

# Agreement

Between



And

**National Union of Protective  
Services Associations**

**For Guard Services at  
Federal Trade Commission**

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**PREAMBLE OF THE AGREEMENT**

1. This Agreement is entered by and between SecTek, Inc., its successors and assigns, hereinafter referred to as the "Company," and the National Union of Protective Services Associations (NUPSA) and their successors and assigns, hereinafter referred to as the "Union," as the sole and exclusive representative for collective bargaining of the employees covered by the Agreement.

2. The parties acknowledge that, during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with the respect to any subject or matter not removed by law from the area of collective bargaining, and that the understanding and agreements arrived at by the parties after exercise of that right and opportunity are set forth in this Agreement.

Any ambiguity in the language in this Agreement shall be construed to the fullest extent possible to make this Agreement consistent with the Federal Trade Commission Contract and the Company's obligations to its government client.

**ARTICLE 1**  
**INTENT AND PURPOSE OF THE AGREEMENT**

1.1 It is the intent and purpose of this Agreement to assure sound and mutually beneficial industrial and economic relationships between the parties hereto, to provide an orderly and peaceful means of conducting negotiations and resolving any misunderstandings or grievances, and to set forth herein the basic Agreement between the parties covering rates of pay, wages, hours of work and other conditions of employment.

1.2 The Union, the Company and all employees are bound by and hereby pledge their cooperation in observing all provisions of this Agreement consistent with applicable State and Federal Law. Both parties recognize the principle of a fair days work for a fair days pay.

1.3 It is the intent of the parties that this Agreement is contingent upon the successful certification of the union and shall be binding upon the parties hereto, their successors and assigns and no provisions, terms or obligations herein contained shall be affected, modified, altered, or changed in any respect whatsoever by the consolidation, merger, sale, transfer, succession or assignment of either party hereto, or affected, modified, altered or changed in any respect whatsoever by any change of any kind in the legal status, ownership or management of either party hereto.

**ARTICLE 2**  
**RECOGNITION AND SCOPE OF THE AGREEMENT**

2.1 The Company recognizes the National Union of Protective Services Associations as the exclusive collective bargaining representative for all of its security officers, employed by the Company Under Contract with the Federal Trade Commission at the locations specified. The Contract Manager and all other employees including clerical employees defined in the National Labor Relations Act (NLRA), as amended, are properly excluded from the unit.

2.2 Probationary employees. Newly hired employees shall be classified as probationary employees for a period of ninety (90) days from date of hire. During their probationary period, employees may be subject to discipline or discharge at the discretion of the Company, without regard to the provisions of Articles 6 and 8 of this Agreement. All other provisions of this Agreement are applicable to probationary employees, unless otherwise expressly provided.

**ARTICLE 3**  
**EQUAL EMPLOYMENT OPPORTUNITY**

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3.1 Both parties agree there shall be no discrimination against any employee or applicant for employment because of his or her race, creed, color, religion, sex, national origin, disability, or age as required by state and federal laws, nor because of their involvement in or refraining from participating in Union activities and express their intent to provide equal employment opportunity in all aspects of the employment relationship. Any claim that the foregoing provision has been breached and that such breach also violates any federal or state civil rights law shall be resolved exclusively pursuant to binding arbitration as set forth in Section 6.13 after exhaustion of the parties' internal dispute resolution procedures (Steps one through four as described in Sections 6.2 through 6.5).

#### **ARTICLE 4**

##### **CONTINUITY OF OPERATIONS**

4.1 During the term of this Agreement there shall be no strikes, lockouts, work stoppages, slowdowns or secondary boycotts. The Union guarantees to support the Company fully and maintain operations in every way and any employee engaging in such activities shall be subject to discipline or discharge as appropriate under the circumstances.

4.2 In the event of any work stoppage by another labor group involving the client's property or operations, the employees will continue to perform their duties for the protection of life and property, fire watch, and protection of security interests on the premises.

4.3 Security Officers will not be required to participate in any strikebreaking activities: the Security Officers shall maintain ingress and egress to the premises during a strike.

4.4 The Union agrees as part of the consideration of the Agreement, it will, within 24 hours, take steps to end any unauthorized work stoppages, picketing, strikes, intentional slowdowns or suspensions of work and shall notify its members by newspaper, by telephone and by use of Company and union bulletin boards of such violation of this Agreement and shall instruct its membership to return to work immediately.

4.5 The Union agrees it will not assist employees participating in such unauthorized work stoppages, strikes, picketing, intentional slowdowns or suspension of work against whatever disciplinary action the company may take and that such disciplinary action shall not be subject to the regular grievance procedure, except that the foregoing provision shall not preclude the Union from opposing disciplinary action on the ground that the employee did not engage in the alleged misconduct.

#### **ARTICLE 5**

##### **GOVERNMENT ACTION**

5.1 The Union agrees to cooperate with the Company in all matters required by the Government, and the Union recognizes that the terms and conditions of this Agreement are subject to certain priorities, which the Government may exercise. The Union agrees that any actions taken by the Company pursuant to a requirement imposed by the Government shall not constitute a breach of this Agreement. Any action, which the Government directs or requires, the Company to take immediately may be taken without prior notice to or discussion with the Union. However, whenever such action affects a term or condition of employment, the Company will discuss with the Union the effects of that action.

5.2 If the contracting agency directs that a specific employee be removed from the contract or otherwise disciplined, any such action directed may be undertaken by the Company and shall not be subject to the grievance or arbitration procedures of this Agreement. In the event that the contracting agency expressly directs the removal or discipline of a contract employee, the Company agrees to cooperate with the Union by providing it with all relevant information concerning the incident.

5.3 The Union recognizes that the Company has certain obligations in its contract with its client pertaining to security suitability/clearances and agrees that nothing in this Agreement is intended to place the Company in violation of its security agreement with its client. Therefore, in the event any governmental agency advises the

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Company that an employee covered by this Agreement does not have or cannot obtain the required Security Clearance, and thus is restricted from work on, or from access to classified material, neither the employee nor the Union will contest discharge of such employees by the Company.

5.4 The Union will be notified of any employment action taken pursuant to this Article and upon request be furnished evidence in support of the action in a prompt and timely manner.

## **ARTICLE 6**

### **GRIEVANCE PROCEDURES**

6.1 In order to establish effective machinery for a fair, expeditious and orderly adjustment of grievances, the parties agree that in the event any complaint or grievance arises over the interpretation or application of any provision of this Agreement, there will be an earnest effort to settle such complaint or grievances by the following procedure the last step of which will be binding arbitration. In order to maintain the integrity of the grievance process, and to alleviate the use of the grievance process from becoming an individual's platform, the Union has the responsibility for reviewing and submitting only those grievances that are considered to have validity in it's good faith judgment.

The parties expressly acknowledge that the duty to use this grievance procedure, including binding arbitration, includes any and all disputes between any Employee and the Company (and the Union and the Company) arising out of or relating to any Employee's employment with the Company, whether grounded in contract, tort or statutory law (including, but not limited to, federal, state and local civil rights and employment laws such as Title VII of the Civil Rights Act of 1964, as amended, the Americans With Disabilities Act, the Age Discrimination In Employment Act, The Family Medical Leave Act, and the Fair Labor Standards Act). This duty to arbitrate shall apply to all claims which the Employee believe he/she may have against the Company, its affiliated companies or any of its officers, owners, directors, employees or agents.

6.2 Step 1. An employee who once becomes aware of a situation and believes he/she had a justifiable complaint or grievance promptly shall discuss it with his/her immediate supervisor within five (5) working days in an attempt to settle the matter. A Union representative may be present or may present the grievance on behalf of the Union or the Employee.

6.3 Step 2. If the employee is dissatisfied with the response of his/her immediate supervisor in Step 1, the grievance must be elevated to the Operations Captain within (5) working days. The Operations Captain shall have (5) working days from date of receipt of the grievance to respond. A Union Committeeman may be present or may present the grievance on behalf of the Union for the Employee. The Union and the Company may participate in Step 1 and Step 2 by telephone, fax, or other electronic means.

6.4 Step 3. If the matter is not resolved at Step 1 or Step 2 of the grievance procedure, the grievance, to be valid, must be presented to the Project Manager in writing, signed by the employee and Union Representative specifying the Article(s) and Section(s) of the Agreement believed violated and stating what relief is sought, no later than (5) working days following the rejection at Step 2. The Project Manager shall answer the grievance in writing within five (5) working days after receipt of said grievance.

