

Between

PROFESSIONAL AIR TRAFFIC
CONTROLLERS ORGANIZATION, INC.

and

SERCO MANAGEMENT SERVICES, INC.

For the Period: June 15, 2007 through June 14, 2010

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Article 1
Parties to the Agreement

The Agreement is made between the Professional Air Traffic Controllers Organization, Inc. (hereinafter referred to "PATCO" or "Union") and Serco Management Services, Inc. (hereinafter referred to as the "Employer"). PATCO and the Employer are herein referred to collectively as the "Parties."

Article 2
Union Recognition, Rights and Activity

Section 1 Recognition. The Employer recognizes the Union as the exclusive collective bargaining representative for all full-time and regular part-time Air Traffic Control Specialists employed by the Employer at its Kalispell, Montana Air Traffic Control Tower.

Section 2 Scope and Exclusions. The parties agree that the bargaining unit covered by this Agreement is limited exclusively to the Employees defined above and does not include any Employees working at Employer's Kalispell, Montana Air Traffic Control Tower in classifications other than Air Traffic Control Specialist such as Air Traffic Manager and any other employees. This Agreement does not apply to any of the Employer's locations other than the Kalispell, Montana Air Traffic Control Tower.

Section 3 Legal Rights. PATCO shall retain all rights provided by the United States Constitution, Federal, State and Local law.

Section 4 National Representatives.

(a) The Union shall provide the Employer with a written list identifying its authorized national representatives. The Union's authorized national representatives shall have the right to enter and visit the facility during business hours when the Air Traffic Manager is present in the facility for the purpose set forth in this Agreement, provided such visitation does not adversely affect the operation of the facility or unreasonably interfere with the performance of work by employees during their working hours and provided further than the procedures of the FAA and this Article are followed.

(b) Except in the case of emergency or by mutual agreement, the Union's authorized national representatives must provide at least twenty-four (24) hours prior notice to the Employer's Air Traffic Manager of the intent to visit. In all cases, the Union's national representatives shall comply with all FAA and the Employer's procedures applicable to visitors to the facility. Except as provided in this Article non-employee representatives or agents of the Union may not enter the Employer's premises.

(c) If requested by either party at the national and/or corporate level, the parties agree to meet in the spirit of cooperation and partnership at a mutually agreeable time and place, and negotiate as appropriate.

Section 5 Local Facility Representatives.

(a) The Union may select one Local Facility Representative from among the employees. The Union is responsible for notifying the Employer, in writing, as to the name of the Local Facility Representative, and keeping the Employer apprised of any changes. The Local Facility Representative may act as a Union representative, assist national representatives in proceedings under the grievance procedure in this Agreement and engage in discussions with the Employer's designated representatives regarding questions or concerns relating to the Employer's practices or procedures.

(b) Except as otherwise provided in this Article, a Local Facility Representative shall not be compensated by the Employer for his duties as a Local Facility Representative and generally shall perform such duties during times when he is not scheduled to work for the Employer. The Employer will pay a Local Facility Representative at straight time rate of pay for scheduled work hours lost (from the first 40 hours of the work week) up to a maximum of one (1) hour per work week for the following activities:

(i) attendance at a meeting convened as part of the grievance procedure set forth in this Agreement;

(ii) attendance at a meeting called by the Employer;

(iii) attendance at a disciplinary meeting or post-accident/incident meeting where the employee requested representation by the Local Facility Representative; and

(iv) up to thirty (30) minutes for orientation of new bargaining unit employees (at a mutually agreeable time).

(2) The Local Facility Representative will arrange with the Air Traffic Manager before engaging in such activities and shall not leave his post without authorization from the Air Traffic Manager. When operationally required, the Air Traffic Manager may decline to release the Local Facility Representative to perform such activities during the Local Facility Representative's scheduled shift. In the discharge of his duties, the Local Facility Representative shall not interfere with the operations of the business.

Article 3
Management Rights and Responsibilities

Section 1 All management rights, authority, functions and responsibilities which are not unequivocally and expressly restricted or limited by a specific provision of this Agreement are retained by the Employer and shall remain vested exclusively in its sole discretion without regard to any past practice or condition. The parties recognize that such rights, authority, functions and responsibilities include but are not limited to:

- the full control, planning, management and operation of its business and facility;

