

PREAMBLE

THIS AGREEMENT is entered into by and between KNIGHT PROTECTIVE SERVICE, INC., hereinafter referred to as the "Company", and the National Association of Special Police and Security Officers (NASPSO), hereinafter referred to as the "Union."

ARTICLE I - UNION RECOGNITION

Section A.

The Company hereby recognizes the Union as the sole bargaining agent for all of its security guards working under its contract at the Union Center Plaza III, Washington, D.C., (the "Contract Site"), excluding all clerical and administrative employees and managerial employees and supervisors, as defined in Section 2 of the National Labor Relations Act, as amended. The Company shall not be obligated under this Agreement to recognize the Union as the exclusive bargaining representative for employees at any other location.

Section B.

Whenever the words "employee" or "employees" are used in this Agreement, they designate only such employees as are covered by this Agreement. Whenever in this Agreement employees or jobs are referred to in the male gender, it will be recognized as referring to both male and female employees.

Section C.

It is understood by this Section that the parties hereto shall not use any leasing or subcontracting device to evade the terms of this Agreement. The Company shall give a copy of this Agreement and any Addendum hereto to the Contracting Officer at every facility where this Agreement is applicable.

ARTICLE II: UNION SECURITY AND CHECK-OFF

Section A: Definition

All employees who are members of the Union on the effective date of this Agreement, or voluntarily join hereafter, shall maintain their membership, or satisfy the financial obligations set by the Union during the term of this Agreement as a condition of continued employment. All employees covered by this Agreement who are not members of the Union and choose not to become members of the Union shall, as a condition of continued employment, pay to the Union an agency fee as established by the Union.

All employees hired after this effective date of this Agreement shall, within thirty-one (31) days after employment, become members or agency fee payers as a condition of continued employment for the duration of this Agreement.

Employees meet the requirement of being members in good standing of the Union within the meaning of this Article, by tendering the periodic dues and initiation fees uniformly required as a condition of acquiring or retaining membership in the Union, or, in the alternative, by tendering to the Union agency fees and dues, as defined by the United States Supreme Court in *NLRB v. General Motors Corporation*, 373 U.S. 734 (1963); and *Beck v. Communications Workers of America*, 487 U.S. 735 (1988).

Section B: Dues Deduction

The Company will deduct initiation fees and dues from the wages of any employee covered by this Agreement provided that the employee submits written authorization for the Company to make such deductions. Such authorization form shall be provided by the Union. The company will pay over to the proper officer of the Union the wages withheld for such initiation fees and dues. The remittance shall be accompanied by a list showing individual names, social security numbers, dates hired, and amounts deducted. The total remittances are to be made fifteen (15) days after the last day of the month for which deductions were made. The Union shall advise the Company of the amount of initiation fees and dues and the manner in which same shall be deducted. The amount so withheld, less any amounts due to any improper withholding, shall be reported and paid to the Union monthly.

Section C:

Payment for membership dues shall not be required as a condition of employment during leaves of absence without pay in excess of thirty (30) days or during periods of permanent transfer to a classification not covered by this Agreement.

Section D:

In the event of termination of employment, there shall be no obligation upon the Company to collect dues until all other deductions have been made.

Section E:

The Company will make available to the Union a list of newly hired and terminated employees covered by this Agreement. Such list will be prepared monthly and will show the name, social security number, job classification and hire or termination date of such employees who were hired or terminated during the month for which the list is prepared. This list shall be made available to the shop steward.

Section F:

The Company shall notify the Union of all job openings within the bargaining unit covered by this Agreement. The Union may refer applicants for such openings. In interviewing and hiring for such job openings, the Company will not discriminate against any applicant referred by the Union. Nothing in this contract, however, shall be construed to create an exclusive hiring arrangement, and the Company shall at all times be free to advertise and list said job openings from any sources available to the Company.

Section G:

The Company shall be the judge of the qualifications of its employees. Any employee who disputes the Company's determination of qualifications can submit a grievance on that issue.

Section H:

The Union agrees to indemnify and save the Company harmless against any claim, suits, judgments or liabilities of any sort whatsoever arising out of action taken or not taken by the Company for the purpose of complying with the provisions of this Union Security and Check-Off Article.

ARTICLE III - EQUAL OPPORTUNITY

Section A.

In accordance with the established policy of the Company and the union, the provisions of the Agreement will apply equally to all employees hereunder regardless of sex, color, age, race, creed or national origin. The Company and the Union also recognize the desirability of implementing the national policy of providing equal opportunity to all persons and agree to work actively toward the implementation of that policy.

Section B.

There will be no discrimination against any employee on account of membership in or activity in behalf of, the Union, or because of their involvement in or refraining from participating in Union activities.

ARTICLE IV - ACCESS TO UNIT

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. Subject to government rules and requirement, Stewards are authorized to remain on the premises for such

reasonable periods as are required to meet their union responsibilities, and employees whom a steward or union official wish to interview may remain on the premises for such reasonable period following their shift as will enable the desired interview to take place. Employer property, equipment and office facilities shall not be used to conduct any form of Union-related business. Employees who violate this section will be subject to disciplinary action.

ARTICLE V - PROBATIONARY PERIOD

Section A.

Every new or rehired employee shall be on probation for the first ninety (90) days of employment or re-employment.

Section B.

At any time during the probationary period, an employee may be discharged for any reason, and any such employee so discharged shall not have the right to file a grievance or have other recourse to the grievance procedure.

Section C.