6.5 Step 4. If the Company's answer is not satisfactory, a Representative of the Union will meet and discuss the grievance with the Vice President of Operations. The Company must reply to the Union within (10) working days excluding Saturday, Sundays and Holidays, of said meeting.

6.6 Grievances which have been processed in accordance with the foregoing requirements and which remain unsettled may be processed by the Union to arbitration in accordance with the following procedures and limitations.

6.7 The Union, within ten (10) calendar days after the rejection of the grievance by the Company's Designated Representative shall notify the Company in writing of its intent to invoke arbitration, and the Company and the Union will jointly attempt to agree upon the selection of a neutral arbitrator to hear the case.

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Should the parties fail to agree upon the selection of an arbitrator, the Union will request the Federal Mediation and Conciliation Service to supply a list arbitrator's to hear the case. A copy of this request will be sent to the Company. This request will be made within five (5) calendar days after failure of the parties to agree upon an arbitrator. An arbitrator will be selected from a list supplied by the Federal Mediation and Conciliation Service by the parties alternately striking from the list until one name remains, and this individual will be the arbitrator to hear the case.

6.8 In the event of arbitration pursuant to Section 6.7, the parties shall execute a submission agreement. If the parties fail to agree upon a joint submission, each party shall submit a separate submission to the arbitrator. The arbitrator will confine his decision to this submission or submissions. The joint or separate submissions will state the issue or issues and the specific paragraph or paragraphs of this Agreement, which the arbitrator is to interpret or apply.

6.9 The decision of the arbitrator shall be submitted in writing and shall be final and binding on all parties to this Agreement. Whenever possible, the decision shall be made within thirty (30) days following the close of the hearing. Each party hereto shall bear the expense of preparing and presenting its own case. For purposes of arbitration under Section 6.7, the cost and all expenses of the arbitrator shall be borne equally by the parties. In the event a stenographic transcript of the hearing is made, the party requesting the transcript shall bear the full cost of the stenographic record unless the parties agree to the sharing of the expense.

6.10 Any grievance involving discharge, layoff or other potential accumulating back pay liability shall be commenced at Step 3 of this procedure and the written grievance to be processed must be presented to the Program Manager or, in his absence, to his designee within five (5) calendar days after the occurrence of the facts giving rise to the grievance.

6.11 The arbitrator cannot modify, amend, add to, detract from or alter the provisions of this Agreement nor substitute his judgment for that of management

6.12 Any grievance shall be considered null and void if not filed and processed by the Union or the employee represented by the Union, in strict accordance with the time limitations set forth above. There shall be no recognition of a continuing grievance so as to frustrate the intent of strict adherence to those time limitations. Failure of the Company to act within the time limit set forth in any step shall entitle the Union to proceed immediately to the next step of the grievance procedure. In any particular case, any time limit specification may be extended by mutual agreement between the Company and the Union.

6.13 Sections 6.6 through 6.12 notwithstanding, the following rules shall apply whenever an employee covered by this Agreement or the Union asserts a common law or statutory claim other than solely a claim that the Company has failed to comply with the terms of this Agreement. When the sole claim is that this agreement has been breached, the arbitration shall be pursuant to Sections 6.6 through 6.12.

If the dispute has not been resolved pursuant to the procedures outlined in Sections 6.1 through 6.5, the resolution of the clam shall be resolved exclusively by means of binding arbitration in accordance with the Employment Dispute Resolution Rules of JAMS, in Maryland or in such location that the arbitrator determines is more convenient for the parties. If the Employee's claim is under any civil rights law (or if otherwise required by applicable law or JAMS to make this duty to arbitrate enforceable as to any other claim), the Company shall pay the cost of the arbitration proceeding hereunder (administrative and arbitrator fees) reasonably allocable to such claims. The arbitrator shall have the authority to award preliminary and final injunctive relief. The arbitrator shall also have the authority to modify the provisions of this Agreement relating to the duty to arbitrate to the extent the arbitrator determines that such modification is necessary in order to make this duty to arbitrate enforceable.

If a party brings an action to enforce this duty to arbitrate, and should that party prevail in such action, the party shall be entitled to all it's attorneys' fees and cost incurred in connection with such proceedings. The arbitrator shall also award the prevailing party its/his/her reasonable attorneys fees if any applicable statute authorizes the award of such fees. In addition, the prevailing party in any arbitration shall be entitled to all its attorneys'

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fees and costs incurred in connection with confirming an arbitrator's award and/or successfully defending against any challenge or appeal relating to such award.

In the event either party seeks judicial review of any arbitrator's award (and in addition to any other basis for vacating an arbitration award provided by applicable statute or common law) the parties consent to the court vacating or modifying such award if, in the court's opinion, the arbitrator made a clear and substantial misstate as to either the law or the facts affecting the ultimate outcome of the dispute.

Should for any reason the obligation to arbitrate provided by this Section 6.13 be held invalid, both parties (including all employees covered by this Agreement) hereby WAIVE THEIR RESPECTIVE RIGHT TO A JURY TRIAL as to any dispute relating to this Agreement or the Employee's employment hereunder.

6.14 The Employer and Union recognize that should a dispute or controversy arising from or relating to this Agreement be submitted for adjudication to any court, arbitration panel, or other third party, the preservation of the secrecy of Confidential Information may be jeopardized. All pleadings, documents, testimony, and records relating to any such adjudication will be maintained in secrecy and will be available for inspection by the Company, the Employee, and their respective attorneys and experts, who will agree, in advance and in writing, to receive and maintain all such information in secrecy, except as may be limited by them in writing. In no event will Company's client and advisor lists or computer programs be subject to discovery except pursuant to an order issued by a court or arbitrator and only then under the highest confidentiality obligations being imposed on such persons receiving such lists. Should the arbitrator issue a written opinion; such opinion shall not contain Confidential Information of the Company.

#### **ARTICLE 7** **MANAGEMENT RIGHTS**

7.1 The Management of the Company and the direction of its employees, including but not limited to the establishment of reasonable work rules and regulations, the hiring, promoting, demoting and rehiring of employees in connection with any reduction or increase in working forces, the suspending, discharging or otherwise disciplining of employees for just cause are the exclusive functions of the Company, to the extent that any of such matters are not otherwise covered or provided for in this Agreement. Any claim that the Company has exercised such right and power contrary to the provisions of this Agreement may be taken to the Grievance-Arbitration provision contained in Article 6.

It is recognized and acknowledged that the Company is in the business of providing a service, through its employees, to the government and to other customers. It is therefore essential and expected that all employees will act in a highly professional, courteous manner and will be held accountable for their duties, functions and job requirements. The Company reserves the sole and exclusive authority to draft, issue, implement, revise, enforce and withdraw reasonable rules of conduct and reasonable regulations, as the Company deems necessary. The Company will provide copies of such rules and regulations, and any changes thereto, to the Union. Any infraction of the rules and regulations, once implemented, constitutes just cause for disciplinary action, including discharge.

#### **ARTICLE 8** **DISCIPLINE AND DISCHARGE**

8.1 The Company has the right to discipline or discharge any employee for incompetence, disobedience, disorderly conduct, negligence, or any other just and sufficient cause.

For purposes of this provision, the term "cause" shall include, but not be limited to: (i) a request by an authorized government representative that SecTek cease using an employee at the worksite, (ii) the failure of an employee to meet job requirements as imposed on SecTek by the Internal Revenue Service or to maintain all required certifications; and the unjustified refusal of a full time employee to work overtime after the employee is given 2 hour advance notice of the need to hold over on post, or come in to replace an officer on duty that must leave early do to an emergency. Nothing herein shall preclude the Union or the employee from

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pursuing any claims it/he/she may have against the government. In Addition, the term "cause" shall include application of the Company's progressive discipline policy. Nothing herein shall preclude the Union or the employee from contending that the underlying infraction did not occur or from the Company contending that the progressive discipline was not appropriate in any particular circumstance as set forth in the policy.

8.2 Written notice (a copy of a disciplinary action form) will be furnished to the affected employee within five (5) working days after the Company completes its investigation of the incident.

8.3 Upon taking of discharge action against an employee, the Company will permit the employee to contact his Union representative, if he/she so desires, before leaving the premises; and as soon as practicable following the discharge the Company will notify the Union representative of the action taken.

8.4 Any employee interviewed concerning discipline, if he/she so desires, request the presence of his Union representative to represent him/her during such interview.