- the determination and scope of its activities and/or services to be offered, developed, eliminated, modified or used and all methods pertaining thereto, including the location, size and number of departments;
- the determination of materials, parts, machinery and equipment to be acquired, utilized or discontinued and the layout, staffing and scheduling thereof;
- the right to determine, increase or decrease staffing for any department;
- the right to organize, reorganize, combine or discontinue departments;
- the right to hire and direct employees;
- the right to contract or subcontract non-bargaining unit work;
- the training of employees;
- the right to require employees to submit to a medical examination by the Employer;
- the right to establish quality standards and performance standards, procedures and evaluations;
- the right to determine position qualifications, schedules, staffing, shifts, and the right to require overtime work of employees;
- the right to set or change the shift times and number of hours to be worked;
- the right to introduce new or improved procedures, methods, services, machinery or equipment, to make technological changes or to discontinue procedures, methods, services, machinery or equipment;
- the right to terminate, merge, consolidate, sell or otherwise transfer its business or any part thereof;
- the right to enforce any directives, orders, or other regulatory requirements imposed on the Employer by any regulatory agency so empowered;
- the right to determine the number of employees and the assignment of duties thereto;
- the right to layoff or RIF employees;
- the right to take whatever actions may be necessary to carry out the mission of the Employer in situations of emergency;
- the right to select lead and supervisory personnel and the assignment of their work;

- the right to assign supervisory or management personnel bargaining unit work covered by this Agreement;
- the right to establish, combine, add, change or abolish jobs, duties and descriptions;
- the right to issue, modify, delete and enforce reasonable rules, regulations and policies governing employee conduct and Employer operations.

Section 2 The Employer's failure to exercise any such right, prerogative or function hereby reserved to it or the Employer's exercise of any such right, prerogative or function in a particular way, shall not be considered a waiver of the Employer's right to exercise such right, prerogative or function or preclude it from exercising the same in some other way not in conflict with the express provisions of this Agreement.

Section 3 The Employer shall retain all rights provided by the United States Constitution, Federal, State and Local law.

Article 4 **Employee Rights**

Section 1 Employees shall retain all rights provided by the United States Constitution, Federal, State and Local law.

Section 2 All employees shall have the right, freely and without fear of penalty or reprisal, to form, join and assist the Union or to refrain from such activities.

Section 3 In any investigation by the Employer which may reasonably lead to disciplinary action against an employee, such employee shall have the right, upon request, to have a Union representative present. If requested by the employee, the Union representative can be present by telephone if unable to be physically present.

Article 5 **Nondiscrimination**

The Employer and the Union in the performance of this Agreement agree not to discriminate against any employee because of race, gender, age, color, religion, national origin, or other legally protected status in accordance with applicable Federal, State and local law. The Employer and the Union are committed to maintaining a work environment that is free from sexual harassment or harassment based upon any other legally protected status. Nothing in this Agreement shall be construed to preclude the Employer from making reasonable accommodations or otherwise complying with the obligations imposed by the Americans with Disabilities Act or any other applicable law.

The use of personal pronouns of the male gender is for grammatical purposes only and the Agreement shall apply equally to either gender.

Article 6
Grievance Arbitration Procedure

A grievance is defined as a dispute, difference, disagreement or complaint between the parties relating to wages, hours, conditions of employment or any term of this Agreement. A grievance shall include, but is not limited to, the complaint of an Employee or of the Union which involves the interpretation, application of, or compliance with the provisions of this Agreement.

Section 1 Informal Resolution. The Employer and the Union agree that Employees should attempt to resolve issues or concerns with the Air Traffic Manager prior to initiating the formal grievance process. The employee and, where appropriate, the Local Facility Representative may discuss the grievance with the Air Traffic Manager or other management designated representative, and if the grievance is resolved through these discussions, the informal resolution of the grievance will be reduced to writing and signed by the parties.

Section 2 Grievance Procedure Steps.

Step 1. Air Traffic Manager. A written grievance must be filed by a Union representative (or the Local Facility Representative) with the Air Traffic Manager within ten (10) calendar days of when an Employee or the Union first learned or reasonably should have learned of the event giving rise to the grievance. The written grievance must include the name of the employee, the date the grievance was filed, the provisions of the Agreement alleged to have been violated, the facts and contentions of the grievance, the remedy requested by the grievant. The parties' representatives will have full authority and are encouraged to settle grievances during this initial step. If requested, the Air Traffic Manager shall meet with the aggrieved employee and Union representative (or the Local Facility Representative) to discuss the grievance. The Employer must respond to the Step 1 grievance within ten (10) calendar days of receipt of the written grievance.

Suspension/Discharge Cases. The parties agree that all grievances involving suspension or discharge actions shall proceed immediately to Step 2 of this process. A written grievance must be filed by a Union representative (or the Local Facility Representative) with the Human Resources Manager within ten (10) calendar days of when an Employee or the Union first learned or reasonably should have learned of the suspension or discharge.

Step 2. Human Resources Manager. If the grievance is denied at Step 1 of the grievance process, the Union shall have the right to appeal the denial of the grievance within ten (10) calendar days of the receipt of the Employer's denial by providing written notice of appeal to the Human Resources Manager. If requested, the Human Resources Manager and/or Area Manager will discuss (in person or by telephone) with the Union Step 2 designee within ten (10) calendar days after receiving the written appeal for the purpose of resolving the grievance to the mutual satisfaction of the Union and Employer. If such a resolution is reached, it will be reduced to writing and signed by both parties. In cases where such resolution is not reached, the Employer will have twenty (20) calendar days from receipt of the Step 2 appeal to deny the grievance in writing, stating its reasons for such denial.