Any employee promoted to a job classification covered by this collective bargaining agreement from a lower-paid classification shall be on probation for the first thirty (30) days of employment in the new classification. At any time during such a probationary period, the Company may, for any reason, return the employee to that employee's former position without any loss of seniority; and any such employee shall not have the right to file a grievance or have other recourse to the grievance procedure with regard to any such return to former classification. A promoted employee shall, during the thirty (30) day period and thereafter, have the right to file a grievance and resort to the grievance procedure with regard to all other matters covered by this Agreement.

ARTICLE VI - SENIORITY

Section A.

It is agreed that the Company and the Union will meet for the purpose of establishing a seniority list for all employees employed in the unit at the time of the signing of the Agreement. Said seniority list will be based upon official records of the Union, of the company, its predecessors, and state and federal agencies. Not later than fifteen (15) days prior to the expiration of the Company's contract covering any facility, the Company shall furnish the Union and the successor contractor a list of all its current employees together with their dates of hire and the dates their last vacation pay was paid by the Company. The following Sections in this Article shall become applicable and shall be in force and effect upon the establishment of the seniority list. Seniority shall, except as otherwise provided, be on the basis set forth in Section D of this Article.

Section B.

In the event that the Company finds it necessary to lay off employees for any reason, other than disciplinary, such layoffs shall be on the basis of seniority, i.e., the employee on duty in the facility where the layoff occurs having the shorter period of continuous service. The company shall recall such laid-off employees in the reverse order. Senior employees shall have preference of full-time employment at all times if equal distribution of work is impossible. Senior employees may, however, exercise their seniority rights by taking a job in a lower classification.

Section C.

Whenever reasonably practicable and consistent with operational requirements, employees shall have the right to select available work schedules by seniority in job assignments for which they are qualified. Each employee shall be given his work schedule.

The work schedule for each week shall be posted at least four (4) days prior to the beginning of the work week, although consistent with its current practice, the Company will normally attempt to post the work schedule shortly after it is determined.

Section D.

Except as otherwise provided herein, seniority shall be measured from the date of the employees initial hire at any facility with the Company or a predecessor employer engaged in - providing similar services at that facility, provided there has been no break in seniority under Section E of this Article. Employees transferred by the Company to any facility covered by this Agreement shall have their seniority measured from the date of the initial hire by the Company, or its franchisee as the case may be, regardless of where such service was performed.

Section E.

An employee shall lose his seniority upon his retirement, resignation or discharge for just cause. An employee will be considered to have resigned if he:

- (1) fails to report to work on the day following expiration of an authorized leave of absence, unless failure to report is due to conditions recognized by the Company to be beyond the control of the employee and he reported such conditions as soon as possible;
- (2) is on lay-off for a period exceeding one (1) year;
- (3) is absent from work for two (2) consecutive work days without properly notifying the Company of the reason for absence even though the reason for such absence is beyond the control of the employee, or in any event, fails to report for work as scheduled without such reason;

- (4) fails, while on lay-off, upon notice from the Company that work is available, to report to the Company for work as soon as practicable, but not later than seven (7) work days, and provided that the employee notifies the Company within three (3) days of such notice that he will return to work within the seven-day period.

The Company fulfills its obligations under this Section by sending notice by telegram or by certified letter to the last known address of the employee. It is the obligation of the employee to keep the Company informed of his current address and telephone number.

Section F.

An employee who has occupied a position with the Company covered by this Agreement and who accepts a position with the Company in a classification not covered by this Agreement will continue to accrue seniority for nine (9) months, after which period he shall retain his accumulated seniority, provided, he remains in the employ of the employer.

ARTICLE VII - DISCHARGE

Section A

No employee shall be discharged without just cause, and all dismissals will be subject to the grievance procedure and arbitration clause. All reprimands and discharge notices shall be in writing. Copies of the reprimand or discharge notice shall be given to the employee reprimanded and to the shop steward. Each reprimand shall be canceled after one year. Three (3) reprimands may result in immediate dismissal.

Section B

An arbitrator shall not have the authority to reduce a discharge or otherwise modify the penalty imposed by the Company for a proven violation of any of the following:

A. Violation of Rules and Regulations of Government Public Building and Grounds, 41 CFR 101-20.3 or any other applicable government rules of conduct.

B. Neglect of Duty (including sleeping while on duty or action which causes the assessment of a major penalty against the Company by the government), insubordination, including deliberate failure to carry out assigned tasks, conducting personal affairs during official time. The term "personal affairs" as used in this paragraph does not include the making of telephone or other inquiries concerning the status of children or family members or the provision of their care provided that such activities have been approved by the employee's supervisor. Long distance telephone calls shall not be made at government expense.

C. Falsification or concealment, removal, mutilation or destruction of any official documents or records, and/or concealment of material facts by willful omissions from official documents or records.

D. Fighting on Government property or while on duty. Participating in disruptive or disorderly conduct which interferes with the normal and efficient operations of the Government or Company.

E. Theft, vandalism, or criminal actions.

F. Drinking or drunkenness on the job; use or possession on the job or being impaired by unlawful drugs/stimulants or alcoholic beverages on the job, or violation of the Company's Alcohol and Drug Abuse Policy.

G. Improper use of official authority or credentials.

H. Unauthorized use of communications equipment or Government property.

I. Misuse of weapon(s) or possession of private firearms on the job.

J. Violation of Government security procedures or regulations.

K. Unauthorized post abandonment that would jeopardize the safety or security of personnel or facility.

L. Failure to cooperate with Government officials, local law enforcement authorities, or the Company during an official investigation.

M. Falsification of time records.

N. Deliberate or grossly negligent conduct causing monetary penalties or invoice deductions to the Company.

O. Any other offense of a character equally serious as those above.

Section C

The company may discipline an employee in accordance with its Work Rules and Standards except insofar said Work Rules and Standards are in conflict with the terms of this Agreement, in which case the Agreement shall prevail.