8.5 During his probationary period, an employee may be discharged or disciplined at the Company's option without recourse to the grievance procedure.

8.6 In imposing any discipline on a current charge, management will not take into account any prior infractions, which occurred more than one (1) year previously.

**ARTICLE 9**  
**PART-TIME EMPLOYEES**

9.1 A Part-time employee is defined as one who is regularly scheduled to work less than thirty-five (35) hours per workweek. Part-time employees will have seniority only among part-time employees. Part-time employees shall be placed full-time in the order in which they were hired unless the Company can show just cause regarding why the employee is being bypassed. Any part-time employee who is offered a full-time position and refuses it shall be placed at the bottom of the list for the next full-time vacancy. Any part-time employee who becomes full-time shall be placed on the seniority roster for full-time employees on the date the employee is reclassified as full-time providing the employee has completed the probationary period.

9.2 Part-time employees are entitled to receive fringe benefits to include pro-rated vacation and holiday pursuant to the Service Contract Act. Full-time employees, after completing the probationary period who are thereafter voluntarily placed on part-time work, will retain their full-time seniority; however, they shall not accumulate full-time seniority while working as part-time employees. If they later return to full-time employment, they will return to a position on the seniority roster to which their full time seniority entitles them. The Company further agrees to prepare a part-time seniority list; a copy will be furnished monthly to the Union and a copy will be posted on the bulletin board.

**ARTICLE 10**  
**UNION SHOP AGREEMENT/ CHECK-OFF OF UNION DUES/AGENCY FEES**

- 10.1 It is hereby understood and agreed by and between the Company and the Union that:
  - a This Union Shop agreement shall become effective upon execution and shall remain in full force and effect concurrently with the basic collective bargaining agreement between the parties hereto.
  - b. All security employees subject to this Agreement shall become members of the Union thirty (30) days from their date of hire and shall maintain membership in the Union while this Agreement is in effect, or pay an agency fee, as a condition of continued employment,

10.2 During the life of this Agreement, the Company agrees to deduct from the pay of each member of the Union, and remit to the Union, union dues/agency fees uniformly levied in accordance with the Constitution and

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By-Laws of the Union and in accordance with the NLRA, as amended, provided such member of the Union voluntarily executes a Check-Off Authorization Card or agency fee form, which shall be furnished by the Union.

10.3 When a member of the Union executes such Check-Off Authorization Card or agency fee form in a manner suitable to the Union, the Union shall forward a copy to the designated Company accounting official. Any Check-Off Authorization Card or agency fee form that is incomplete or executed in a manner not suitable to the Company will be returned to the Union.

10.4 Any notice of revocation as provided for in the NLRA, as amended, must be in writing, signed by the employee and delivered by registered mail, addressed to the appropriate Company accounting official, with a copy to the Union.

10.5 Check-Off Authorization Cards or agency fee forms received by the Company accounting officials will be stamp-dated on the date received and will constitute notice to the Company on the date received and not when mailed.

10.6 When a Check-Off Authorization Card or agency fee form is received by the appropriate Company accounting official on or before any given payday, deductions will commence with the first regular paycheck following said payday, and will continue thereafter until revoked or canceled as provided in this Agreement. The Company will remit to the Union a check, in payment of all dues/fees collected, not later than the 15<sup>th</sup> day of the month following the month in which such dues/fees are collected. The Company remittances of Union dues/agency fees to the Union will be accompanied by a list of names of the employees for whom deductions have been made in that particular period and individual amounts deducted.

10.7 No deductions of Union dues/agency fees will be made from the wages of any employee who has executed a Check-Off Authorization Card or agency fee form and who has been transferred to a job not covered by this Agreement, or who is not in a pay status. Upon return to work within a job covered by this Agreement, deductions from wages shall be automatically resumed provided the employee has not revoked the assignment in accordance with this Agreement and provided it is in accordance with appropriate provisions of the NLRA, as amended. A transferred employee who returns to a job covered by this Agreement will be required to submit a new Check-Off Authorization Card or agency fee form in order to resume the deduction of Union dues/agency fees.

10.8 An employee who has executed a Check-Off Authorization Card or agency fee form and who resigns, or is otherwise terminated from the employ of the Company, shall be deemed to have automatically revoked his/her assignment and if he/she is recalled or reemployed, further deductions of Union dues/agency fees will be made only upon execution and receipt of a new Check-Off Authorization Card or agency fee form.

10.9 The Union agrees that upon receipt of proper proof, it will refund to an employee any deduction erroneously or illegally withheld from an employee's earnings by the Company which has been transmitted to the Union by the Company. The Union further agrees to indemnify the Company and hold it harmless against claims, suits or other forms of liability related to union dues/agency fees.

## ARTICLE 11

### UNION REPRESENTATION

11.1 The Union shall designate no more than (2) Stewards per shift. The Union shall notify the Company in writing of the selection of Stewards.

11.2 Stewards and Union officers shall not interfere with the management of the Company's business or the work of any employee, but may advise the Company of any alleged violations of the Agreement. Stewards and Union officers may not interview any employee or otherwise conduct Union-related business with any employee while such employee is on duty, nor shall any employee conduct Union-related business while on duty without permission. Employer property, equipment and office facilities shall not be used to conduct any form of Union-related business. Employees who violate this article will be subject to disciplinary action.

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11.3 The Company will provide bulletin board space for the Union upon which Union representatives may post notices pertaining to business of the Union. The Company prior to posting shall be provided a copy all notices prior to it posted on the bulletin board.

11.4 It shall be the responsibility of the Union to advise the Company in writing of all changes in the designation of Union Representatives and alternates.

11.5 For purposes of this section, an employee may not leave his/her post in order to perform his duties as a Union officer/Stewart or alternate unless adequate replacement coverage has been arranged and approved by the site supervisors.

## **ARTICLE 12**

### **SENIORITY**

12.1 Seniority for newly hired employees under this Agreement shall commence with the employee's start date on the contract.

12.2 When a permanent vacancy occurs on a shift, the position will be posted on the bulletin board for a period not less than seventy- two (72) hours before the position is permanently assigned. If more than one employee request is on file, preference will be given to employees with the greatest seniority. Such shift changes on request shall be limited to one per calendar year per employee. An employee temporarily transferred to another shift at the Company's request will be returned to the shift from which transferred within forty-five (45) days, unless he/she agrees to remain on the new shift.

12.3 A seniority list giving name and date of employment under this Agreement shall be furnished to the Union one (1) month after signing this Agreement. A list of additions and separations will be furnished to the Union monthly as applicable. The Company will post a corrected seniority roster during the months of March and September of each year.

12.4 An employee covered by this Agreement who accepts a position outside the bargaining unit, shall retain the seniority he/she had as of the date of his promotion or transfer but shall not accrue additional seniority while so employed. If he/she is later returned to the bargaining unit, he/she will return to a job to which his/her seniority entitles him/her. If he/she does not return within six (6) months, he/she shall lose all seniority rights.

12.5 An employee who is discharged for cause, or who resigns from the service of the Company, or who transfers out of the positions covered by this Agreement, except for the provisions of paragraph 12.5 above, shall lose all seniority rights.

12.6 If a reduction in force is necessary, employees will be laid off on a reverse seniority basis. Employees laid off, if qualified, shall be considered for any existing vacancies within the Company not covered by this Agreement. The employee will pay for any expense incurred as a result of accepting such vacancies.

12.7 Laid off employees shall have call back rights. The Union shall keep all seniority records for call back purposes. In the case of a recall, employees who have been laid off shall be notified, at their last known address, in order of the Union's seniority list, to report to work. The notice shall be by telegram or registered mail return receipt. In the event a former employee so notified fails to report for work within five (5) days after receipt of such notice, the employee shall forfeit his/her seniority and all reemployment rights associated therewith. However, if the employee is prevented from reporting because of sickness or an emergency involving him/herself or immediate family, or other legitimate reason, and so notifies the Company within the initial five (5) day period and presents documented proof, the employee, at the discretion of the Company, shall be allowed an additional ten (10) days in which to return to work. If he/she is unable to return at this time, he/she will be given an opportunity to return at the next opening.

12.8 An employee, who is unable to report to work because of a non-occupational injury or illness, shall

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continue to accumulate seniority except that he/she shall be subject to layoff according to his/her seniority. The Union shall keep all seniority records for disability recall purposes. An employee who is unable to work because of illness or injury, which is occupational in origin, shall continue to accumulate seniority during the term of the disability.