Arbitration. The Union will have fifteen (15) days from the receipt of the Step 2 denial of a grievance within which to appeal the grievance to arbitration. The Union shall notify the Employer in writing of such appeal and request a list of arbitrators from the Federal Mediation and Conciliation Service ("FMCS"). An arbitrator shall be selected by alternatively striking from the FMCS list until an arbitrator is selected or by another mutually acceptable method. The parties will work together to schedule arbitration hearings at a mutually agreeable date and place. It is expressly understood and agreed that the arbitrator is not authorized or empowered to change, modify, or add to this Agreement but is strictly limited to the interpretation and application of this Agreement in accordance with the materials submitted by the parties for this determination.

Section 3 Employer Grievances. The Employer shall have the right to file a grievance against the Union under this Article. Within ten (10) calendar days of when the Employer first learned or reasonably could have learned of the event giving rise to the grievance, the Employer shall submit its written grievance to the Union president. If requested, the Union president or his designee will discuss (in person or by telephone) with the Employer's designee within ten (10) calendar days after receiving the written grievance for the purpose of resolving the grievance to the mutual satisfaction of the Union and Employer. If such a resolution is reached, it will be reduced to writing and signed by both parties. In cases where such resolution is not reached, the Union will have twenty (20) calendar days from receipt of the written grievance to deny the grievance in writing, stating its reasons for such denial. The Employer will have fifteen (15) days from the receipt of the Union's denial of a grievance within which to appeal the grievance to arbitration. The Employer shall notify the Union in writing of such appeal and request a list of arbitrators from the Federal Mediation and Conciliation Service ("FMCS").

Section 4 Other Principles of The Grievance And Arbitration Procedure.

The parties may request information in connection with a grievance. Such requests shall be in writing. The parties agree that they will provide each other with relevant information in accordance with the requirements of the National Labor Relations Act.

Time limits throughout all the steps of the grievance procedure can be extended by written mutual agreement.

Except to the extent that the parties mutually agree in writing to extend deadlines, failure to file a grievance in accordance with the procedures set forth in this Article or failure of the Union to otherwise proceed within the applicable time limits shall render the grievance void and will result in the Union and employees waiving any rights they otherwise would have under this grievance and arbitration process. Failure by the Employer to abide by the applicable time limits will result in the grievance being moved to the next step in the process.

All arbitration awards will be in writing and final and binding on the parties.

The procedures shall be pursuant to the labor arbitration rules of the American Arbitration Association.

The fee and expenses of the arbitrator will be split between the parties. The cost of any transcript will be split equally by the parties.

The cost of cancellation of an arbitration hearing shall be borne equally by the parties where the cancellation is due to settlement of the grievance. The cost of cancellation for any other reason shall be borne by the party who seeks the cancellation. Each party will bear its own costs for the preparation for the arbitration hearing.

The time spent by bargaining unit employees at meetings or arbitration hearings under the above grievance and arbitration procedures shall be unpaid non-work time.

Article 7 **Disciplinary Action**

Section 1 Just Cause. No employee who has completed his probationary period may be disciplined or discharged except for just cause.

Section 2 Progressive Discipline. Where the Employer determines that the facts and circumstances do not constitute serious misconduct, the Employer will follow progressive discipline which will generally include:

- Documented Verbal Warning
- Written Warning
- Suspension
- Discharge

The Employer retains the discretion to repeat or skip steps where circumstances warrant. The parties agree that the Employer may impose immediate suspension or discharge for “serious misconduct” including but not limited to theft, fraud, violence, insubordination, threatening conduct, abandonment of position, or violation of the substance abuse and testing program.

Section 3 Employee Notification. The Employer will notify the employee of the reasons for any warning, suspension or discharge and the effective date of any suspension or discharge. The employee may submit a written response to any such discipline within seventy-two (72) hours of receipt. At the employee’s request, the Union shall be provided copy of written discipline, suspension or discharge notice.

Section 4 Union Representation. A Local Facility Representative must be present (if requested by the Employee) at the time written discipline is issued. For purposes of this provision, “discipline” shall not include informal counseling or directing of the workforce by management.

Section 5 Active/Inactive Discipline. Disciplinary action more than two (2) years old shall be considered inactive and shall not provide the basis for subsequent progressive discipline, provided no subsequent discipline has been issued for similar offense(s). Where subsequent discipline is issued for a similar offense, the prior discipline will remain in effect until the most recent discipline issued for the similar offense is two (2) years old and considered inactive. All inactive discipline shall be removed from the employee’s official personnel file. Nothing

contained in this Section shall preclude the use or production of any inactive discipline, in any administrative or judicial proceeding or in any arbitration to demonstrate notice or consistent treatment of employees.