Section D

An employee who must cancel work must provide the Company with the maximum notice possible. It shall constitute an offense for an employee to cancel work without providing the Company with a minimum of six (6) hours notice, or where six (6) hours notice is not possible due to documented emergency or other unforeseen circumstances, as much advance notice as reasonably possible. Discipline for such offense shall be as follows:

a. With respect to the first cancellation without proper notice within a 12-month period, a written reprimand shall be given.

b. With respect to the second cancellation within a 12-month period, the employee may be suspended for a period of three (3) to five (5) days.

c. Upon the occurrence of the third cancellation without proper notice within a 12-month period, the employee may be terminated.

ARTICLE VIII - GRIEVANCE PROCEDURE

Section A.

A grievance is defined as a claim or dispute by an employee or the Union concerning the interpretation of the application of this Agreement, or of any local addendum hereto.

Section B.

All grievances must be presented in writing and filed and processed in accordance with the following exclusive procedure:

Step 1: The employee who has a grievance shall discuss it with his direct supervisor either himself or through his steward. If the grievance is not settled at the Step 1 meeting, it may be appealed by the Union Representative to the Project Manager to Step 2 within five (5) working days of the Step 1 meeting.

Step 2: The Union Representative and the Project Manager will discuss the grievance. If the grievance is not disposed of to the satisfaction of the party filing the grievance at Step 2, the grievance may be appealed to Step 3 by the Union or the employee by filing a written appeal to the Company within seven (7) working days after Step 2.

Step 3: Within seven (7) working days after the appeal, the parties (the Company represented by the Company President or his designee and the Union represented by the Vice President or his designee) will meet in an attempt to settle the grievance. The Company shall render a written decision promptly thereafter. If the grievance is not disposed of to the satisfaction of the Union or the employee, the grievance may be appealed to arbitration by the Union by lodging a written appeal with the Company within ten (10) working days of receipt of such written decision, or if no written decision is rendered by the Company, within twenty-one (21) working days of the step 3 meeting. Such appeal shall identify the provisions of the Agreement allegedly violated and shall set forth such facts and circumstances as will provide the Employer with reasonable notice of the nature of the grievance.

Section C.

A grievance involving discharge of an employee shall be brought directly to Step 2 and must be filed in writing within five (5) working days of discharge.

Section D.

A grievance not involving discharge shall be without effect unless filed in writing within seven (7) working days from the date the complaining party discovered the facts or should have discovered the facts giving rise to the grievance.

Section E.

To the extent practicable and consistent with the Company's operational and scheduling requirements, Stewards shall be afforded time off without pay to investigate, discuss and present grievances. Such time shall be kept at a minimum.

Section F.

At any Step of the grievance procedure, the Company or the Union May designate a substitute for the official designated herein, other than persons who have previously participated in such grievance. The official designated representative of the Union may be accompanied by two other persons at any step of the procedure except Step 1. The parties may mutually agree that further representatives may be present.

Section G.

The time limits set forth in this Article may be extended mutually in writing. Time limits are exclusive of Saturday, Sunday and recognized holidays.

ARTICLE IX - ARBITRATION

Section A.

Within (10) working days after the filing of the notice of the intent to submit the unsettled grievance to arbitration, the parties shall attempt to mutually select an impartial arbitrator. If the parties are unable to agree within five (5) working days of that meeting upon the choice of an arbitrator, they shall choose an arbitrator from a panel or panels provided by the Federal Mediation and Conciliation Service.

Section B.

During the hearing, each party shall have full opportunity to present evidence and argument, both oral and documentary. The impartial arbitrator will render his finding and award in writing within thirty (30) calendar days after the later of the conclusion of the hearing or the receipt of briefs (if permitted by the arbitrator). The decision of the impartial arbitrator shall be

final and binding. The impartial arbitrator shall have no authority to modify, amend, revise, add to, or subtract from any of the terms or conditions of this Agreement.

Section C.

The fees of the arbitrator and necessary expenses, including transcript, if desirable, of any arbitration proceeding shall be borne equally by the Company and the Union except that each party shall pay the fees of its own counsel or representative. If an employee witness is called by the Company, the Company will reimburse him for time lost at his regular straight time base rate. If an employee witness is called by the Union or if an employee-grievant is present at the hearing, the Union will reimburse such personnel for time lost.

ARTICLE X - MILITARY LEAVE

Section A.

An employee who is a member of the military or reserve will be granted all leave and other rights provided by law.

Section B.

An employee applying for leave under this Article must give the Company at least five (5) working days notice prior to the reporting date, if possible.

ARTICLE XI - LEAVE-OF-ABSENCE

Article A.

Employees may be granted leaves-of-absence at the sole discretion of the Company. Such leave-of-absence may be granted for restoration of health, medical, dental or other treatment, maternity leave, or family hardship, and shall not prejudice seniority status for purposes of layoffs and recalls. Unless otherwise agreed to in writing by the Company, an employee will be required to use all paid leave (vacation and sick) before taking unpaid leave.

Section B.

Except as otherwise provided herein, a leave-of-absence under this Article will not be considered employment time for seniority. For example, an employee works continuously for nine (9) months and is granted a thirty (30) day leave-of-absence without pay. When the employee returns to work, he has nine (9) months seniority and will be required to work three (3) more months in order to have one (1) year seniority.

Section C.

Upon return from a leave-of-absence, the employee will be returned to work for which he can qualify in his job classification on the basis of seniority as shifts become available.

Section D.