12.9 In addition to the reasons outlined in Article 13, employees shall lose their seniority rights if:

- a. The employee resigns, quits or retires.
- b. The employee is discharged for just cause.

12.10 Each employee on a layoff status must notify the Company in writing, advising of any changes of address and their availability for work.

12.11 For the purpose of layoff and recall, seniority of employees hired on the same date shall be determined by the lowest of the last four digits of their social security numbers to be the most senior employee.

**ARTICLE 13**  
**WORKWEEK**

13.1 The normal workweek shall commence at 0001 Sunday and end one hundred sixty-eight (168) hours thereafter. The normal workday shall consist of twenty-four (24) hours beginning at 0001 hours and the normal shift shall consist of eight (8) to twelve (12) consecutive hours.

13.2 The regular schedule shall be posted or communicated to the affected employee(s) four days prior to the effective date. Except in cases of a client emergency, a twenty-four (24) hour notice shall be given in advance of schedule changes. If the employee is off duty, the supervisor shall make personal contact. All such changes on the schedule will be initialed and dated by the supervisor making the change.

13.3 The Company will give notice of employee's regular scheduled days off at the time of scheduling the regular workweek. When an employee has two days or more scheduled off in the workweek, such days off will be scheduled consecutively, whenever practicable.

13.4 The company retains the right to adjust the hours of the employee to meet emergency taskings of the client, and to adjust staffing in response to changes in requirement directed by the client that affect total hours worked on the contract. The Company commits to making adjustments with the intent of spreading out the hours available in lieu of laying off employees and further commits to making a good faith effort to ensure all full time employees have 35 or more hours in any given workweek.

13.5 The Company shall attempt to fill all Union replaceable positions that are open on any given day due to sick leave, vacation, bereavement, or any other reason.

13.6 In the event of an assigned post change, which alters an employee anticipated post conditions; the Company will attempt to contact the employee prior to reporting to work advising them of the change and the reason the change was made.

**ARTICLE 14**  
**OVERTIME COMPENSATION**

14.1 No overtime work shall be required or permitted except by direction of proper supervisory personnel of the Company, except in cases of emergency where prior authority cannot be obtained. Once an employee turns in their equipment and signs out, the Company has no right to force them to stay, except in government declared emergencies.

14.2 The Company shall have the right to holdover employees until relieved and/or to require an available employee to provide coverage of the post. Whenever practical, the Company will attempt to provide two (2)

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hours notice to employees on duty that will be required to work overtime. The Company, in consultation with the Union, will create a seniority "call list" in which up to four individuals will be requested to perform emergency overtime work in the event an employee on post asserts that he/she cannot stay due to exigent circumstances. The four employees on the list may not refuse to perform the emergency overtime unless they themselves can demonstrate exigent circumstances. If all four employees refuse to accept the overtime assignment, the posted officer shall be required to remain on the post until a replacement is found.

14.3 Overtime pay will be paid at one and one half (1 ½ ) times the employee's basic hourly straight time rate, (without shift premiums) for all hours worked in excess of forty hours in a workweek.

14.4 The payment of overtime premium pay for an hour excludes that hour from consideration for premium or overtime payment on any other basis. There shall be no pyramiding or duplication of premium or overtime pay. In the event more than one premium or overtime payment is due under this Agreement, only the higher rate shall apply.

**ARTICLE 15**  
**GENERAL WAGE PROVISIONS**

15.1 All employees shall receive the wage rate as set forth in Appendix B.

**ARTICLE 16**  
**HOLIDAYS**

16.1 All full-time employees will be paid 8 regular straight time hours for each of the following holidays:

- |                                    |                  |
|------------------------------------|------------------|
| New Years Day                      | Columbus Day     |
| Martin Luther King, Jr.'s Birthday | Veterans Day     |
| President's Day                    | Thanksgiving Day |
| Independence Day                   | Christmas Day    |
| Labor Day                          | Memorial Day     |

When any of the above Holidays fall on a Saturday or Sunday the holidays will be observed on the same day that the government observes them. In addition any holiday declared by Presidential proclamation that specifically includes contractors and the services they provide will be observed as instituted.

16.2 In order to be paid for holiday pay a full time employee must have been employed 31 calendar days and must work the last scheduled workday proceeding and the first scheduled workday following the holiday, unless the Company excuses his absence.

16.3 An employee scheduled to work on any of the holidays listed in paragraph 16.1 who fails to report to work shall not receive payment for that day unless their failure is occasioned by circumstances beyond their control, or by excused absence.

16.4 If a recognized holiday falls during an eligible employee's paid absence (such as vacation or personal leave) holiday pay will be provided instead of paid time off benefit that would have otherwise applied.

16.5 Holiday pay shall not be used for the purpose of computing overtime.

16.6 The following provisions shall govern the assignment of employees working a holiday whether it is a celebrated or actual holiday. The Company shall determine the number of employees by shift, by seniority required to work in order to meet operational requirements.

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16.7 An employee who is on lay off, or who is on a leave of absence shall not be eligible to receive holiday pay.

**ARTICLE 17  
VACATIONS**

17.1 Accrual of vacation is based upon vacation earned by the employee with continuous service, without a break in service, as shown in the following schedule:

<u>Service Completed</u>	<u>Accrued Vacation Period</u>	<u>Accrued Vacation Pay</u>	<u>Semimonthly Accrual Rate</u>
1 Year	2 Weeks	80 Hours	3.33 hours
After 5 Years	3 Weeks	120 Hours	5 hours
After 10 Years	4 Weeks	160 Hours	6.67 hours
After 15 Years	5 Weeks	200 Hours	8.34 hours

**\*Maximum annual carry over 80 hours**

The length of eligible service is calculated on the basis of a "benefit year". This is the 12 month period that begins with the employee's start date on the contract (seniority date). Eligible employees may use their accrued vacation leave after completion of their 90-day probation period.

17.2 Vacation pay shall be computed at the employee's straight time base rate at the time of vacation, and shall be limited to those hours the employee has earned on the date of eligibility for such vacation. Vacation pay shall not be used for the purposes of computing overtime. Part-time employees' vacation benefit hours will be prorated.

17.3 Vacation preference will be given weight by the submittal date of each request. If there is more than one vacation request submitted on the same date, preference will be given to the most senior employee.

17.4 Employees shall be notified of vacation request determinations by receiving a copy of their vacation application back within five (5) working days stating approved or disapproved. If a request is disapproved, no other requests for that time shall be approved without first offering that time to the first requestor. Under emergency conditions declared by governmental agency, when more than one employee is scheduled off for vacation, the Company shall have the option to cancel all other vacations other than the first granted request for each workweek. Only the first requestor will be approved pending availability.

17.5 At Employee's request, unused vacation balance over 40 hours may be cashed out on a separate check on the pay period following Employee's seniority date. Employee may carryover no more than 80 hours of vacation.

**ARTICLE 18  
LEAVES OF ABSENCE**

18.1 Upon written request, a leave of absence without pay for a period not to exceed fifteen (15) days in any calendar year shall be granted to not more than (3) employees at a time to attend Union conventions and Conferences without loss of seniority rights and benefits. However, the Company retains the right to limit the number of attendees to less than three, or disapprove such leaves of absence due to emergencies or circumstances beyond the company's control.

18.2 An employee who is a member of the Military reserve will be granted a leave of absence without pay when ordered to active duty for annual training.

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18.3 The re-employment and seniority status of any employees hereunder who, while in the active service of the Company, enter the armed services or, during wartime enter the Merchant Marine of the United States, shall be governed by the Provisions the Uniformed Services Employment and Reemployment Rights Act (USERRA).

18.4 The provisions of the Family and Medical Leave Act (FMLA), as amended, will be complied with by the Union and Company. Where applicable State Law provides for different or greater FMLA rights, the company will provide such rights. Employees will follow the Company policy and procedures regarding application for FMLA.

18.5 An employee shall be deemed to have voluntarily quit employment with the Company if:

18.5.1 The employee fails to report to work within two (2) days after expiration of a leave of absence without a telephone call or other explanation.

18.5.2 An employee who takes medical leave fails to notify the Company that he/she is able to return to work within two days after he/she is medically able to return to work.

18.5.3 The employee fails to report for work for two (2) consecutive days without telephoning or otherwise notifying the Company, except where failure to do so is the result of verifiable emergency circumstance.

