually agree on a date, prior to the expiration of the anniversary date of the Agreement, to meet and negotiate a new Agreement.

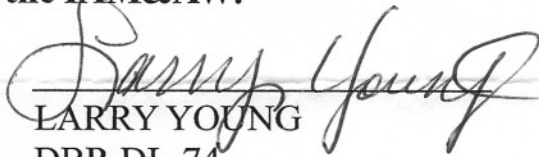
32.02 No Agreement, waiver, alteration, understanding, variation or modification of any terms or conditions contained herein shall be made by an employee, or group of employees, with the Company, and in no case shall it be binding upon the parties hereto unless such Agreement is made and executed in writing between the parties hereto, and the same has been ratified by the Union.

32.03 The waiver of, or any breach of conditions of this Agreement, by either party, shall not constitute a precedent in the future enforcement of all terms and conditions herein. Any additions, deletions, changes, amendments, or waivers whatsoever affect the terms of this Agreement

shall only be discussed by mutual agreement of both parties in writing, and shall not otherwise be subject to arbitration or negotiation. Further provided that any such modification of this Agreement shall be mutually agreed upon and signed by both parties and shall be coterminous with this Agreement.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE EXECUTED THIS AGREEMENT THE DAY AND DATE WRITTEN ABOVE.

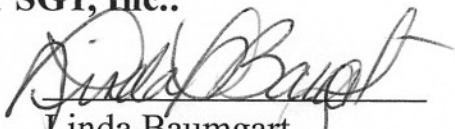
For the IAM&AW:

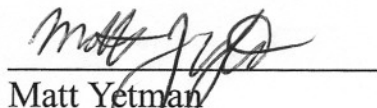

LARRY YOUNG
DBR DL-74

For the IAM&AW Negotiations Committee:


Robert Kinsey

For SGT, Inc.:


Linda Baumgart
VP Human Resources


Matt Yetman
VP Business Operations

APPENDIX A

Pay Scales

<u>Job Classification</u>	<u>April 7, 2008 Pay per hour</u>	<u>April 6, 2009 Pay per hour</u>	<u>April 5, 2010 Pay per hour</u>
Shipping/Receiving Clerk	\$14.48	\$14.91	\$15.36
Warehouse Specialist	\$14.48	\$14.91	\$15.36
Material Expeditor	\$22.93	\$23.62	\$24.33

	<u>April 7, 2008 Per hour</u>	<u>April 6, 2009 Per hour</u>	<u>April 2, 2010 Per hour</u>
<u>IAM Pension Contribution:</u>	\$1.00	\$1.05	\$1.10

Short and Long Term Disability: The employee shall pay for one hundred percent (100%) of the monthly Short and Long Term Disability Insurance premiums.