Any employee who engages in gainful employment without permission of the Company while on leave-of-absence shall be subject to discharge.

Section E.

All leaves-of-absence must be applied for in writing and if granted must be granted in writing by the Company.

Section F.

All leaves-of-absence shall be for a specific designated period of time, and an employee may return to work earlier than the specifically designated date for his return only with the consent of the Company.

Section G.

The Company agrees to comply with the Family and Medical Leave Act of 1993 and/or the District of Columbia Family and Medical Leave Act, to the extent applicable.

ARTICLE VII - BEREAVEMENT LEAVE

Employees shall be entitled to paid Bereavement Leave as set forth in the applicable local addendum attached hereto.

ARTICLE XIII - SHOP STEWARDS

Section A.

The Union shall designate no more than one (1) Shop Steward per shift and one (1) alternate per shift to serve in the absence of the Shop Steward. The Union will notify the Company in writing of the duly designated shop stewards (s) and alternates.

Section B.

The Shop Steward shall not interfere with the management of the business or direct any work of any employee, but may advise the Company of any violations of the Agreement and also notify the employee participating therein.

Section C.

Prior to leaving the work area, a Shop Steward will request permission from the supervisor. Shop Stewards will not leave the work area during work hours without permission.

Section D.

If available, access to a telephone will be provided to the Shop Stewards for the purpose of communicating with the Union. Such calls will be placed at no cost to the Company.

ARTICLE XIV - REST PERIODS

Subject to contract requirements or rules and scheduling needs, employees will receive breaks as available. In addition, employees will be provided with breaks for emergency purposes as reasonably required, subject to government requirements or rules.

ARTICLE XV - LAYOFFS AND RECALLS

In the event of a reduction of force, the Company will give reasonable notice of layoff to the employees with the least seniority, and will recall employees in the reverse order, such recall to be by job classification. No new employees will be hired until all qualified laid-off employees have been recalled and all qualified laid-off employees have been offered the position(s) involved.

ARTICLE XVI - WAGES

The schedule of effective wage rates and job classifications for employees is set forth in the applicable local addendum hereto.

ARTICLE XVII - OVERTIME

Section A.

Overtime pay is to be paid at the rate of one and one-half (1 and ½) times the basic hourly straight time rate. Overtime shall be paid to employees for work performed in excess of forty (40) hours in a work week. A work day shall be defined as from 0001 hours until 2400 hours. The workweek shall begin at 0001 hours Sunday. Only hours actually worked shall be recognized in determine overtime eligibility. The Employer shall have the right to hold over employees until relieved and/or to require an available employee to provide coverage of the post.

Section B.

An employee called in outside his regular work schedule shall be guaranteed a minimum of two (2) consecutive hours of work or pay in lieu thereof. In the event a building is closed because of order of the government after an employee has reported for work, the employee shall receive a minimum of two (2) hours pay for such day.

Section C.

The Company reserves the right to offer overtime to employees at its discretion and without regard to seniority in the event that such overtime (i.e., work over 40 hours per work week) is required for reasons including but not limited to, an employee has failed to report for work, an employee has called in sick, or for other unanticipatable reasons or special circumstances.

The Employer will in good faith attempt to distribute overtime work as equitably as practical among the employees the Employer reasonably deems qualified to perform the work, giving due regard to seniority where all other factors are equal. Overtime lists will be made available to the Union upon written request.

Section D.

No overtime will be worked except by prior direction of the proper Supervisory personnel of the Company, except in case of emergency and when prior authority cannot be obtained.

Section E.

Nothing herein shall be construed to require or permit the pyramiding of overtime or overtime pay.

ARTICLE XVIII - HEALTH AND WELFARE

The Company shall pay the health and welfare benefits as set forth in the Addendum hereto.

ARTICLE XIX - VACATION

Employees shall be entitled to paid vacations as set forth in the Addendum attached hereto.

ARTICLE XX - HOLIDAYS

Employees shall be entitled to paid Holiday pay as set forth in the Addendum attached hereto.

ARTICLE XXI - SICK LEAVE

Employees shall be entitled to Sick Leave as set forth in the Addendum attached hereto.

ARTICLE XXII - PENSION

The Company shall make the pension contributions as set forth in the Addendum hereto.

ARTICLE XXIII - UNIFORMS AND SAFETY EQUIPMENT

The Company will provide at no cost to all employees required uniforms and safety equipment. The Company agrees to pay each employee for uniform maintenance as stipulated in the Addendum hereto.

ARTICLE XXIV - JURY DUTY

An employee summoned to serve on a jury shall receive compensation as set forth in the applicable local addendum hereto.

ARTICLE XXV - INDIVIDUAL CONTRACTS

No employee shall be compelled or allowed to enter into any individual contract or agreement with the Company concerning the conditions of employment, contained herein.

ARTICLE XXVI - NO STRIKE OUT - NO LOCKOUT

Section A.

The Union agrees that neither it nor the employees it represents, covered by this Agreement, will, during the term of this Agreement, cause, permit, or take part in any strike, work stoppage, slowdown or sick-out including sympathy strike, picketing, or work action. It shall be a violation of this Agreement, and it shall be cause for discharge in the event an employee refuses to enter upon any property involved in a labor dispute involving other employee organizations or refuses to go through or work behind any picket lines involving other employee organizations at the Company's place or places of business. The Union and the Company agree to take all steps possible to ensure that Government property is properly secured and protected in the event of labor disputes involving other employee organizations at the facilities covered by this Agreement.

Section B.

During the term of this Agreement, the Company shall not Cause, permit or engage in any lockout of its employees.

Section C.