18.5.4 The employee fails to respond within five (5) days of the Company sending notice of recall.

**ARTICLE 19**  
**DRUG AND ALCOHOL POLICY**

19.1 The Company and Union herein referred to as "parties", recognize that, in the security business, the use of controlled substances or alcohol, which cause intoxication or impairment on-the-job, poses risks to the parties, the affected employee, his/her co-workers and the public. An employee cannot perform his/her work effectively if he/she is under the influence of illegal drugs or alcohol. While the parties have no intention of intruding into the private lives of the employees, the parties expect employees to report for work in a condition enabling the full and safe performance of all required duties. The parties recognize that an employee's involvement with drugs and/or alcohol, whether on or off the job, can have an impact on the Company's ability to meet the government's expectation of a drug and alcohol free work environment.

Accordingly, compliance with the Company's Drug and Alcohol Policy (Appendix D to this Agreement) is a condition of employment/continued employment. Violation of the policy subjects an employee to immediate termination pursuant to Article 8, Section 8.1.

19.2 Any employee using prescription medications or other medications that may affect or impair coordination or judgment must notify their supervisor before reporting to work and provide a doctor's statement that the employee is fit to perform the duties of the job.

**ARTICLE 20**  
**BEREAVEMENT LEAVE**

20.1 In the event of a death in the immediate family of an employee, the full time employees will be granted three (3) consecutive workdays' emergency leave up to 24 hours with pay for the purpose of attending the funeral. Every effort will be made to make up any lost hours. The employee pursuant to the Company's standard policies may take other leave available under this Agreement. For the purpose of this Article, the immediate family shall be defined as the father, mother, sister, brother, father-in-law, mother-in-law, stepparents, foster parents, spouse, children of the employee, brother-in-law, sister-in-law, son-in-law, daughter-in-law, grandchildren and grandparents. After the granting such emergency leave, the Company may require the employee to substantiate the need for the leave.

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**ARTICLE 21****ARREST AGREEMENT – ADVERSE INFORMATION REPORTING**

21.1 SECTEK is a government contractor providing security services who is bound by its government contract and other government and Company security and/or clearance requirements. As such, employees will comply with the provisions of Appendix E.

**ARTICLE 22****PERSONAL/SICK LEAVE (PSL)**

22.1 Full-time employees shall accrue 1.67 hours PSL per pay period. Employees can use available PSL after completion of their 90-day probation period. PSL pay will not be used for the purposes of computing overtime. PSL pay is calculated based on the employee's straight-time pay rate on the date the PSL hours are taken. Unused PSL will be paid out to the Employee on the last payday of the year and will be paid out at the Employee's straight-time pay rate and by separate check.

22.2 Paid PSL may be used in minimum increments of four (4) hours. Employees may use PSL for an absence due to their own illness or injury or that of an immediate family member (See Article 20 for definition of immediate family member) or for other personal appointments or matters.

22.3 Employees unable to report to work due to illness/injury or other personal related matters must telephone their supervisor directly, each day of their absence, as far in advance as possible, but no later than four (4) hours before their scheduled arrival time regardless of whether the employee seeks PSL pay for the absence. The supervisor must be contacted each day of absence unless an exception has been made for a particular absence, and a written memo to this effect has been provided to the supervisor.

22.4 An employee who is absent due to illness or injury for three (3) consecutive work days, regardless of whether the employee seeks PSL pay, shall be required to provide to the Company a physician's statement supporting the employee's absence and certifying that the employee is able to return to work. Upon reasonable request, the Company reserves the right to require a physician's statement for an illness of any period of time. If the Company questions the physician's statement submitted by the employee, the Company may require the employee to obtain a second opinion by a physician designated by the Company, at the Company's expense. Where an employee fails to provide medical certification, or where medical certification does not support the employee's absence, the employee will not be entitled to sick pay, and may be subject to disciplinary action. An employee who does not provide medical certification that he/she is able to return to work, when required or reasonably requested, will not be permitted to return to work.

22.5 Where an employee takes leave pursuant to the Company's Family & Medical Leave Act Policy, the provisions of that policy will supersede any provisions of this Article, which may be inconsistent with said policy.

**ARTICLE 23****HEALTH AND WELFARE**

23.1 See Appendix C to this Agreement.

**ARTICLE 24****UNIFORM AND UNIFORM ALLOWANCE**

24.1 The Company will furnish all uniform and equipment considered necessary by the Company at no cost to the employee.

24.2 Employees shall maintain such uniforms and equipment in accordance with Company standards. A uniform maintenance allowance as stipulated in Appendix B will be provided to all employees.

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24.3 Uniforms and equipment issued by the Company are to be worn and/or used by employees only in the performance of their assigned duties and in accordance with the Companies contract with its client. The wearing and/or use of Company issued uniforms and equipment in the course of any other employment or activity will be cause for discipline, up to and including termination of employment.

24.4 The Company will provide designated equipment as required by the contract or determined to be needed by SecTek management. The type and style of equipment is at the discretion of the Company consistent with the contract. Replacement of issued equipment for fair wear and tear will be at no cost to the employee.

24.5 All costs for alterations required to properly fit the uniform, or attach patches, etc. that are not attached to the uniform by the manufacturer will be reimbursed by the Company in a timely fashion. In order to receive reimbursement employees must submit all original receipts and complete an expense report for such alterations in a timely fashion.

## **ARTICLE 25**

### **MISCELLANEOUS PROVISIONS**

25.1 Each employee covered by this Agreement will be furnished personal relief as provided in the Company's contract with its client. Supervisory personnel normally will not perform the duties of bargaining unit employees but may, without prior notice, be temporarily assigned to cover unit work where deemed necessary by the Company. In no event shall such temporary assignment exceed ninety days. The foregoing limitation on assignment of unit work to supervisors shall not apply to unit work performed by a supervisor where; such work is a part of the supervisors normal day-to-day duties in staffing a post; or the supervisor replaces a unit employee who is absent from his assigned post or the supervisor performs unit work requiring specialized skills, qualifications or training.

25.2 It is the employees responsibility to provide the Company with ninety (90) days written notice prior to the expiration of any permits, or qualifications required by the State of Maryland or the federal government, including, but not limited to, weapons permits, CPR/first aid training. Forms for reporting of such information will be available from the Company. Employees are required to submit applications for renewal of Maryland Guard and Firearms endorsement certification cards NLT than 90 days prior to the expiration of their current certifications. Employees will provide the Operation Captain or Office Manager with their completed applications and the Company will attach the funds check for the renewal and submit it. Upon receipt of their renewal cards the officer will provide the company with a copy of their renewed certification.

25.3 The Company agrees to pay full time employees called for jury duty or as a witness in a case deriving from the performance of the duties, their normal full base rate of pay, less any fees or sums received from the Court, when an employee has met the following conditions:

- a. The employee must notify the Company within seventy-two (72) hours after he or she receives a jury duty questionnaire or notice that he or she is subject to a jury duty call or subpoenaed as a witness.
- b. The employee must permit the Company to assist him or her in seeking to obtain an exemption from jury duty where appropriate.
- c. The employee must provide the Company with written evidence or notice from the Court that he or she performed jury service and of the amount that the employee was compensated for such service in order receive jury duty pay.

Employees will not be compensated for participation in proceedings where they are a party in the case (plaintiff or defendant), or where they are appearing as witnesses against SECTEK, unless required by law. Employees summoned for jury/witness duty and who are required to report on regularly scheduled workdays will be compensated by payment of an amount equal to the difference between their jury/witness duty pay and their regular salary. An employee on jury/witness duty is expected to report to work on any day he/she is excused from jury/witness duty. No compensation shall be paid by the Company for jury duty on Saturdays, Sundays,

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and holidays unless such Saturday, Sunday or holiday was the employee's normal workday or for any other day on which the employee is not normally scheduled to work

25-4 Duty assignments will be rotated equitably among employees and the Company will make reasonable efforts consistent with its business needs to assign employees in such a manner to accommodate established child care arrangements or the like. Special accommodations will not be made to assist with meeting other work obligations. Assignments will be made in an unbiased manner and in accordance with seniority to the extent possible.

25-5 The Union will provide the Company with copies of this Agreement, in an amount sufficient to provide a copy to all covered employees, within a reasonable time subsequent to ratification.

## ARTICLE 26

### TRAINING AND RE-QUALIFICATION

26.1 It is the mutual responsibility of the employee and the Company to track the expiration of any certifications/qualifications required per the Company's contract with DHS and keep each other informed of such in order to schedule required training and/or insure completion of necessary paperwork in a timely manner. All training and associated qualifications/certifications will be conducted by the Company.