Section 6 Probationary Employees. The above discipline schedule will not apply to new hires that are still within the probationary period. The Employer shall counsel, discipline, or terminate probationary employees as it deems appropriate in its sole discretion. After completion of the probationary period, an employee will receive discipline in accordance with the above schedule. All discipline accumulated during the employee's probationary period will remain in effect until it becomes inactive under this Article.

Section 7 Grievance and Arbitration. The Union reserves the right to challenge discipline in accordance with the grievance and arbitration procedure set forth in Article 6.

Article 8 **Changes in Policy or Practice that Conflict with the Agreement**

It is hereby agreed that the Employer shall not change or implement a personnel policy or practice which is within the scope of the Employer's authority which conflicts with the terms of this Agreement without first providing the Union with notice and an opportunity to bargain regarding such policy or practice.

Article 9 **Union Dues Check Off**

Section 1 The Employer agrees to deduct, during the term of this Agreement, Union Dues from the regular pay of employees who have voluntarily authorized such deductions in writing. The Employer agrees to remit all such deductions to the Union at the end of the following month.

Section 2 Union dues deductions will be made in equal payments using the following calculation: Monthly Dues x 12 months / the number of pay periods in the calendar year = bi-weekly pay period deduction.

Section 3 The original of a properly executed written authorization form for each employee for whom Union dues are to be deducted hereunder shall be delivered to the Employer before any payroll deductions are made. Deductions shall be made thereafter only pursuant to forms which have been properly executed and are in effect. Any form which is incomplete or in error will be returned to the Union by the Employer. No deduction shall be made which is prohibited by applicable law.

Section 4 Check-off deductions under all properly executed forms which have been delivered to the Employer on or before the fifteenth (15) day of any particular month thereafter shall begin with the first pay period in the following calendar month.

Section 5 Any employee's whose seniority is broken by death, self-termination, discharge or lay-off, or who is transferred to a position outside the bargaining unit, shall cease to be subject to check-off deductions beginning with the first pay period immediately following that in which such death, self-termination, discharge, lay-off, or transfer occurred.

Section 6 The Union shall indemnify, defend and hold the Employer harmless against any and all claims, demands, suits or other forms of liability (including reasonable attorneys' fees incurred by the Employer) that shall arise out of or by reason of action taken or not taken by the Employer pursuant to this Article and/or in reliance upon payroll deduction authorization form(s) submitted to the Employer.

Article 10 **Seniority**

Section 1 **Seniority Defined.** Seniority will be defined as an employee's date of hire with the Employer. Should more than one Employee have the same seniority date, the ranking of seniority shall be determined by the date the employees obtained their control tower operator ("CTO") certification at Glacier Tower, with the employee with the certification for the longest amount of time being deemed the more senior. If this CTO certification date is also the same, the employee with the greatest number of years as an air traffic controller will be deemed more senior.

Section 2 **Break in Seniority.** Seniority shall be broken by:

Discharge;

Voluntary resignation or retirement;

Failure to report as required by recall;

Failure to return to work upon expiration of leave of absence;

More than twelve (12) consecutive months of failure to perform work for any reason (e.g., layoff); or

After acceptance of a non-bargaining unit position.

After a break in seniority, an Employee's seniority date will be the date on which the Employee becomes reemployed, reinstated, or otherwise returns to the bargaining unit.

Section 3 **Seniority List.** An updated seniority list will be provided to the Union on an annual basis.

Article 11 **Employee Performance**

Section 1 The parties agree that each employee is responsible for ensuring that his or her performance complies with all FAA rules, regulations and orders and all Employer standards.

Section 2 The Employer is responsible for the implementation of procedures and/or direction of operations.

Section 3 The Employer and the employees shall each be responsible for their own actions.

Section 4 In the event the ATM or other manager relieves an employee from the employee's operational position because of alleged unacceptable performance by the employee, the ATM (or other manager) shall provide, upon written request of the employee (provided such request is made within seven (7) days of the action), a written explanation of the reason(s) for the action as soon as practicable but not more than seven (7) days after receipt of such written request. The written explanation does not constitute notice of disciplinary action. Nothing in this Article limits the Employer's right to issue the employee disciplinary action for unacceptable performance in accordance with Article 7. (Disciplinary Action).

Article 12
Watch Schedule and Shift Assignments

Section 1 The Basic Watch Schedule is defined as the days of the week, hours of the day, rotation of shifts, and changes in regular days off. The Basic Watch Schedule must satisfy coverage requirements. Assignments of individual employees to the Basic Watch Schedule are not considered changes to the Basic Watch Schedule.

Section 2 The Basic Watch Schedule will normally be posted at least 30 days in advance except where operational needs or staffing levels require changes with less notice.