The Company reserves the right to discharge or otherwise discipline any employee taking part in any violation of this provision of the Agreement.

ARTICLE XXVIII - EMPLOYEE INJURY

An employee injured during working hours may use sick or annual leave in order to receive the rest of the day off without loss of pay (unless the employee receives workers compensation for such time), provided that the injuries are such that a doctor orders the employees not to return to work.

ARTICLE XXIX - GOVERNMENT REQUIREMENTS

Section A.

The Union agrees to cooperate with the Company in all matters required by the United States Government, and the Union recognizes that the term and conditions of the Agreement are subject to certain sovereign priorities which the United States Government may exercise. The Union agrees that any actions taken by the Company Pursuant to a requirement of the United States Government shall not constitute a breach of this Agreement. Nothing in this Agreement shall be construed to prevent institution of any change prior to discussion with the Union where immediate change is required by the United States Government. The Company will, however, negotiate with the Union concerning the effects of any such change.

Section B.

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.

Section C.

The Union recognizes that the Company has certain obligations in its contract with its client pertaining to security 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 Company that any 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 information or material, the Union will not contest the discharge of such employee by the Company.

Section D.

The Union and Company recognize and will abide by Executive Orders 11246 and 11247 and Title VII of the Civil Rights Act of 1964 and all related rules, laws, and regulations, as amended.

ARTICLE XXX - GENERAL

Section A.

This Agreement and the Addendum hereto, when accepted by the parties hereto and signed by the respective representatives thereunto duly authorized, shall constitute the sole agreement between them involving the employees covered by this Agreement. Any alteration or modification of this Agreement must be made by and between the parties hereto and must be in writing.

Section B.

In the event any provision of this Agreement or the Addendum hereto is declared invalid by any competent court or governmental agency, such invalidation shall not affect the remaining provisions of this Agreement and the Addendum.

Section C.

Any employee leaving the service of the Company will, upon request from the employee, be furnished with a letter setting forth the Company's record of his job classification, stating his length of service and beginning and ending rate of pay.

Section D.

Employees entering the service of the Company may be required to take a physical specified by the Company. Any time thereafter, an employee may be subjected to further physical examinations during the course of his employment or after recall to service after layoff or leave-of-absence.

Section E.

Subject to government approval, the Company shall provide bulletin board space at each facility for use by the Union.

Section F.

Company payroll records with respect to any employee in the unit whose pay is questioned will be provided upon request of the Union within a reasonable period of time, except for payroll records with respect to the current period with respect to such an employee, which may be explained to the Union upon request during business hours.

Section G.

Subject to the express limitations of this Agreement, the Company retains the sole and exclusive right in its discretion to manage its business, to hire, discharge for cause, lay off, assign, transfer, promote or demote employees, to determine the starting and quitting time, to establish or discontinue or change operations, productions, or work standards or plant rules, and to judge employee performance and qualifications, provided, however, that with respect to any action which results in a change in established work rules, existing hours of work, or the size of the work force, the Company shall give prior notice to the Union before taking such action and shall afford the Union a reasonable opportunity to negotiate on such matters to the extent practicable and consistent with the Company's operational requirements. Nothing herein shall prevent individual employees, either alone or with a Union representative, from consulting with Company representatives on problems relating to their individual work schedules.

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. However, such rules and regulations shall not be inconsistent with the provisions of this Agreement. 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.

The list of management rights set forth in this Article is not intended to be nor shall it be construed as a restriction or waiver of any rights of the Company not listed and not specifically surrendered in this Agreement, whether or not such rights have been exercised in the past.

Section H.

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 responsible and accountable for their duties, functions and job requirements. Deviation from or failure to meet this standard will result in disciplinary action.

Section I.

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(s) exceed ninety (90) days per supervisor in any year. The foregoing limitation on assignment of unit work to supervisors shall not apply to unit work performed by a supervisor where: (i) such work is a part of the supervisor's normal day-to-day duties in staffing a post; or (ii) the supervisor replaces a unit employee who is absent from his assigned post; or (3) the supervisor performs unit work requiring specialized skills, qualifications or training.

Section J.

It is the employee's responsibility to maintain the status of any permits, clearances or other qualifications required by the state or local law or the federal government, including, but not limited to, weapons permits, CPR/first aid training, and suitability clearances (hereinafter referred to as "credentials"). Forms for the reporting of such information will be available from the Company. An employee whose credentials expire will be suspended for up to thirty (30) days or until such time the employee becomes qualified again. If an employee does not become qualified within thirty (30) days after the expiration of a required credential, the employee will be considered to have voluntarily resigned. An employee who fails to notify the Company of the expiration of a required credential shall be discharged.

Section K.

The parties recognize that in the security business, the use of alcohol or controlled substances which cause intoxication or impairment on the job poses risks to the Company, the

affected employee and his co-workers and the public. Accordingly, the Company's Drug and Alcohol Policy is expressly incorporated into this Agreement. Compliance with that Policy is a condition of continued employment, and violations thereof subject an employee to immediate termination.

Section L.

A full-time employee may not obtain employment with another employer without first obtaining written permission from the Company. An employee who is given permission to work for another employer must have an eight (8) hour break between the time the employee works for the Company and such other employer. An employee who violates this Section shall be discharged.

ARTICLE XXXI - DURATION

This Agreement shall become effective April 1, 2005, and shall continue in full force and effect until March 31, 2008.

FOR: NATIONAL ASSOCIATION
OF SPECIAL POLICE AND
SECURITY OFFICERS

Joseph J. Wick

Title: *Chief Steward, Local 222*

FOR: KNIGHT PROTECTIVE SERVICE, INC.

Mark S.