26.2 Employees may not go to an outside training provider unless specifically authorized and coordinated by the Company. Any employee scheduled for training who fails to attend, will be subject to disciplinary action unless such failure to report is the result of a documented emergency circumstance. Employees attending training presented by or coordinated at the direction of the Company will be paid their normal base hourly rate of pay, excluding shift differential, for all hours spent in said training. Overtime compensation will be in accordance with Article 15, part 15.3.

26.3 Employees attending weapons qualification/re-qualification sessions scheduled and authorized, but not conducted, by the Company will receive a maximum of four (4) hours pay at their normal base hourly rate of pay, excluding shift differential.

26.4 The Company shall afford employees the opportunity to have at least two (2) practice sessions prior to any formal weapons re-qualification testing. If an employee is scheduled for and fails to attend a practice session, the employee will be deemed to have forfeited one practice session unless such failure to report is the result of a documented emergency circumstance. If an employee is unable to successfully pass the weapons safety test and/or qualify with his/her contract specific weapon prior to his/her certification expiration date, the employee shall be suspended without pay.

26.5 Such employee shall be reinstated after qualifying, providing such qualification takes place within thirty (30) days of his/her certification expiration date. An employee failing to successfully qualify or report for scheduled training within this thirty (30) days period (unless such failure to report is the result of a documented emergency circumstance or inability of the Company to get the training scheduled), shall be terminated. An employee suspended pursuant to this provision shall not accrue seniority or fringe benefits. If an employee does not successfully complete any other government contract mandated training having specific re-certification requirements prior to his/her certification expiration date, the employee shall be suspended without pay for a maximum of thirty (30) days. If the employee fails to successfully meet the re-certification requirements or fails to report for scheduled training within the thirty (30) days time frame (unless such failure to report is the result of a documented emergency circumstance or inability of the Company to get the training scheduled), the employee shall be terminated. An employee suspended pursuant to this provision shall not accrue seniority or fringe benefits.

26.6 The Company is obligated to abide by the provisions of the government contract as it relates to training and certification issues. As such, the thirty (30) days time frame specified in 25.5. and 25.6 above is only as it relates to the employee's obligation to take the appropriate action necessary to renew his/her affected expired certification(s) before being terminated. If the employee complies within this time frame, they remain

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employed; however, his/her subsequent reinstatement onto the contract is specifically tied to the employee's credentials being updated and approved by the IRS Contracting Officer Representative COTR.

**ARTICLE 27**  
**SEPARABILITY OF THE CONTRACT**

27.1 It is not the intent of the parties to this Agreement to violate any Federal, State or Local laws governing the subject matter contained herein. All parties who are signatory to the terms of this Agreement agree that if any provisions contained herein are finally held or determined to be illegal or void by a court of final and competent jurisdiction, the parties shall promptly enter into negotiations concerning the affected clauses for the purpose of achieving conformity with the new requirements of the applicable law. It is the express intention of the parties hereto that all other provisions not declared invalid shall remain in full force and effect.

27.2 Effective Immediately: In the event the Department of Labor determines, that the wages or fringe benefits contained in the Agreement were not reached as a result of arms-length negotiations or are substantially at variance with those prevailing for services of a character similar in the locality, then such wages or benefits shall be rendered null or void. In such event the Company shall be obligated to pay the wages and fringe benefits specified in the appropriate wage determination issued by the Department of Labor.

**ARTICLE 28**  
**DURATION**

28.1 Unless otherwise provided herein, this Agreement becomes effective on January 1, 2006 for economic terms and upon its execution for all other terms. The Agreement shall continue in full force and effect until midnight December 31, 2008. The Company and Union, by mutual consent, can modify or amend this Agreement.

28.2 The Company and Union acknowledge that during the negotiations, which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understanding and agreements arrived at by the Company and Union after the exercise of that right and opportunity are set forth in this Agreement.

28.3 The Company and Union agree that the other shall not be obligated to bargain collectively with respect to any subject or matter not specifically referenced to or covered in this Agreement, even though such subjects or matters may not have been within the knowledge or contemplation of either or both of the parties at the time that they negotiated or signed this Agreement.

28.4 Neither party shall terminate this Agreement, strike, or lockout during negotiations over a new Agreement after the expiration of the initial term without first providing the other party ten (10) days advance written notice of intent to terminate.

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**SIGNATURE OF PARTIES**

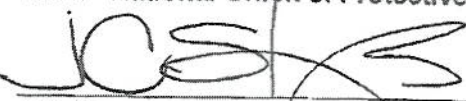
IN WITNESS WHEREOF, the Company and the Union have caused this Agreement to be signed by their duly authorized representatives.

**FOR: SecTek, Inc.**

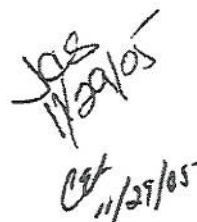
  
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Chuck Lombard  
VP of Operations

11/29/05  
Date

**FOR: National Union of Protective Services Association**

  
\_\_\_\_\_  
J.C. Stamps  
Chief Executive Officer

11/29/05  
Date

  
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CST  
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**APPENDIX A - COVERED FACILITIES**

This Agreement covers the Company's operations at:

- 601 New Jersey Avenue, NW, Washington DC
- 601 Pennsylvania Avenue, NW, Washington DC
- 999 E Street, NW, Washington DC
- 11510 Georgia Avenue, Wheaton, MD

The Union and the Company agree that any new posts that are ordered by the FTC in the localities covered by this Agreement will be adopted and covered by this Agreement.

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**APPENDIX B – WAGE AND HOUR ISSUES**

**SECTION 1: WAGE SCHEDULE**

The hourly rate of pay shall be effective as of January 1, 2006. Wages for the years 2007 through 2008 are projected to increase at the rate of 2.5% annually on the contract anniversary date.

	Effective 1/1/06-12/31/06	Effective 1/1/07 – 12/31/07	Effective 1/1/08-12/31/08
<b>HOURLY RATE UNARMED GUARDS</b>	\$16.50	\$16.91	\$17.33
<b>HOURLY RATE ARMED GUARDS*</b>	\$17.00	\$17.42	\$17.85

Wages will be paid semimonthly on the 10th and 25th days of the month. In the event that a regularly scheduled payday falls on a weekend or holiday, employees will receive pay on the last day of work before the regularly scheduled payday.

\* Armed rate applies only if carrying weapon is a requirement of the assigned post.

**SECTION 2: SHIFT DIFFERENTIAL**

For the duration of this agreement, a shift differential pay of .25 per hour will be paid to an employee for all hours worked between the hours of 1400-2200 hours.

For the duration of this agreement, a shift differential pay of .35 per hour will be paid to an employee for all hours worked between the hours of 2200-0600 hours.

No shift differential shall be paid for any hours worked between 0600-1400 hours.

**SECTION 3: BREAK PERIODS**

All productive security officers shall be provided breaks and lunch in accordance with the provisions of the government contract.

**SECTION 4: LIMITATIONS ON MAN HOURS**

No employee shall provide more than twelve (12) hours of service in any twenty-four (24) hour period, unless the work periods are separated by an eight (8) hour non-duty period. Exceptions to this are extreme emergencies (i.e., weather conditions that prevent the relieving shift officers from getting to the building, civil disturbances, natural disasters, etc.)

**SECTION 5: CALL-IN PAY**

An employee called in to work and who reports for duty will be guaranteed a minimum of four (4) work or pay at the regular hourly rate. The provisions of Article 14, part 14.3, will apply.

**SECTION 6: UNIFORM ALLOWANCE**

A uniform maintenance allowance of .37 per regular hour worked will be paid to each employee. This allowance will not exceed forty hours (40) per week.

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**APPENDIX C – HEALTH AND WELFARE**

Effective January 1, 2006 through the period of this Agreement, all employees will receive health and welfare and 401(k) benefits for each hour worked per week, up to 40 hours as indicated below. All Health Plan and 401(k) benefits shall be provided and administered by the Union; as such, participation in Company health plan and Company 401(k) is not an option.

This Health and Welfare benefit is not part of the hourly wage rate contained in Appendix B.

Union assumes all administrative responsibilities for its Health and 401(k) plans.

**Union Health Plan**

Company shall forward to Union Health and Welfare in the amount of \$2.62 to "NUPSA – Health and Welfare Trust Fund" at 3150 Monroe Street, Washington, D.C. 20018 by the 15<sup>th</sup> of the following month. i.e. January 1 to January 31 hours will be paid on February 15. February 1 to February 28 hours will be paid on March 15, etc.

