

COLLECTIVE BARGAINING AGREEMENT

Between

DIVERSIFIED SERVICE CONTRACTING, INC.
115 S. Railroad Avenue
Dunn, NC 28334

And

District 4, Patuxent River Local Lodge 4

International Association of Machinists and Aerospace Workers AFL-CIO
2600 Cabover Drive Suite N
Hanover, Maryland 21076

Effective September 1, 2015

Through

August 31, 2018

Table of Contents

Preamble	
Article I	Purpose and Scope
Article II	Union Recognition
Article III	Union Security
Article IV	Dues and Initiation Fee/Check-Off
Article V	Non Discrimination
Article VI	Union Representation
Article VII	Seniority
Article VIII	Discipline and Discharge
Article IX	Grievance/Arbitration Procedure
Article X	Leaves of Absence
Article XI	Wages
Article XII	Shift Scheduling and Work Hours
Article XIII	Show Up and Reporting Time
Article XIV	Call-In Pay
Article XV	Overtime Pay
Article XVI	Holidays
Article XVII	Paid Time Off (PTO)
Article XVIII	Miscellaneous
Article XIX	No Strike or Lockouts
Article XX	Federal and State Laws
Article XXI	Physical Examinations
Article XXII	Management Rights
Article XXIII	Fringe Benefits
Article XXIV	Safety
Article XXV	Workers Compensation
Article XXVI	Drug-Free Workplace
Article XXVII	Duration and Termination
Appendix A	Schedule of Wages
Signature Page	

Preamble

This agreement, effective the **1st day of Sept 2015**, by and between Diversified Service Contractors, Inc. (hereinafter referred to as the "Company"), and District 4, Patuxent River Local Lodge 4 of the International Association of Machinists and Aerospace Workers AFL-CIO (hereinafter referred to as the "Union"), individually referred to as "Party"; collectively referred to as "Parties".

Article I: Purpose and Scope

It is the intent and purpose of the Parties hereto to set forth herein the basic agreement covering wages, hours of work and conditions of employment to be observed between the Parties hereto, and to provide procedures for prompt, equitable adjustments of alleged grievances to the end that there shall be no work stoppages, strikes or lockouts during the life of this Agreement.

Article II: Union Recognition

Section 1:

The Company agrees to recognize the Union as the sole and exclusive bargaining agent with respect to rates of pay, wages, hours and all other terms and conditions of employment for the appropriate bargaining unit as follows in accordance with the National Labor Relations Board certification dated **July 28, 2015 in Case 5-RC-154660**.

All full time, regular part time and seasonal laborers, ground maintenance and tractor operators employed by the Company at the Patuxent River Naval Air Station in Lexington Park, Maryland,; but excluding all office clerical employees, professional employees, quality assurance/control inspector employees, managers and guards and supervisors as defined by the Act.

Full time employees are regularly scheduled to work greater than or equal to 30 hours per workweek. Regular part time employees are regularly scheduled to work less than 30 hours per workweek. Exempt from these definitions are irregularly scheduled part time employees.

Section 2:

All employees newly hired shall be considered "probationary" employees until completion of ninety (90) calendar days of employment. During this 90 day period, the Company may, at its discretion, discharge, layoff, or transfer such employee with or without cause. No grievances shall be filed or claimed on behalf of any such employee by the Union of, or on account of, any action of the Company during this period. The termination of any probationary employee shall not be subject to the grievance and arbitration provisions of this Agreement. The probationary period shall be counted toward the calculation of vacation benefits, but the employee is not eligible to take advantage of any paid leave benefits during this period. Employees in the probationary period are eligible for holiday pay. All leave, other than holiday leave, taken during the period is without pay.

Article III: Union Security

All present employees, full or part time, who are members of the Union on the effective date of this Agreement, shall remain members as a condition of employment. All present employees, full or part time, who are not members of the Union, and all new employees, full or part time hired hereafter, shall, as a condition of employment, become members of the Union as of the effective date of this Agreement, or not later than the 31st day of their employment, whichever occurs later. All employees shall remain members in good standing for the full term of this Agreement. Failure to comply with this requirement shall be a cause for the discharge of the employee, upon written notification to the Company, by the Union, that an employee has failed to tender the appropriate dues and fees uniformly imposed upon all employees in the bargaining unit.

Article IV: Dues and Initiation Fee/Check Off

Section 1:

The company agrees to deduct bi-weekly from the earnings of each employee, who chooses payroll deduction and who has voluntarily and properly authorized such deduction in writing, Union initiation fees and periodic Union dues as long as such deductions are lawful under the National Labor Relations Act, as amended. At the termination or modification of this Agreement, a new authorization for such deductions must be received by the Company from each employee who chooses to become or remain a member of the Union.