Title: *President & CEO*

ADDENDUM

WAGES

	<u>POSITION</u>	<u>RATES</u>
<u>CURRENT:</u>		
	Unarmed Guard	\$13.78
	Armed Guard	\$13.78
	Unarmed Supervisor	\$13.78
	Armed Supervisor	\$13.78
<u>EFFECTIVE JULY 1, 2005:</u>		
	Unarmed Guard	\$18.39
	Armed Guard	\$19.89
	Unarmed Supervisor	\$20.39
	Armed Supervisor	\$21.89
<u>EFFECTIVE JULY 1, 2006:</u>		
	Unarmed Guard	\$19.13
	Armed Guard	\$20.63
	Unarmed Supervisor	\$21.13
	Armed Supervisor	\$22.63
<u>EFFECTIVE JULY 1, 2007:</u>		
	Unarmed Guard	\$19.89
	Armed Guard	\$21.33
	Unarmed Supervisor	\$21.91
	Armed Supervisor	\$23.37

EQUIVALENT BENEFITS

With respect to any of the fringe benefits set forth in this Addendum, the Company may discharge its obligation by furnishing any equivalent combinations of fringe benefits or by making equivalent or differential payments in cash, in accordance with the applicable regulations under the Service Contract Act of 1965, as amended.

HEALTH & WELFARE

Currently, the Company provides employees with Health & Welfare benefits equal to two dollars and fifty-nine cents (\$2.59) per hour for all straight time hours worked at the Contract Site, not to exceed forty (40) hours in any workweek. Effective July 1, 2005, Health & Welfare benefits will increase to two dollars and ninety-eight cents (\$2.98) per hour. Effective July 1, 2006, Health & Welfare benefits will increase to three dollars and twenty-five cents (\$3.25) per hour. Effective July 1, 2007 Health & Welfare benefits will increase to three dollars and forty-five cents (\$3.45) per hour.

VACATION

Upon the effective date of this Agreement, the Company will provide vacation benefits in accordance with the applicable Department of Labor wage determination. Effective July 1, 2005, the Company will provide the following vacation benefits:

After one (1) year of service, 2.69 minutes per hour for all hours worked in their previous anniversary year or up to a maximum of 1780 hours worked, whichever is less.

After three (3) years of service, 4.04 minutes per hour for all hours worked in their previous anniversary year or up to a maximum of 1780 hours worked, whichever is less.

After ten (10) years of service, 5.40 minutes per hour for all hours worked in their previous anniversary year or up to a maximum of 1780 hours worked, whichever is less.

After fifteen (15) years of service, 6.74 minutes per hour for all hours worked in their previous anniversary year or up to a maximum of 1780 hours worked, whichever is less.

Length of service includes the whole span of continuous service with the present (successor) contractor wherever employed, and with predecessor contractor in the performance of similar work at the same federal facility.

Vacation is earned on the employee's anniversary date. There is no accrual or vesting of vacation prior to the employee's anniversary date.

Vacations will not be accumulated from year to year, nor taken back to back. If the Company consents, the employee may elect not to take his vacation, in which case he will receive pay in lieu thereof, on the anniversary date of his employment. The employee may take his vacation in more than one segment with the consent of the Company.

Vacations will be granted to employees in order of their seniority within their work shifts, but the final right as to allotment and scheduling of vacation periods is reserved to the Company in order to assure the orderly operation of its business. Except in cases of emergency, a vacation period once assigned will not be canceled by the Company except with the agreement of the employee.

HOLIDAYS

During the term of the Agreement, the following Holidays will be recognized:

New Year's Day
Martin Luther King's Birthday
Washington's Birthday
Memorial Day
Independence Day

Labor Day
Columbus Day
Veteran's Day
Thanksgiving Day
Christmas Day

Section B.

Each regular full-time employee shall receive eight (8) hours pay at his/her straight time hourly rate for each of the holidays listed above and if the employee works on a holiday he/she shall be paid in addition to the holiday pay at the straight time rate for each hour worked.

Section C.

To be eligible for holiday pay, an employee must have worked his last scheduled workday prior to and his next scheduled workday after such holiday, unless the employee is excused by the Company, who in its sole discretion will consider each failure to work on its own merit. An employee who is assigned to work on a holiday and refuses or fails to report shall be subject to discipline at the Company's discretion.

Section D.

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

Section E.

Any employee who is on layoff, sick leave or who is on leave of absence shall not be eligible to receive holiday pay. A full-time employee, hospitalized due to an emergency condition, may be eligible.

Section F.

It is agreed that the above holiday list will be amended to include any day designated by the President of the United States as a permanent National holiday that will be observed by the Federal Government, provided that the Company is specifically reimbursed under its government contract for such holiday pay.

PENSION

Effective July 1, 2005, the Company shall contribute to the a bona fide retirement plan the sum of eighty cents (\$.80) per hour for all straight time hours worked at the Contract Site by each employee covered by this Agreement, not to exceed forty (40) hours in any workweek.

UNIFORMS

Effective July 1, 2005, all employees will receive an allowance of thirty cents (\$0.30) per hour worked for laundering and maintenance of Company furnished uniforms. Effective July 1,

2006, the allowance will increase to forty cents (\$0.40) per hour worked. Effective July 1, 2007, the allowance will increase to fifty-five cents (\$0.55) per hour worked.

Upon termination of employment, all clothing and equipment shall be returned to the Company. Returned clothing shall be cleaned and pressed and returned on hangers. The Union agrees that all employees, at the time of hire, shall give written authorization allowing the Company to deduct from the employee's final paycheck the cost of all unreturned clothing and equipment. In the event returned clothing is not cleaned, the employee shall authorize deduction for cleaning cost. The deduction for such missing items or cost of cleaning shall be the actual cost to the Company.