If an employee already has bona-fide health insurance coverage elsewhere and provides acceptable proof of such coverage to the union, the Health and Welfare amount will be directed to the Union sponsored 401(k) plan.

**Union 401(k)**

Company shall forward to "Retirement Planners and Administrators" at 7639 Leesburg Pike, Falls Church, Virginia 22043 401(k) money in the amount of \$.25 by the 15<sup>th</sup> of the following month. i.e. January 1 to January 31 hours will be paid on February 15. February 1 to February 28 hours will be paid on March 15, etc.

The union agrees to indemnify and hold Company harmless from any costs or damages arising from any claim that the Company's compliance with the terms of Union's Health or 401(k) plan violated any rights of any Union member. It is expressly agreed and understood that Company does not accept, nor is Company charged with, any responsibility in any manner connected with the determination of liability to any Employee claiming under any of benefits extended by the Union's Health or 401(k) plan. Company's liability shall be limited to the H & W contribution indicated above. No dispute over a claim for any benefits extended by the Union's Health or 401(k) plan shall be subject to the grievance procedure.

**ESOP**

For each eligible employee, the Company will make a separate contribution to the Company's Employee Stock Ownership Plan in the amount of twenty five (.25) per hour worked limited to forty (40) hours per week.

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CJL 11/29/05*

## APPENDIX D – DRUG AND ALCOHOL POLICY

### Policy Statement

To help ensure a safe, healthy, and productive drug and alcohol free work environment for the employees of SecTek, Inc. (hereinafter referred to as "Company") and others on Company property including all government owned, leased or operated sites at which the Company performs services, to protect Company property and assets, to maintain a favorable public image, and to assure efficient operations, SecTek has adopted this policy on drugs, alcohol, and other prohibited items in compliance with the Drug-Free Workplace Act of 1988.

This policy restricts certain items and controlled substances from being brought onto or being present on Company property and other locations at which the Company performs services, including parking areas and vehicles; prohibits Company employees from reporting to work, working, or being present on Company property or work sites, whether or not on duty, while having detectable levels or identifiable trace quantities of certain drugs and other substances in their system; and prohibits the use, sale, distribution, manufacture or possession of alcohol, drugs or related paraphernalia by Company employees.

While the Company has no intention of intruding into the private lives of its employees, the Company does expect employees to report for work in a condition enabling the full and safe performance of all required duties. The Company recognizes that an employee's involvement with drugs and/or alcohol, whether on or off the job, can have an impact on the workplace and on the Company's ability to accomplish its goal of a drug and alcohol free work environment.

### Definitions

To aid in understanding and administering this Policy, the following definitions apply:

*Controlled substance* – a controlled substance as listed/defined in schedules I through V of section 202 of the Controlled Substances Act (21 U.S.C. 812) and as further defined in Regulation 21 CFR 1308.11-1308.15.

*Company property/Company premises* – includes all property, facilities, land, offices, buildings, structures, fixtures, installations, equipment, boats, vessels, barges, aircraft, automobiles, trucks, all other vehicles, and parking areas, whether owned, leased, used, or under the control of the Company at which the Company provides services.

*Conviction* – a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes.

*Criminal drug statute* – a Federal or State criminal statute involving the manufacture, distribution, dispensing, possession, or use of any controlled substance.

*Detectable levels/identifiable trace quantities* – the measurable presence of a controlled substance or alcohol found in the body fluids at levels of detection above the lowest cutoff levels, as established by the analytical methods used by the testing laboratory.

*Reasonable cause/suspicion* – a belief based on reasonable observable, objective, or articulable facts sufficient to lead a prudent supervisor to suspect that the employee has been using/is under the influence of a controlled substance or alcohol. The following situations are examples and do not represent a comprehensive list of such circumstances: discovering a cache of marijuana; receiving tips of cocaine use during working hours; tips of drug dealing; increased incidents of absenteeism; increased incidents of physical altercations; an increase in errors; observation of drug use; observation of possession of drugs; observation of physical symptoms of being under the influence of a drug; a pattern of abnormal conduct that indicates drug abuse;

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erratic behavior that indicates drug abuse; arrest or conviction for a drug-related offense; identification of an employee as the focus of a criminal investigation into illegal drug possession use or trafficking; and newly discovered evidence that the employee has tampered with a previous drug test.

**Medical Review Officer (MRO)** – A person who is a licensed physician and who is responsible for receiving and reviewing laboratory results generated by an employer's drug testing program and evaluating medical explanations for certain drug test results.

**Under the influence** – being unable to perform work in a safe and productive manner or being in a physical or mental condition that creates a risk to the safety and well-being of the individual, other employees, the public, or Company property and/or having any laboratory evidence of the presence of alcohol or controlled substances, in excess of an identifiable trace quantity, in the body.

**Possession** – actual or constructive care, custody, control, or immediate access.

**Drug paraphernalia** – includes, but is not limited to:

Blenders, bowls, containers, spoons, and mixing devices used or intended for use in compounding controlled substances.

Capsules, balloons, envelopes, and other containers used or intended for use in concealing or packaging of controlled substances.

Hypodermic syringes, needles, or other objects designed or intended for injecting controlled substances into the human body.

Objects used, intended for use, or designed for use in ingesting, inhaling, or otherwise introducing marijuana, cocaine, hashish, hashish oil, etc., into the human body, such as pipes, (metal, wooden, glass, acrylic, stone, plastic, or ceramic, with or without screens), water pipes, carburetion tubes and devices, smoking and carburetion masks, roach clips, or other objects used to hold smoking materials: chamber pipes, electric pipes, air-driver pipes, bongs, ice pipes, and rolling paper (e.g., Zig-Zag, E-Z Wider, Job, Joker, etc.) not associated specifically with tobacco products.

### Prohibited Items

The use, possession, sale, manufacture, distribution, dispensation, concealment, receipt, transportation, or being under the influence of any of the following items or substances on Company property (including the presence of detectable levels or identifiable trace quantities), by employees and all others, is prohibited:

- Controlled substances and any other substances that will, in any way, affect safety, work ability, alertness, coordination, judgment, response, or the safety of others on the job.
- Alcoholic beverages.
- Drug paraphernalia.

Prescription and over-the-counter drugs are not prohibited when taken in standard dosage and/or according to a physician's prescription. Any employee taking prescribed or over-the-counter medications will be responsible for consulting with his or her prescribing physician and/or pharmacist to ascertain whether the medication may interfere with the safe performance of his/her job. If the use of a medication could compromise the safety of the employee, fellow employees or the public, it is the employee's responsibility to use appropriate personnel procedures (e.g., call in sick, use leave, request change of duty, notify supervisor, notify Company doctor) to avoid unsafe workplace practices. The illegal or unauthorized use of prescription drugs is prohibited. It is a violation of our Drug and Alcohol Policy to intentionally misuse and/or abuse prescription medications. Appropriate disciplinary action will be taken if job performance deterioration and/or other accidents occur.

### Policy Enforcement

The Company will take steps to prevent and discourage the use, possession, sale or distribution of stated/

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prohibited items at any time by Company employees. In accordance with this policy, periodic searches, random urinalysis, drug screening or blood or breath testing may be conducted. Such searches and testing will be performed by the Company using qualified contracted agents or qualified named employees. The searches will encompass Company property, vehicles, and facilities, including work areas, desks and lockers assigned to employees.

No employee has the right to interfere with or object to such searches of Company property based on expectations of privacy or otherwise. The Company reserves the right to search personal property belonging to its employees, such as but not limited to, lunch boxes, bags, purses or briefcases if such property is brought onto Company premises or into Company owned vehicles. If stipulated by contract, the government client reserves the same right.

All employees are expected to cooperate with any investigation regarding this policy. Failure to cooperate, providing false information, or omitting information may subject any employee to disciplinary action up to and including termination of employment.

### Testing

To measure the success of, and to aid in enforcing a drug free workplace, drug/alcohol-screening tests may be required under the following circumstances:

- During pre-employment processing -- each applicant for employment will be required as a condition of employment to undergo a urine drug screen.
- Reasonable Cause/Suspicion – the Company has "reasonable cause" for substance testing when an employee's actions, appearance, or conduct suggest abnormal behavior. This may be based upon:
  - Abnormal conduct or erratic behavior while at work, or significant deterioration in work performance.
  - Information indicating that an employee has caused or contributed to an accident while at work.
  - When an employee who, by reliable evidence or by his/her observed or reliably reported behavior, may be reasonably suspected of using, having ingested, or being under the influence of controlled substances or alcohol while on Company property.
  - When an employee on Company property is found in possession of suspected controlled substances or alcohol or when any of these items are found in an area controlled or used exclusively by said employee.