Section 2:

The authorization for the deductions pursuant to this Article shall be made on forms supplied to the employees by the Union. Such forms shall comply with the National Labor Relations Act, as amended. Deductions shall not be made by the Company during any month unless the authorization forms signed by the employee have been delivered to the Company not later than the first day of the month in which the first deduction is to be made.

Section 3:

The periodic dues and initiation fees deducted during any month from the pay of the employees pursuant to this Article shall be remitted to the Financial Secretary of the Union on or before the 15th day of the following month. The Company shall provide a list of all employees who have had dues deducted.

Section 4:

The Union shall indemnify and save the Company harmless against any and all claims, demands, suits, or other forms of liability that shall rise out of or by reason of any action taken or not taken by the Company for the purpose of complying with any of the foregoing Sections of this Article, or in reliance on any list, notice, assignment or authorization form furnished under this Article. It is expressly understood and agreed that, upon receipt of proper proof, the Union will refund any Union dues, initiation and/or reinstatement fees erroneously withheld from an employee's earnings by the Company and paid to the Union; provided that should an employee be entitled to

a refund of any deducted amounts, it shall be the responsibility of the Union to collect the refund directly from the employee.

Article V: Non-Discrimination

In accordance with the applicable federal, state, and local laws, neither the Company nor the Union shall discriminate against any employee with respect to any of the terms and conditions of employment on account of race, creed, color, sex, religion, national origin, age, marital status, sexual orientation, veteran status, genetic information and testing, and physical or mental handicap. Further, no member of the Union shall be discharged or discriminated against because of his/her membership in the Union.

Article VI: Union Representation

Section 1:

The Union agrees to limit the number of Shop Stewards to two (2) for the day shift (7:00AM to 3:00PM)

Section 2:

The Union shall supply and maintain with the Company, on a current basis, a written designation of authorized Shop Stewards.

Section 3:

The Company agrees to recognize the officers and duly designated representatives of the Union; and shall be kept advised, in writing by the Union, on the names of its officers and representatives.

Section 4:

It is understood and agreed that should the workforce increase or change in assignment locations occur, the number and/or location of Shop Stewards might be changed by mutual agreement of the Company and the Union.

Section 5:

Authorized agents of the Union may have access to employees at the Patuxent Naval Air Station, subject to Department of the Navy regulations and security procedures, during reasonable times and after obtaining advance permission from the Company, for the purpose of adjusting disputes, investigating working conditions and ascertaining that the Agreement is being adhered to, provided however, that such visits do not interfere with the Company's operation.

Section 6:

During Union/Shop Steward activity, such as joint Union/Company meetings during normal working hours and negotiations, the Steward shall suffer no loss of pay.

The Shop Steward shall be permitted reasonable time to investigate, present, and process grievances on the Company property, without loss of time or pay during his regular workin

hours. The Shop Steward, however, shall not be paid by the Company for time spent handling grievances outside of his regular scheduled working hours.

Hours worked for the purpose of negotiations will not count as hours worked for the purpose of overtime calculations.

ARTICLE VII SENIORITY

1. Seniority Determination: Seniority of an employee is the length of his continuous service in the bargaining unit with the Company or a predecessor Company.

2. Seniority In Reference To Job Classification: An employee shall hold seniority in the job classification as listed in Appendix A of this Agreement to which he has been regularly assigned.

3. Vacancies:

a. When vacancies occur in any job classification covered by this agreement, the company shall post notices of such vacancies for a period of at least five (5) days. The company shall give full consideration to qualified employees within the bargaining unit who have signed said posted notice and not discourage said employees before hiring an outside applicant.

b. Job vacancies, once posted, shall be filled based on an employee's qualifications, abilities, and employment record. Qualifications, abilities, and employment record being equal, the employee with more seniority shall be given preference for the position.

4. Layoffs:

a. In case of a layoff of one (1) week or more in job classifications, the employee with the least seniority shall be laid off first, provided that the employees remaining in the respective classification(s) have at least the same qualifications, employment records, and abilities to do the work in a satisfactory manner and time. In recalls back to work, the employee with the most seniority must be recalled first, provided the same conditions shown above are met. Employees will be given two (2) weeks' notice of layoff. If layoff notice is not given, the company will pay the employees affected one (1) days pay for each day short of (2) weeks' notice. This provision shall not be effective if the reduction is based upon Government direction or action for which the company does not receive two (2) weeks' notice.

b. Shop Stewards shall be the last laid off, provided they are qualified to perform available work.