Section 3 Except where operational requirements do not permit, assignments to the Basic Watch Schedule will be by seniority with the most senior employee having first choice. Assignments to the Basic Watch Schedule shall be posted at least 14 days in advance. The Employer recognizes that changes to individual assignments are undesirable. Except where operational needs or staffing levels do not permit, the Employer will use its best efforts to avoid changing an employee's assignment. Such efforts may include use of overtime, use of other qualified staff, or swapping of employee shifts.

Section 4 The Employer agrees that it will not change employees' approved leave except for emergencies or circumstances beyond the Employer's control.

Article 13
Voluntary Exchange in Shifts and Days Off

The exchange of shifts and/or days off between equally qualified employees is permissible provided that the exchange is consistent with the operational needs of the facility and does not result in overtime or violation of applicable law, regulations, or the terms of this Agreement. Employee requests for such exchanges must be approved by the Air Traffic Manager at least 3 business days in advance of such exchange.

Article 14
Breaks and Position Rotation

Section 1 Breaks. Where staffing levels and operational needs permit, the Employer will strive to provide employees a break once every two to three hours. Such breaks will normally be for ten (10) minutes.

Section 2 Meal Break. Where operational needs and staffing levels permit, employees will generally be provided one twenty (20) to thirty (30) minute paid meal break per day. It is understood that employees shall be required to remain in the facility and/or return to duty during such meal break based on operational needs and staffing levels.

Section 3 Rotation. Where staffing levels and operational needs permit, and to the extent practicable, employees will not be required to work more than two consecutive hours on the same operational position.

Article 15 **Leave of Absence Without Pay**

The Employer may grant employees a leave of absence without pay of up to six (6) weeks for reasons including the employee's serious health condition, the birth of a child or placement of a child as a result of adoption or foster care, to care for a spouse, child or parent of the employee with a serious health condition, the loss of FAA Class II Medical certificate or other compelling personal reasons. A leave of absence is not automatic but may be granted in the Employer's sole discretion where it is requested properly and approved by the Employer in writing.

Eligibility. Employees shall be eligible for a leave of absence after they have completed one year of employment with Employer. Employees being laid off are not eligible for leaves of absence.

Section 1 Procedure. Employees must submit a written request for leave of absence (using the form the Employer provides for such purpose) to the human resources manager with twenty (20) days notice where possible. The written request must include the start and end date requested, and the reason for the leave. The Employer may require employees requesting leave due to serious health condition to provide documentation from a health care provider regarding the need for and duration of the leave prior to the leave of absence being approved. Failure to provide sufficient documentation may result in the leave being delayed or denied.

Section 2 Benefits. The Employer will continue to provide health insurance coverage through the end of the month in which the leave commences. Except to the extent required by law, employees will not earn any benefits or be eligible for holiday pay while on a leave of absence. For leaves longer than one month, the employee may be required to pay both the Employer and employee share of the premiums to continue insurance coverage under the applicable insurance plan.

Section 3 Work While on Leave Prohibited. Engaging in gainful employment for any other Employer while on a leave of absence, unless specifically approved by the Employer in writing, will be deemed just cause for termination of employment.

Section 4 Return to Work. Employees on a leave of absence due to their own serious health condition shall, prior to returning to work, be required to provide documentation from a health care provider certifying their fitness for duty and ability to perform the essential functions of their job. Employees must also provide the certification of CAMI as required under applicable FAA regulations. An employee returning from a leave of absence will be returned, where possible, to his or her regular job classification without a loss of seniority. Employees will be

Collective Bargaining Agreement Amendment

between

PROFESSIONAL AIR TRAFFIC CONTROLLERS ORGANIZATION, INC.

and

SERCO MANAGEMENT SERVICES, INC.

Original Date of Agreement: 15 June 2007

Effective Date of Amendment: 1 October 2007

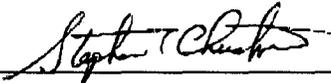
The following passage shall replace the original language for **Article 16, Wages, Section 4, Sunday Differential** in its entirety:

"Full-time employees (40 hours a week) working Sunday as part of their regularly scheduled workweek, are paid at the rate of their regular hourly wage rate plus a Sunday premium of 25% of the regular hourly wage rate for each hour of Sunday work which is not overtime. Sunday pay differential will become effective on or before the first pay period of the 2008 calendar year retroactive to October 1, 2007."

The above constitutes the whole of the amendment to the original agreement.

FOR THE EMPLOYER
SERCO MANAGEMENT SERVICES, INC.

FOR THE UNION
PROFESSIONAL AIR TRAFFIC
CONTROLLERS ORGANIZATION, INC.

By: 

By: 

Its: Vice President, Aviation Operations

Its: President

Dated: September 6, 2007

Dated: 9/6/07

returned to work at the same disciplinary status as when they commenced the leave. Health insurance benefits will be restored effective the first day of the first month following the employee's return to work. Failure to return to work upon expiration of an approved leave of absence will be deemed just cause for termination of employment.