BEREAVEMENT LEAVE

In the instance of the death of a member of the immediate family of the regular employee occurring after the completion of the employee's probationary period, the Company will grant a paid leave of not to exceed two (2) days to enable such employee to attend the funeral and otherwise assist in the arrangement pertaining to the burial of such member of the family.

Effective July 1, 2005, in the instance of the death of a member of the immediate family of the regular employee occurring after the completion of the employee's probationary period, the Company will grant a paid leave of not to exceed three (3) days to enable such employee to attend the funeral and otherwise assist in the arrangement pertaining to the burial of such member of the family.

A day's pay will consist of the employee's regular base rate for the hours scheduled for the day during which the bereavement leave occurs and shall be applicable only to days within his regular work week. The term "immediate family" as used herein is defined as consisting of the following members only:

MOTHER, FATHER, SPOUSE, CHILDREN, GRANDPARENTS, GRANDCHILDREN, SIBLINGS AND STEP-PARENTS

No employee is otherwise entitled to such benefits unless he/she gives reasonable notice to the Company prior to taking time off for bereavement purposes and provides appropriate documentation of his/her bereavement to the Company.

SICK LEAVE

Effective July 1, 2005, the Company will provide sick leave benefits as follows:

Section A.

All employees shall be entitled to accrue paid sick leave at the rate of one-half (½) day each month not to exceed six days per year.

Section B

Sick leave shall be used when an employee is unable to perform the functions of his/her position because of illness or injury or when the Company permits an employee to be absent or take leave for other reasons.

Section C

Accrued but unused sick leave shall be paid to the employee following each anniversary of the effective date of this Agreement. All unused sick leave and/or earned vacation must be used before an employee will be permitted to use unpaid leave for any reason.

Section D

An employee who will be absent due to illness or injury must provide the Company with notice of his/her anticipated absence as soon as the need to be absent becomes known to the employee, regardless of the length of the anticipated absence. Failure to do so will result in disciplinary action and in the forfeiture of sick leave in an amount equal to the time the employee was absent.

Section E

An employee who is absent due to illness or injury for more than three (3) consecutive work days 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 absence of any period of time due to illness or injury. If the Company questions the physician's statement submitted by the employee, the Company may require the employee to obtain a second opinion. If the opinion of the second physician and the employee's physician differ, the Company may require the employee (at the Company's expense) to obtain a third opinion from a mutually-agree upon physician, whose opinion shall be final and binding. Where an employee fails to provide medical certification as required by this Article, or where medical certification does not support the employee's absence, the employee will forfeit sick leave in an amount equal to the time the employee was absent, and will be subject to disciplinary action. An employee who does not provide medical certification that he/she is able to return to work, if required or requested under this Article, will not be permitted to return to work.

Section F

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

JURY DUTY

The Company agrees to pay employees called for jury duty their normal full regular pay for a period up to fifteen (15) days, less any fees or sums received from the Court, under the following conditions:

- a. The employee must notify the Company within seventy-two (72) hours after he or she receives a notice that he or she is subject to jury duty;

- b. The employee must provide the Company with written evidence from the court that he/she performed jury service and of the amount that the employee was compensated for such service.
- c. No compensation shall be paid by the Company for jury duty on Saturdays, Sundays and holidays, unless such Saturday, Sunday or holiday was the employee's normal work day, or for any other day on which the employee is not normally scheduled to work.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this 1st day of April, 2005.

FOR: NATIONAL ASSOCIATION
OF SPECIAL POLICE AND
SECURITY OFFICERS

FOR: KNIGHT PROTECTIVE SERVICE, INC.

Douglas J. Wether

Mark S.

Title: Chief Steward, Local 222

Title: President & CEO

Appendix A

Addendum to Collective Bargaining Agreement

Bureau of Prisons, Washington, DC

Whereas, Coastal International Security, Inc (hereinafter referred to as "the Company") and the Protective Services Association Security Officers union #2 (hereinafter referred to as "the Union") entered into an Agreement effective October 1, 2007.

Whereas, the Union has been duly designated by the Company's non-supervisory employees working at the Bureau of Prisons in Washington DC. as their collective bargaining representative, and

Whereas, the aforementioned Agreement provides for the Company and the Union to negotiate wages and fringe benefits for each facility covered thereby and to enter in to an Addendum setting forth those economic terms.

Now therefore, it is hereby agreed as follows:

WAGES

Section A- Hourly Rate

The Employer agrees to pay employees covered by this agreement at the following rates per hour:

Effective October 1, 2007

Armed Officers	\$ 21.20 per hour
Sergeants	\$ 23.20 per hour

Effective October 1, 2008

Armed Officers	\$21.84 per hour
Sergeants	\$23.84 per hour

Effective October 1, 2009

Armed Officers	\$22.50 per hour
Sergeants	\$24.50 per hour

Handwritten initials and date: 8/30/07

Section B - Shift Differential

Differential rate shall be paid at a rate specified below for Shift Differentials

- One (1%) percent over the base rate for employees working between the hours 1600 hours – 2400 hours, Monday – Friday.
- Two (2%) percent over base rate for employees working between the hours 0001-0800 Monday-Friday
- Three (3%) percent over the base rate for employees working between the hours (Saturday and Sunday) 0001 Saturday – 0800 hours Monday.

Shift Differential shall apply when at least sixty percent (60%) of the total hours in any applicable shift are between 1600 hours and 0800 hours, including employees working twelve (12) hour shifts. Differential will only apply to hours worked which fall within the above defined differential time frame and only when the work is performed as a part of the employee's regular job schedule. Differential does not apply to time in training or other non work assignments.