5. Loss of Seniority:

An employee shall lose his seniority and his continuous employment shall be broken for any of the following reasons:

a. Resignation

b. Discharge for just cause

c. Lay-off in excess of twelve (12) months

d. Failure to return to work at the expiration of a leave of absence

- e. Failure to return to work (seasonal return) within five (5) days after being recalled from layoff unless excused by the Company.
- f. Absence of three (3) consecutive work days without reporting to the Company
- g. Failure to return to work or notify Company of absence from work within 48 hours of recall unless excused by the Company.

Article VIII: Discipline and Discharge

Section 1:

The Company shall have the right to discipline and discharge an employee for just cause.

Section 2:

The parties understand that all employees have been hired by the Company to fulfill the Company's service contract with the U.S. Government, and their employment is therefore limited to the duration of the Company's undertaking. It is further understood that the employee's employment by the Company will terminate upon completion of the service contract if the service contract is not renewed in accordance with the terms and conditions of this contract.

Section 3, Progressive Disciplinary Procedures:

The guidelines for progressive disciplinary actions for use by supervisors are as follows:

Group 1:

1st Offense: Verbal Warning with written notification to the employee and a copy to the supervisors deck file.

2nd Offense: Written warning to Employee and a copy to the Personnel Record.

3rd Offense: Three (3) day suspension from employment

4th Offense: Termination of employment.

Type of offense for Group 1:

1. Violation of dress code guidelines or good hygiene consistent with the work assignment or profession.
2. Failure to ensure safe, sanitary and secure conditions in the work site or vehicles assigned.
3. Smoking in "No Smoking" areas.
4. Solicitation, distribution or posting of material or notices without prior written authorization from supervisor. (This does not include Union material distributed or posted by a Union official).
5. Failure to follow reasonable instructions and/or work assignments appropriately and within professional ethics and in accordance with the job description.
6. Failure to report to work at the assigned time.
7. Stopping work before specified time, loitering or loafing during work hours.
8. Failure to give notice prior to reporting time of an illness or emergency preventing work or being on time for work.

Group 2:

1st Offense: Written warning to Employee and a copy to the Personnel Record.

2nd Offense: Three (3) day suspension from employment or termination from employment.

Type of offense for Group 2:

1. Failure to report incidents including, but not limited to: personal injury, accident or damage to government or DSC property or vehicles.
2. Leaving the workplace during work hours without authority of the supervisor.

Group 3:

1st Offense: Immediate Termination

Type of Offense for Group 3:

1. Any breach of confidentiality to include or releasing any information concerning anyone's medical, social or financial records without proper authorization.
2. Reporting to work intoxicated or under the influence of intoxicants or illegal drugs.
3. Possession, sale or use of intoxicants or drugs during working hours.
4. Disclosure of information confidential to the Company.
5. Dishonesty of any kind to the Company.
6. Failure or refusal to carry out orders or instructions (insubordination).
7. Falsification of any Company documents.
8. Threatening or engaging in physical violence, including fighting.
9. Unauthorized use of, removal of, theft, or intentional damage to the property of the Company, the government, Co-workers, or Government employee.
10. Failure of or refusal to submit to drug and alcohol testing.
11. Unauthorized absence for three (3) consecutive workdays unless excused by the Company.
12. Direction from the Government that an employee has been banned from the Patuxent River Naval Air Station.
13. Possession of weapons or explosives at the Company's offices or at the Patuxent River Naval Air Station.
14. Sleeping on the job.

Section 4:

No employee shall be disciplined without having the opportunity to be represented by the Union via the Steward's presence. The Steward will be notified, and report to the Disciplinary meeting. The Steward will inquire of the employee their desire to have the Steward present. If the employee refuses, the Steward and/or Company will request the employee sign a refusal for representation form. The refusal will be applicable to that current disciplinary meeting and not be considered for future disciplinary meetings. The employee has the right to change the refusal decision and request the Steward.

Section 5:

All disciplinary actions taken by the Company shall be removed from the employee file after twelve (12) months from the date of infraction. It is further agreed that no prior discipline will be used for progressive discipline after the twelve (12) month period has expired.

Article IX: Grievance/Arbitration Procedure

Section 1:

The term "grievance" as used anywhere in this Agreement shall apply and be limited only to questions concerning the effect, interpretation, application, claim or breach or violation of this Agreement. However, the Shop Steward may discuss any other types of work problems or concerns with the supervisor under Step 1 only.

Section 2:

The prescribed periods for submitting and processing grievances will be adhered to by both Parties at all levels. The timely submission of a grievance is a condition precedent to the availability of the grievance procedure in any particular instance. By mutual agreement, said time limits may be extended for a reasonable period of time.