Section 5 Military Leave. Employees enlisted or entering the military or naval services of the United States shall be granted all rights and privileges provided by the applicable federal laws.

Section 6 Extension. The Employer may grant an extension of a leave of absence in its sole discretion. The employee will be required to submit written documentation to support the need for an extension. Such extensions must be approved in writing by the Employer. \

Article 16 **Wages, Hours and Compensation**

Section 1 Wages

The employee's regular hourly wage rate shall be:

Effective October 1, 2007: \$25.33/hour

Effective October 1, 2008: \$26.01/hour

Effective October 1, 2009: \$26.69/hour

The above increases shall be paid on or before the first pay period of the following calendar year retroactive to October 1st (the first day of the Federal Government's fiscal year).

Section 2 Normal Workweek. The employees' normal workweek will consist of forty (40) hours.

Section 3 Night Differential. Employees shall receive a night differential equal to 10% of the regular hourly wage rate for all hours worked between 6:00 PM and 6:00 AM.

~~Section 4 Sunday Differential. The parties agree to meet and discuss possible implementation of a Sunday pay differential and will use the applicable Montana wage determination as a reference. Any Sunday pay differential shall become effective on or before the first pay period of the following calendar year retroactive to October 1st (the first day of the Federal Government's fiscal year).~~

Section 5 Pay Days. Employees shall be paid in accordance with the Employer's pay cycle schedule used Employer-wide.

Article 17
Sick Leave

Section 1 On the first day of the first pay period of each new calendar year, employees with at least one full year of service shall receive forty (40) hours of paid sick leave.

Section 2 New employees will be eligible for sick leave after one year of service on a pro rata basis until the first day of the first pay period of the next new calendar year . For example, an employee with an anniversary date of July 1 will be eligible for 20 hours (50% of the 40 hours) of sick leave on his anniversary date for the remainder of the pay periods in that calendar year while an employee with an anniversary date of October 1 will be eligible for 10 hours (25% of the 40 hours) of sick leave on his anniversary date for the remainder of the pay periods in that calendar year.

Section 3 Sick leave must be used in the calendar year it is earned. Employees will not be permitted to carry-over sick leave from year to year. Employees shall not be entitled to receive pay for any earned but unused sick leave upon termination or at any other time.

Section 4 Sick leave may be taken for an absence of an employee on a scheduled day, by reason of (1) illness, (2) accident, (3) illness of dependent child, or (4) need to care for immediate family member with serious health condition. Sick leave must be taken in one (1) hour increments. Employees are encouraged to schedule medical and dental appointments outside of working hours, but sick leave may be used for scheduled medical or dental appointments if such leave is requested at least five (5) calendar days in advance and is approved by the Employer. Employees who need sick leave for the reasons stated herein but who have exhausted their sick leave may request vacation leave or, if all of their vacation leave is exhausted, leave without pay, subject to the provisions of this Agreement.

Section 5 The Employer may require proof of illness or accident, including certification from a physician, when an employee takes sick leave. If requested, such proof must be provided to the Employer within two days of the employee returning to work.

Section 6 Sick leave shall be used to replace scheduled work hours and may not be used to bring the employee's total paid hours in one week to an amount above forty (40). If an employee's approved sick leave will result in more than forty (40) paid hours in a work week, the approved leave over forty (40) hours will be treated as leave without pay.

Article 18
401(K) Retirement Plan

Section 1 401K Plan. The Employer will continue to provide a 401K Plan for all regular full-time employees covered by this Agreement. Employees may elect to contribute to the 401K plan up to the maximum amount permitted by the plan documents and applicable law.

Section 2 Matching Schedule. The Employer will match the employee's contribution up to six percent (6%) of their gross income at the rate fifty percent (50%).

Section 3 Plan Documents Control. The terms of the applicable Plan documents with respect to all matters will govern this benefit. Any questions or disputes concerning said 401K Plan or benefits thereunder will be resolved in accordance with the terms and conditions set forth in the Plan documents. No dispute arising or relating to this Article shall be subject to the grievance and arbitration procedures set forth in Article 6, except an allegation that the Employer has failed to provide the 401K Plan.

Section 4 New Employees Eligibility. The benefits described in this Article will be made available to eligible employees on the first day of the first month following their date of hire.

Article 19
Overtime/Work on Scheduled Day Off

Section 1 Overtime. In addition to any applicable night differential (which shall be calculated on the base hourly rate and not compounded), overtime for all employees shall be paid at one and one-half (1 ½) times the base hourly rate for hours worked in excess of forty (40) hours in any one (1) work week. For the purposes of this Article, only hours worked shall be used in calculating overtime pay. Hours paid for non-work time (e.g., vacation, holiday, sick leave) shall not be considered hours worked for the purposes of calculating overtime.

Section 2 Work on Scheduled Day Off. If an employee is called in to work on his scheduled day off, the Employer will guarantee him a minimum of two (2) hours of pay provided, however, that the guarantee will not apply where the employee is unfit for duty or sent home for disciplinary reasons.