HEALTH & WELFARE


The Employer agrees to pay as cash benefit to all employees covered by this agreement at the following rates:

Effective October 1, 2007	\$3.16 per regular hour worked up to 40 hours per week
Effective October 1, 2008	\$3.25 per regular hour worked up to 40 hours per week
Effective October 1, 2009	\$3.35 per regular hour worked up to 40 hours per week

VACATION

Vacations may be scheduled with the Employer any time during the year. Employees shall select their vacation period in order of their seniority, where reasonably possible and mutually convenient to the Employer and employee. No more than five percent (5%) of the work force may be on vacation at any time. Earned vacation will be paid in the pay period during which the vacation time is used, and included in the employee's regular paycheck. Vacation time must be taken within one (1) year of its availability.

During the term of this Agreement, all employees covered by this Agreement shall earn vacation benefits in accordance with the following schedule. All vacation benefits will be paid at the hourly rate in effect at the time of the employee's most recent anniversary date. Accrual of vacation is based upon years of service, without break in service, for CIS, predecessor(s), if any. and/or CIS at the buildings and facilities listed in this Agreement.

JVS
8/30/07


- a. 2.31 minutes per hour for all hours worked, up to a maximum of 80 hours, during each preceding biweekly pay period. Leave accruing during the year is available only on the service credit date of an employee's completing one year of service. This equates to a maximum of 80 hours per year and is applicable for employees who have completed one through five years of service.
- b. 3.47 minutes per hour for all hours worked, up to a maximum of 80 hours, during each preceding biweekly pay period. Leave accruing during the year is available only on the service credit date of an employee's completing a year of service. This equates to a maximum of 120 hours per year and is applicable for employees who have completed five through fifteen years of service.
- c. 4.62 minutes per hour for all hours worked, up to a maximum of 80 hours, during each preceding biweekly pay period. Leave accruing during the year is available only on the credit service date of an employee's completing a year of service. This equates to a maximum of 160 hours per year and is applicable for employees who have completed more than fifteen years of service.

Vacation time must be taken within one (1) year of its availability.

HOLIDAYS

The Employer shall grant to all employees the following holidays off with pay (or pay in lieu thereof if normally scheduled to work that weekday), holiday benefits to be paid as specified below provided that the employee shall work their regularly scheduled work day prior to the holiday and after the holiday:

- | | |
|-------------------------------|---------------------|
| 1. New Years Day | 6. Columbus Day |
| 2. Martin Luther King Jr. Day | 7. Veteran's Day |
| 3. Presidents' Day | 8. Thanksgiving Day |
| 4. Memorial Day | 9. Christmas Day |
| 5. Independence Day | 10. Labor Day |

It is agreed that the above holiday list will be amended to include any day designated by the President of the United States as a permanent National holiday that will be observed and paid by the Federal Government.

Holiday pay will be disbursed a maximum of two weeks after the holiday(s) occurs. It will be paid in accordance with the following formula, which is based upon the employee's regularly scheduled hours worked in the two-week period prior to that in which each holiday occurred.

JLS
8/30/07

Formula = Number of hours paid up to a maximum of 80 hours in the two week period prior to that in which holiday occurs multiplied by .1

An employee who is required to work on a holiday shall receive holiday pay in addition to their regular wage. Holiday pay will not be granted to employees when a holiday falls within a period of leave of absence and/or layoff or if the employee fails to work the last scheduled work day prior to the holiday, the first scheduled work day after the holiday or if the employee fails to report to work on the holiday if they are scheduled to work that day, unless the absence is authorized.

SICK/ PERSONAL LEAVE

Employees shall earn sick leave benefits at the rate of:

1.38 minutes per hour for all hours worked, up to a maximum of 80 hours, during each preceding biweekly pay period. This equates to a maximum of six days of 8 hours each per year.

The term "hour worked" shall include hours of paid vacation, sick/personal leave and holidays.

Employees may accrue a maximum of 48 hours of sick/personal leave. They may use this sick/personal leave as it accrues so long as it is in increments of at least two hours. For any year in which an employee does not use any of their accrued leave, they may choose to be compensated for such leave at their regular rate of pay. Employees will be compensated for all unused sick/personal leave at the time of the termination of their employment.

UMA

The Employer will provide at no cost to all Employees the required uniforms and safety equipment.

Laundering Maintenance. For all hours worked, not to exceed forty (40) hours in any one (1) week, the Employer agrees to pay to each Employee a cash allowance for laundering and maintenance of Employer-furnished uniforms as follows:

Effective October 1, 2007 and for the life off this agreement:: \$.30 per hour

[Handwritten signature]
[Handwritten initials]
[Handwritten date: 8/30/07]

PENISON

The Employer agrees to pay employees covered by this agreement at the following rates:

Effective October 1, 2007	\$0.75 per regular hour worked up to 40 hours per week
Effective October 1, 2008	\$0.80 per regular hour worked up to 40 hours per week
Effective October 1, 2009	\$0.85 per regular hour worked up to 40 hours per week

BEREVEMENT


Three Days (3) Bereavement Leave will be paid, up to 24 hours, for a death in the immediate family. Immediate Family is defined as father, mother, spouse, sister, brother, children (including adopted and step-children), father-in-law, mother-in-law, grandparents, and grand children.

Protective Services Association Security Officers Union #2

By:  Dated: 8/30/07

By: _____ Dated: _____

Coastal International Security, Inc.

By:  Dated: 8/30/07

By: _____ Dated: _____