Section 3:

The Parties recognize that the prompt settlement of grievances is important to a sound and harmonious relationship between the Union, the Company and the employees. Therefore, it is agreed that all grievances shall be submitted in writing with five (5) days of the incident causing complaint by the Party claiming to be aggrieved and an earnest effort shall be made promptly to adjust such matters in accordance with the following procedure:

- Step 1:* In the first instance, the written grievance shall be taken up between the Shop Steward and the Supervisor of the employee in the underlying incident. The Supervisor shall render his/her decision, in writing, no later than 5 days after the Grievance is taken up between Supervisor and grievant and Shop Steward.
- Step 2:* If the grievance is not resolved in Step 1 after receipt of Company written answer, the Union must submit grievance to Project Manager no later than 5 working days after receiving Company answer and a Step 1 grievance meeting between Union representatives and Project Manager must take place no later than 5 working days after grievance has been submitted to Project Manager. Project Manager will render his/her written decision no later than 5 working days after meeting.
- Step 3:* If the grievance is not resolved in Step 2 within seven (7) days after the Project Manager renders his/her written decision, it shall be taken to the Chief Operating Officer of the company who shall have ten (10) days to reach an agreement with the union.-

Step 4: If the grievance is not resolved at Step 4, it is agreed that the Parties will present the issue before a federal mediator. This process is not meant to bind either Party.

Section 4:

If the grievance is not resolved at Step 3 and within fourteen (14) days after completion of Step 3, the Union (but not an individual employee or group of employees) may request that the matter be referred to arbitration. Also, the Company may submit to arbitration any matter concerning the interpretation or application of a specific provision of this Agreement by written request to the Union for such arbitration. The Parties shall attempt to select an arbitrator by mutual agreement.

- a. In the event the Parties are unable to mutually agree upon an arbitrator within ten (10) working days from the date of the Agreement to arbitrate, they shall jointly request the Federal Mediation and Conciliation Service to furnish a panel of arbitrators, one of whom may be designated by mutual agreement of the Parties to act as arbitrator of the grievance. If no agreement as to the arbitrator can be reached within five (5) working days after the receipt of said panel, the Parties shall jointly petition the Federal Mediation and Conciliation Service to furnish a second panel of arbitrators, one of whom shall be selected by them within five (5) working days after receipt of said list to act as an arbitrator. Selection for the second panel shall be made first by the Union and then the Company representatives alternately striking any name from the list until only one name remains. The final name shall be the arbitrator of the grievance.
- b. The award of such arbitrator, in writing and within his/her jurisdiction and authority as specified in this Agreement, shall be final and binding upon both Parties and the employee or employees involved. The arbitrator shall have no authority to add to, alter, amend or modify any of the provisions of this Agreement.
- c. Any fees and other expenses of the arbitrator incurred pursuant to this Article shall be borne equally by the Parties. Expenses related to the presentation of the case shall be borne by the respective Parties.

Section 5:

Any grievance, which is not answered by the Company within the period of time specified in any of the steps in Article VIII, shall be deemed to be agreed to by the Company. Any grievance, which is not pursued by the grievant to the next step within the time specified in the Steps of Article VIII, will be deemed to have been abandoned by the grievant. However, the period of time for taking any step may be extended by mutual agreement of the Parties in writing. Either party shall be allowed to call witnesses. The Company will provide pertinent employee records, for the purpose of substantiation of the claims of the Parties, at any step of the procedure.

Article X: Leaves of Absence

Section 1:

In the event employees covered by this Agreement are required to perform military duty in the U.S. Armed Forces or the National Guard, the Company will comply with the applicable legislation in granting such employee requests for reinstatement after the performance of their military duty. Employees called to military duty will immediately inform their supervisors and provide copies of their military orders as soon as possible. Employees, who have completed their probationary period, who are called for National Guard or Reserve duty for training shall be paid the difference between their regular pay for scheduled time missed because of such training and all amount received from the government for such training. The difference is not to exceed more than eighty (80) hours of work time missed in a twelve (12) month period. The employee must provide the Company with not less than one (1) week notice of such training. Lawful decisions of the Company regarding absence for military service will not be subject to the Grievance-Arbitration provisions of this Agreement.

Section 2:

An employee's receipt of a subpoena or notice to report for involuntary jury duty must be reported immediately to the employees' supervisor. The Company may request that the employee be excused or exempted from jury duty if the Company deems the employees' services are essential at the time of the proposed jury service. An employee summoned to the involuntary service of jury duty shall be paid the difference between his/her regular pay and jury duty pay during the period of jury duty, but not to exceed such difference for more than three (3) weeks of the employee's regularly scheduled hours. When an employee receives his/her pay for such jury duty, he/she must present record of that payment to the Company. The Company shall pay the employee straight time pay for the time he/she was away on such jury duty, minus the amount paid for jury service. When an employee is excused from such jury service, either temporarily or permanently, on any scheduled workday, the employee shall promptly report to complete any remaining hours on his/her workday.