Article 20
Vacation Leave

Section 1 Eligibility. Upon completion of each full year of continuous service, Employees shall be eligible for a paid vacation, according to the following schedule:

Years of Continuous Service	Amount of Paid Vacation
Less than one year	None
One year to less than five years	80 Hours
Five years to less than fifteen years	120 Hours
Fifteen or more years	160 Hours

Employees who work fewer than 1,840 hours during a one (1) year period of continuous service, shall be entitled to paid vacation time on a pro rata basis determined by the ratio of hours actually worked to 2080 hours rounded to the nearest whole day.

Section 2 Vacation Utilization. The Employer understands the importance of time off from work and the important safety benefit resulting from such time off, and encourages employees to utilize their vacation time for rest and relaxation. Employees are required to use vacation leave in the year it is earned.

(a) Except as provided in Section 2(b) below, employees who fail to schedule all of their earned vacation within ninety (90) days of their next anniversary date will have their vacation scheduled by the ATM during such ninety (90) day period.

(b) Only where the Employer is unable to approve the employee's vacation leave will the employee be permitted to carry over any earned vacation leave from one anniversary year to the next. In such circumstances, the employee must schedule all carried over vacation leave within six (6) months following his anniversary date or the ATM will schedule the carried over vacation during that six month period.

Section 3 Vacation Pay. Vacation pay shall be based upon the employee's regular straight time hourly wage rate at the time of the vacation. It is understood that current rate of pay would apply regardless of whether or not the rate of pay was more or less than the rate of pay in effect at the time the vacation was earned.

Section 4 Payment of Unused Vacation. Employees leaving the Employer with at least one (1) year of continuous service shall receive pay for earned and unused vacation time upon separation.

Section 5 Scheduling of Vacation. The Vacation year commences March 1st and concludes the last day of February in the following year. Vacations shall be bid in full week increments, based on vacation leave projections for the upcoming vacation year. Vacations shall be bid by seniority between January 1st and February 15th preceding the vacation year. An employee may bid his entire vacation entitlement at one time. In order to prevent the circumvention of seniority, employees will not be permitted to trade vacation selections without the written approval of the ATM. After the vacation selection process is completed, vacation leave shall be granted on a first come, first served basis; provided the employee gives the Employer prior written notice at least fourteen (14) days prior to the requested vacation date. If there is a conflict between two (2) employees who submit requests the same day, seniority will govern.

Section 6 Vacation Increment. All vacation leave must be taken in no less than one hour increments.

Section 7 Employee Vacation Requests The Employer shall honor an employee's request for vacation leave with due consideration to the requirements of maintaining air traffic control service; the Employer reserves the right to deny such request where operation or staffing levels require.

Section 8 40 Hour Per Week Restriction. Vacation leave shall be used to replace scheduled work hours and may not be used to bring the employee's total paid hours in one week to an amount above forty (40). If an employee's approved vacation leave will result in more than forty (40) paid hours in a work week, the approved leave over forty (40) hours will be treated as leave without pay.

Collective Bargaining Agreement Amendment

between

PROFESSIONAL AIR TRAFFIC CONTROLLERS ORGANIZATION, INC.

and

SERCO MANAGEMENT SERVICES, INC.

Original Date of Agreement: 15 June 2007

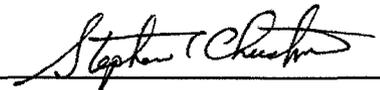
Effective Date of Amendment: 1 October 2007

The following passage shall replace the original language for **Article 23, Health and Welfare, Section 1, Health and Welfare Contributions, paragraph (a)** in its entirety:

(a) The parties agree that between the effective date of this Agreement and the first pay period of calendar year 2009, employees will continue to receive the health and welfare benefits that they are currently receiving. Effective the first pay period of calendar year 2009, the Employer will contribute \$3.19 per hour worked (excluding overtime hours) towards the cost of health and welfare benefits for each employee retroactive to October 1, 2008 (the first day of the Federal Government's fiscal year). Health and welfare benefits covered by this provision include: health insurance, vision insurance, dental insurance, life and AD&D insurance, and 401K (excluding any Employer paid match under Article 18). The Employer will balance/true-up the employee's health and welfare contribution total against the cost of the health and welfare benefits selected by the employee on a quarterly basis.

The above constitutes the whole of the amendment to the original agreement.

FOR THE EMPLOYER
SERCO MANAGEMENT SERVICES, INC.

By: 

Its: Vice President, Aviation Operations

Dated: September 3, 2008

FOR THE UNION
PROFESSIONAL AIR TRAFFIC
CONTROLLERS ORGANIZATION, INC.

By: 

Its: President

Dated: Sept 4 2008

Article 22
Position Description

Section 1 The Employer shall provide each bargaining unit employee a general position description which accurately reflects the duties of his or her air traffic control specialist position.