Any employee who is believed to be under the influence of alcohol or drugs will be considered unfit for duty. The supervisor or manager will consult with the employee privately, and will inform him/her of the requirement to undergo testing. The employee will be escorted to the facility where the testing is conducted, and will not be allowed to return to work for the remainder of the duty period. Transportation home will be arranged for the employee. If the employee refuses the offer for transportation, and insists on operating a motor vehicle, the Company will take all reasonable steps to protect the employee's safety and the safety of others.

- Return to active employment after a leave of absence of thirty (30) or more days.
- Post Accident -- any employee involved in a work related at-fault vehicular accident or a work related at-fault incident that results in bodily injury requiring medical treatment and/or vehicular/property damage shall submit to drug testing within one hour of the incident or as soon as medical circumstances allow.
- Random – All employees are subject to periodic, unannounced drug and/or alcohol testing while on duty. Selection for testing will be made from a random computer generated pool using employee identification numbers. The Company will determine the percentage of the workforce to be randomly tested each year. Random testing will occur throughout the year and at any time during an employee's duty period. Employees may be randomly selected more than once during the year or they may not be

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selected at all during the year. Randomly selected employees will be notified of their selection by a supervisor or manager and will be required to report to the collection site within a designated time period.

All persons shall have the opportunity, prior to testing or during an interview with the Company's designated Medical Review Officer, to list all prescription and non-prescription drugs they have used in the last thirty (30) days and to explain the circumstances surrounding the use of such drugs. All records containing medical information will be maintained confidentially in accordance with applicable law.

The Company may test for the following substances and for any other substance identified in schedules I through V of section 202 of the Controlled Substances Act (21 U.S.C. 812), and as further defined in 21 CFR 1308.11-1308.15:

- Alcohol, Amphetamines, Hallucinogens Propoxyphene (Darvon), Barbiturates, Marijuana (cannabinoid metabolites), Cocaine metabolites, Phencyclidine (PCP), Opiate derivatives (heroin, morphine, codeine), Methadone

### Positive Test Results

SecTek does not hire applicants who test positive for illegal drugs.

Any employee who, as a result of drug testing, is found to have detectable levels or identifiable trace quantities of a prohibited drug or substance in his/her system, regardless of when or where the drug or substance entered that person's system, without an explanation satisfactory to the Company's Medical Review Officer, will be considered in violation of this policy and will be subject to termination.

Preliminary findings of a policy violation may require that the employee be suspended, without pay, pending the results of a Company investigation. If said investigation clears the employee of any policy violation, then said employee will be fully reinstated, including pay, to his/her job. Any employee who is arrested for any drug or alcohol related matter must comply with the provisions of SecTek's Arrest Agreement (Form HR-13). Any employee who is convicted of a criminal drug violation in the workplace must notify the Company in writing within 24 hours of the conviction.

The Company may take into custody any illegal, unauthorized, or prohibited items or substances and may turn them over to the proper law enforcement agencies.

Immediate termination will result in the following cases:

- Refusal to consent to a test.
- Refusal to cooperate with the testing procedures.
- Actual or attempted adulteration of a test specimen.
- Failure to report for testing within the time frame specified after being notified of selection for a random drug test.
- Failure to inform the Company about arrests/convictions within the required time frame.

One of the goals of SecTek's drug and alcohol free workplace program is to encourage employees to voluntarily seek help with alcohol and/or drug problems. The Company encourages employees to seek help through the Employee Assistance Program if they are concerned that they or their family members may have a drug and/or alcohol problem. Treatment for alcoholism and/or other drug use disorders may be covered by the employee benefit plan.

### Off-the-Job Drug and Alcohol Substance Use and Activity

Employees who use alcohol or controlled substances off the job run the risk of jeopardizing the safety of

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themselves, their family, the public, and the Company. Whenever such usage adversely affects public trust in the Company or otherwise interferes with the Company's ability to carry out its responsibilities, or increases potential liability for the Company, the Company may be forced to take disciplinary action against the offending employee(s), up to and including termination of employment. Employees who are convicted or plead guilty or nolo contendere because of off-the-job activities (drug or alcohol related) may be considered in violation of this policy. In deciding what action to take, the Company will consider the nature of the charges and other factors relative to the impact of the employee's conviction or plea upon the conduct of the Company's business.

Policy Implementation

The Company will implement and administer this policy in accordance with all applicable federal and state statutes or regulations. Any employee who has questions about the policy's implementation may contact the Corporate Administration Department (Human Resources) for additional information.

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**ACKNOWLEDGMENT OF THE DRUG AND ALCOHOL POLICY  
&  
INFORMED CONSENT FOR DRUG AND/OR ALCOHOL TESTING  
&  
AGREEMENT TO RELEASE TEST RESULTS**

On the date shown below, a copy of SecTek's Drug and Alcohol Policy was made available to me. I have read this policy and I understand the consequences of violating the policy. If I did not understand the policy, I have asked for and have received an explanation. I understand that as a condition of my initial and/or continued employment, the Company will require me to undergo substance screening by urinalysis, blood or breath (for alcohol), or other testing procedure in the following cases: as a part of initial hiring process; where reasonable suspicion of drug and/or alcohol use exists; upon return from a leave of absence; post accident; during random testing.

I hereby voluntarily consent to provide SecTek with samples of blood, breath and/or urine for such purposes. I consent to having specimens tested at the Company selected laboratories or by use of evidential breath testing equipment. Further, I certify that the specimen collected from me will be mine and will not be adulterated or altered in any manner.

I understand that all screening test for drugs will be subject to careful testing procedures with mandatory confirmation of any preliminary positive tests. I further understand that if my test indicates a verified positive for illegal drugs, I will not be considered for employment, or in the event I am an employee at the time of the test, I may be subject to termination in accordance with this Drug and Alcohol Policy.

I understand the results of these tests and other relevant medical information may be used for employment decisions. I release any testing facility personnel and/or any physicians who have tested me from any liability arising from a release or use of any and all test results, written reports, medical records and data concerning my test(s) to the appropriate Company officials. I further release all Company officials from liability arising from the release or use of the test results in accordance with this policy.

Agreed to:

\_\_\_\_\_  
Employee Printed Name

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date Signed

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Witness Printed Name

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Witness Signature

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**APPENDIX E – ARREST AGREEMENT / ADVERSE INFORMATION REPORTING**

At any time while employed by the Company, if an employee is arrested by any law enforcement agency for any reason, the employee shall notify his/her supervisor within 24 hours of the occurrence of such event. The employee shall agree to this reporting obligation regardless of whether he/she or his/her attorney or representative reasonably believes that the charges will be later dropped for whatever reason or that a conviction is unlikely. Minor traffic violations are the only exception to this reporting requirement (the term "minor traffic" violations does not include reckless driving or driving under the influence of drugs or alcohol, the arrest for which must be reported).

Within 48 hours of the occurrence of the employee's arrest, he/she shall provide the following information to his/her Contract/Project Manager: the date, time of the arrest, the charges, and the name of his/her attorney if he/she as representation.

The Company may make a determination of whether the employee was involved in conduct not compatible with his/her continued employment with the company and whether this information is reportable in accordance with the National Industrial Security Program Operating Manual, paragraph 1-302a (if applicable).

As specified above, the employee shall report an arrest within 24 hours or provide a written statement within 48 hours. If the employee fails to do so, or the written statement the employee provides fails to include or set forth in sufficient detail all the required information, this will be grounds for immediate termination.

The Company is a government contractor who is bound by government security and/or clearance requirements. Employees must understand that pursuant to these obligations, the Company may be obligated to inform its government customer of the arrest and that the Company and/or the government may determine that the employee engaged in conduct incompatible with his/her continued employment. The employee must understand that the fact that he/she was arrested will not itself be the basis for a decision to terminate him/her.

Given the very nature of the Company's business, its high visibility in public facilities, and its obligations to its customer, the United States Government, employees must understand that the Company's standards of acceptable conduct are higher than most other businesses and that its determination of whether to continue their employment does not rest on criminal standards of proof.

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