Section 3:

In accordance with the Family and Medical Leave Act, employees with twelve (12) months of service, who have worked at least 1250 hours during the last twelve (12) months, may be eligible for twelve (12) weeks of unpaid leave during any twelve (12) month period for the following reasons:

- a. For the care of employee's childbirth or placement for adoption or foster care;
- b. For the care of the employee's spouse, child or parent who has a serious health condition as that term is defined in the FMLA and its regulation;
- c. For a serious health condition as defined in the FMLA and its regulations that make the employee unable to perform his/her job.

Section 4:

In the event of the death of a family member, the Company will provide bereavement pay for the time lost from work. Pay will be at the employee's regular hourly rate for his/her regularly scheduled hours up to a maximum of eight (8) hours per day. For immediate family, bereavement pay will be up to five (5) days. Immediate family is defined as spouse, children, step-children, parents, brother, sister, brother-in-law, sister-in-law, mother-in-law, and father-in-law. For close relatives the bereavement pay will be for two (2) days. Close relative is defined as grandparent, grandchildren, aunt, uncle, niece and nephew. The Company may require proof of the death and relationship, including a newspaper obituary or death certificate where appropriate.

Article XI: Wages

Employees shall be paid wages in accordance with *Appendix A - Schedule of Wages*.

Article XII: Shift Scheduling and Work Hours

An employee's regular work week and work day schedule as provided by the Company herein or otherwise, shall not be construed as a guarantee to the employee of any specific number of hours of work either per day or per week or as limiting the right of the Company to fix or change the number of hours of work (including requiring overtime) either per day or per week for any employee.

Article XIII: Show Up and Reporting Time

Unless notice is given to employees that the Company is not operating on a particular day, employees who report for work at their scheduled start time will be paid for all hours scheduled to work, at the regular hourly rate. Notice under this provision may include a voice mail recording maintained at the Company's offices, direct telephone notice to employees, e-mail notices to employee and/or notification by designated radio and television broadcasts. In addition, all employees have the responsibility to provide the Company with an appropriate means of delivering this notification, including, for example, maintaining telephone service, or where notification is made by voice mail or answering machine at the Company's office, by calling to the Company's office to receive that notice.

Article XIV: Call-In Pay

Where an employee is called in to work outside of their normal hours, the employee will be paid a minimum of three (3) hours of pay at their regular rate.

Article XV: Overtime Pay

Section 1:

Time and one-half (1-1/2) shall be paid to employees covered by this Agreement for work performed in excess of forty (40) hours in any one workweek.

Section 2:

The Company has the right to require any employee to work beyond his/her normal workweek. If the situation permits, the Company will first seek volunteers to work the additional hours. Whenever possible, the company will give four (4) hours advance notice to any employee required to work overtime. However, it is recognized that circumstances may not permit four (4) hours or any advance notice. The Company will not require employees to work an unreasonable amount of overtime.

Article XVI: Holidays

Section 1:

Employees are entitled to the following holidays, for each of which they will receive holiday pay equal to the employee's normal workday hourly compensation at the employee's straight time base hourly rate.

- | | |
|-------------------------------|------------------|
| New Year's Day | Labor Day |
| Martin Luther King's Birthday | Columbus Day |
| President's Day | Veteran's Day |
| Memorial Day | Thanksgiving Day |
| Independence Day | Christmas Day |

Any other Holiday declared by the government and/or Patuxent River Naval Air Station.

Section 2:

If any one of the holidays in Section 1 falls within the employee's scheduled vacation, such employee shall receive one (1) additional day of paid vacation.

Section 3:

In order to qualify for holiday pay, an employee must work all hours scheduled the day before and the day after the holiday or be on approved absence.

Section 4:

Employees on leave without pay or disciplinary suspension are not eligible to receive holiday pay.

Section 5:

Employees who work on a holiday will receive his/her regular rate for the hours worked plus the holiday pay.

ARTICLE XVII PAID TIME OFF

Continuous service accumulated with prior contractors will be used in determining the amount of PTO (Paid Time Off) for which an employee is eligible. In all other cases, service for PTO purposes will date from the employee's date of hire by the Company.

Section 2. Schedule

PTO accruals rates are calculated on hours paid and are as follows:

0-4 years of service	0.0578 per hrs. paid	3 weeks
5-9 years of service	0.0769 per hrs. paid	4 weeks
10-17 years of service	0.0961 per hrs. paid	5 weeks
18+ years of service	0.1154 per hrs. paid	6 weeks

Section 3:

Accruals will be deferred until completion of the probationary period. Employees will not be eligible to use PTO during this time. When an employee moves to the next higher level of accruals, it is understood that the new accrual rate will begin on the first day of the next full pay period.

Section 4:

The scheduling of PTO will be management's responsibility and shall take into consideration the workload commitments of the organization. PTO must have been accrued prior to using. All PTO requests should be made at least 48 hours in advance. Unscheduled PTO shall be granted by management for all or part of a day for reasons of illness, emergency, or other unanticipated reasons deemed valid by management. PTO will be taken in hourly increments of no less than 1 hour. Deviations to the hourly increment for emergency situations will be determined by management.

Section 5:

Any employee having accrued unused leave at their anniversary may carry over up to 80 hours and any remainder will be paid out. All accrued unused PTO will be paid out upon termination/retirement. If an employee dies while on the payroll of the Company, payout of PTO shall follow the normal payroll procedures.

Section 6:

Employees shall be provided each pay period an accounting of their PTO accrual on their pay stub or other appropriate document.

Article XVIII: Miscellaneous

Section 1:

The Company shall pay the employees on a bi-weekly basis (26 pay periods per year). Pay statements shall include the employee's pay rate, the number of hours worked and shall designate when pay is attributable to vacation time.

Section 2:

The Company shall provide each employee with name tags which shall be worn at all times while at work.

Section 3:

Employees who are discharged or who resign must return all badges/security passes and all Company-issued equipment or property.

Section 4:

The Company shall provide all full time and regular part-time employees employed by the Company located at Patuxent River Naval Air Station in Lexington Park, Maryland with five (5) tee shirts every 12 months with replacement tee-shirts as needed.

Section 5:

The Company shall provide and install one (1) bulletin board in the time clock area. The Union shall be permitted to post Union notices relating to meetings, appointments of committees, election of officers and dues. No political endorsements or notices that are defamatory, derogatory or inflammatory will be permitted, as determined by the Company. Material shall be posted on this bulletin board only by the Shop Steward or a person previously designated, in writing to the Company, by the Union to act for the Union for that purpose.

ARTICLE XIX NO STRIKE OR LOCK-OUTS

Section 1:

For the duration of this Agreement, the Union, its officers, agents, representatives, stewards, and members, and the employees covered by this Agreement, shall not in any way, directly or indirectly, individually or concertedly, authorize, cause, assist, encourage, participate in, ratify, or condone a strike, sympathy strike, sit-down, sit-in, slowdown, sick-out, cessation or stoppage of work, boycott, picketing, or other interference with or interruption of the Company's operations. Any employee engaging in such activity shall be subject to discipline including suspension and discharge. In addition to any other liability, remedy, or right provided by applicable law or statute should such activity occur, the Union and its Shop Steward(s) shall immediately upon learning of such activity:

- a. Publicly disavow such action by the employees.
- b. Advise the Company by phone and advise in writing that such action by employees has not been called or sanctioned by the Union.

- c. Notify the employees orally, and in writing of its disapproval of such action and instruct such employees to cease such action and return to work.
- d. Advise employee that they will be terminated and not subject to rehire.

Section 2:

The Company agrees that it shall not lockout its employees for the duration of this Agreement.

Article XX: **Federal and State Laws**

In the event that any provision of this Agreement shall, at any time, be declared invalid, in whole or in part, by final adjudication of a state or federal court or administrative agency or by legislative enactment, such decision or legislative enactment shall not necessarily invalidate the entire provision and any such provision shall continue in effect to the extent permitted by law. All other provisions not declared invalid shall remain in full force and effect.

Article XXI: **Physical Examinations**

If the Company deems it necessary, or is required by the Contracting Agency, the Company may require an employee to undergo a physical examination. The Company shall have the right to select the examining physician, request the physician to conduct specific tests relating to job performance, and to receive a written report from the physician as to the findings. Such reports shall be considered and treated in a confidential manner by the Company. The total cost of such examinations, exclusive of any treatment given, shall be borne by the Company.

Article XXII: **Management Rights**

The management of the Company and the direction of the work force are vested exclusively with the Company. The Company retains all functions of management, not specifically limited by the express language of this Agreement. It is the right of the Company to terminate for just cause, suspend for just cause, or otherwise relieve employees from duty for lack of work. The Union further acknowledges that the Company may implement reasonable rules and regulations concerning methods to identify illegal work force.

Article XXIII: **Fringe Benefits**

Section 1:

The Company will make contributions on behalf of all eligible full-time bargaining unit employees to the National I.A.M. Benefit Trust Fund/or Company provided health care provider in the amount set forth in Appendix A and in accordance with the terms of the National I.A.M. Benefit Trust Fund Standard Contract Language (the "Standard Contract Language") applicable to the bargaining unit employees who have selected such coverage. Eligibility, coverage and benefits shall be as set forth in the Standard Contract Language. The Standard Contract Language, however, does not and is not intended to pre-empt, vary or alter the terms of the Agreement or the Company's obligations. The Parties agree that the company's contribution shall be allocated among the Company and each employee as specified below. The Company shall pay to the National I.A.M. Benefit Trust Fund on behalf of each eligible employee for all hours paid up to 40 hours per workweek:

To the extent of the cost of the coverage(s) selected by the employee exceed this amount, the excess cost shall be borne by the employee, and the Company shall withhold any such excess cost from the employee's paycheck on a bi-weekly basis. This withholding shall be combined with the fringe benefits due to the employee and this combined total shall be equal to the contribution amount for the coverage(s) selected by the employee as set forth in the Standard Contract Language. In no event shall the Company be liable for the cost of any coverage(s) selected by the employee in excess of the benefits set forth herein. The Company will implement an opt-out program which will allow employees who provide sufficient proof of alternative, adequate health insurance to choose to receive the payment set forth above (less applicable tax and withholding) in lieu of health insurance coverage provided by the Company. The opt-out program will be made effective and implemented in a manner consistent with applicable plan documents and governing law. If in the case the Company is prohibited from providing the opt-out program the company reserves the right to eliminate the opt-out program to comply with Federal / State law, or in the event the Company's health care provider requires 100% participation from the employees.

Section 2:

Any remaining part of the fringe benefits not used to pay for employee insurance coverage shall be deposited into a 401K savings plan in the employees' account. Residual fringe benefit amounts for each employee may vary based upon the number of hours paid each month.

Article XXIV: Safety

Section 1: Company Commitment

- a. The Company agrees to maintain sanitary, safe and healthful conditions in all its operations and working establishments in accordance with applicable Federal, National Consensus, State and Contractual safety & Health Laws, Rules & Regulations.
- b. Under no circumstances will any employee be required to engage in any activity involving dangerous conditions or work or danger to person or property or in violation of any applicable statute or government regulation relating to safety of person or equipment. The term "dangerous conditions of work", does not relate to the type of cargo, property and/or material which is hauled or handled.
- c. The Employer retains all rights not specifically addressed in this Agreement.

Section 2: Legal Compliance and Revisions:

The Company is authorized to amend the Company's Safety and Health Plan and associated rules, regulations, and policies from time to time, so they will be maintained current with the applicable Safety & Health Laws, Rules and Regulations.

Section 3: General Responsibilities:

- a. All employees of the Company shall adhere to and comply with the Company's Safety and Health Plan.
- b. Compliance with prescribed Safety and Health policies and procedures is considered a condition of employment. An employee, who has engaged in an unsafe work practice, fails to follow established safety procedures, fails to use required or provided safety equipment or protective clothing, commits unsafe acts, or has failed to notify the employee's supervisor of an unsafe condition and/or accident will be subject to coaching, counseling or disciplinary action, up to and including discharge.

- c. Any employee who willfully or intentionally engages in such misconduct as identified in the preceding paragraph may be immediately discharged, and if discharged, the discharge shall be deemed and regarded by the parties as for just cause.
- d. All Employees who drive contract vehicles, to include Employer owned/leased, and/or government furnished vehicles, will be required to maintain a valid driver's license and maintain a safe driving record, consistent with the Employer's safety program and insurance requirements, as a condition of continued employment. The Employer shall have the right to check the validity of such driver's license at their discretion in accordance with the Employer's policies.
- e. Employees shall keep equipment and contract vehicles, to include Employer owned/leased and/or Government furnished vehicles, within their control in a neat, clean and safe condition. Each Employee driving an Employer owned/leased or Government furnished vehicle shall perform the Vehicle Safety Inspection Checklist Procedures as required by Company procedures.
- f. **Employees** will be responsible for reasonable care of customer and/or Company furnished equipment and will notify the Company of any loss, sabotage or willful damage to Company, customer, or employee property and/or materials.

Section 4: Personal Protective Equipment

- a. The Company shall provide all required personal protective equipment (PPE) as required by recognized national consensus safety standards at no cost to the employee.
- b. Employees shall be required to comply with all safety rules and regulations established by the Company, and to wear such protective clothing or use such safety equipment as may be required and furnished by the Company.

Section 5: Safety Training

Training and certification as required by recognized national safety consensus standards and/or contract requirements will be accomplished in accordance with applicable Federal and State guidelines.

Section 6: Safety and Health Committee

- a. A Safety and Health Committee shall be formed consisting of:
- The Company's Project Manager (or his/her designated representative)
 - Two employees selected by the Union
- b. The Safety and Health Committee shall work cooperatively to ensure a safe environment at the Project for all employees shall meet as often as necessary but not less than bi-monthly, to evaluate safety conditions and recommend actions to the Company.

Section 7: Incident/Injury/Mishap Reporting & Investigations

Section 6:

An employee, who is injured on the job and transported in order to obtain medical attention by a competent, licensed medical provider, as requested by the Company, shall receive pay at the applicable hourly rate for the balance of his regular shift on that day, if it is determined by the doctor that the employee is unable to work.

Section 7:

The Company will furnish transportation as soon as possible for an injured employee to receive initial medical attention. Subsequent treatment for Worker's Compensation cases in a doctor's office, clinic, or hospital or any other competent, licensed medical provider, will be on Company time if a doctor's certification is furnished the Company by the employee specifying the treatment and appointment is during the employee's working hours. Transportation for such subsequent treatment will be furnished by the employee.

Article XXVI: Drug and Alcohol Free Workplace

Section 1:

The Company provides a drug and alcohol-free workplace to ensure a safe, healthy and productive work environment for current employees in all job classifications as well as employment applicants. Specific provisions are contained in the Employee Handbook.

Section 2:

In accordance with the Drug-Free Workplace Act of 1988 and other federal regulations, the Company and the Union agree to exercise their best efforts to provide a workplace that is free from the illegal use, possession or distribution of drugs or other controlled substances or the misuse of prescription drugs and that is free from the influence of alcohol.

Section 3:

Company policy strictly prohibits the unlawful possession, use, consumption, sale, purchase, distribution, being under the influence, dispensation or manufacture by any employee of alcohol, any illegal drugs or illegally obtained drugs by an employee in the workplace. This applies on or within Company or customer premises or facilities; in the conduct of Company related work off premises; or when operating Company, or customer provided vehicles on or off duty.

Section 4:

The Company is authorized to amend its Drug and Alcohol-Free Workplace Policy and associated rules, regulations, and policies from time to time, so they will be maintained current with the applicable laws, rules and regulations. Any substantive change or amendment to the company Drug Free Workplace Policy is subject to thirty (30) days advance notice to the Union, unless otherwise required for compliance with federal or state law or regulation.

Section 5:

The Company will not permit any employee to report to work to perform his or her duties after having ingested or being under the influence of alcohol or illegal drugs.

Appendix A- Schedule of Wages and Fringe Benefits

Effective 10/01/2015	\$5.75
Effective 10/01/2016	\$6.00
Effective 10/01/2017	\$6.25

Laborer Grd. Maint.	Equity Adjustment	10/1/2015	10/1/2016	0/1/2017
\$13.07	\$2.50	3.0%	2.75%	2.5%
	\$15.57	\$16.04	\$16.48	\$16.89

Tractor Driver	Equity Adjustment	10/1/2015	10/1/2016	10/1/2017
\$16.04	\$2.50	3.0%	2.75%	2.5%
	\$18.54	\$19.10	\$19.62	\$20.11

IN WITNESS WHEREOF, the parties hereto have caused their names to be subscribed hereby by their duly authorized officers and representatives.

DIVERSIFIED SERVICE
CONTRACTING, INC.

District 4, My Maryland Lodge #186
International Association of Machinists and
Aerospace Workers AFL-CIO



Steven N. Malone
President



Diane T. Hodges
Director of Human Resources



Mark M. Duval
Business Representative
IAMAW District Lodge 4

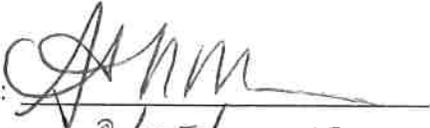


MEMORANDUM OF UNDERSTANDING
BETWEEN
DIVERSIFIED BSERVICE CONTRACTING, INC.
AND
DISTRICT LODGE 4, PATUXENT RIVER LOCAL LODGE 4
INTERNATIONAL ASSOCIATION OF MACHINIST AND AEROSPACE WORKERS, AFL-CIO

Pursuant to Article IV, Dues and Initiation Fee/Check-Off of the Collective Bargaining Agreement, effective September 1, 2015, as amended (the CBA) the parties agree that dues shall be collected and remitted for all employees who are on the active payroll up to and including the 15th of each month. Employees with an effective layoff date prior to the 15th of the month will not be required to pay union dues for that month.

Read and Agreed:

Diversified Service Contracting, Inc.

By: 
Date: 8/25/2015

District Lodge #4 of the International Association of Machinist and Aerospace Workers, AFL-CIO.

By: 
Date: 8/25/2015