Section 2 The Employer shall provide each employee a copy of the position description and any changes thereto.

Section 3 The employee's primary duties shall relate to air traffic control, LAWRS weather observation, and other reasonably related functions.

Section 4 On an occasional or temporary basis, the Employer may assign employees reasonable unrelated duties as necessary to maintain operations, ensure safety, and/or address emergencies.

Article 23
Health and Welfare

Section 1 Health and Welfare Contributions

~~(a) The parties agree that between the effective date of this Agreement and September 30, 2007, employees will continue to receive the health and welfare benefits that they are currently receiving consistent with the applicable wage determination. Effective October 1, 2007, the Employer will contribute \$3.01 per hour worked (excluding overtime hours) towards the cost of health and welfare benefits for each employee. Health and welfare benefits covered by this provision include: health insurance, vision insurance, dental insurance, life and AD&D insurance, and 401K (excluding any Employer paid match under Article 18). The Employer will balance/true up the employee's health and welfare contribution total against the cost of the health and welfare benefits selected by the employee on a quarterly basis. The \$3.01 per hour rate will remain in effect at least until September 30, 2008.~~

(b) Beginning in July 2008 and annually each July thereafter, the parties will review and discuss the health and welfare hourly contribution amount in Section 1(a) and will use the applicable Montana wage determination's health and welfare hourly contribution rate as a reference to adjust such amount. Any such adjustment shall become effective in the first pay period of the next calendar year retroactive to the prior October 1st (the first day of the Federal Government's fiscal year).

Section 2 Health and Welfare Benefits

The Employer shall continue to provide, in accordance with its present policy and subject to any applicable conditions or limitations therein, the following benefits to eligible employees; provided that should the following benefits change for nonexempt employees Employer-wide such changes will also be made in the benefits provided in this Article.

(a) Health Insurance. Subject to this Article, the Employer will provide a comparable level of health insurance benefits as it currently provides. The Employer will cover the costs of

Article 21
Holidays

Section 1 Recognized Holidays: The following days shall be recognized as Holidays under this Agreement:

New Year's Day	Martin Luther King Day
President's Day	Memorial Day
Independence Day (4th of July)	Labor Day
Columbus Day	Veteran's Day
Thanksgiving Day	Christmas Day

Section 2 Holiday Pay:

(a) Eligible employees who do not work on a designated holiday, will receive eight (8) hours of holiday pay at their straight time hourly rate.

(b) Eligible employees who work on a designated holiday, shall receive eight (8) hours of holiday pay in addition to their straight time hourly rate (including any applicable night differential or overtime) for hours actually worked on the holiday.

(c) Eligible employees who are on vacation on a designated holiday, shall receive eight (8) hours of holiday pay in addition to their vacation pay.

Section 3 Holiday Pay Eligibility: To be eligible for holiday pay, employees must have:

(a) Completed the probationary period;

(b) Worked on the observed holiday when scheduled to do so unless the Employer authorized the absence in advance or the absence is due to medical reasons verified by a Doctor's note; and

(c) Worked on his/her scheduled shift immediately before and immediately after the designated holiday unless the Employer authorized the absence in advance or the absence is due to medical reasons verified by a Doctor's note.

Section 4 Taking Off the Holiday. The parties recognize that the Employer is generally a 365-day operation and employees will be required to work on holidays. Employees scheduled to work on a designated holiday will be required to report to work on such holiday unless they have approved leave.

Section 5 Layoff, Leave of Absence, Unpaid Leave. An employee who is on layoff, leave of absence or other unpaid leave is not eligible to receive holiday pay for any holiday that falls within the time period of his/her layoff, leave of absence or unpaid leave.

such health insurance provided, however, that should the aggregate costs of all health and welfare benefits exceed the health and welfare contribution amount set forth in Section 1 (\$3.01/hour), the employee will be required to pay the remaining cost to maintain such benefits. Any such employee share of premiums shall be made via payroll deduction on a pre-tax basis under Section 125 of the Internal Revenue Code.

(b) Dental Insurance. Subject to this Article, the Employer will continue to provide the current or comparable level of dental insurance benefits. The Employer will cover the costs of such dental insurance provided, however, that should the aggregate costs of all health and welfare benefits exceed the health and welfare contribution amount set forth in Section 1 (\$3.01/hour), the employee will be required to pay the remaining cost to maintain such benefits.

(c) Vision Insurance. Subject to this Article, the Employer will continue to provide the current or comparable level of vision insurance benefits. The Employer will cover the costs of such vision insurance provided, however, that should the aggregate costs of all health and welfare benefits exceed the health and welfare contribution amount set forth in Section 1 (\$3.01/hour), the employee will be required to pay the remaining cost to maintain such benefits.

(d) Life and AD&D Insurance. Subject to this Article, the Employer will continue to provide the current or comparable level of life insurance and AD&D benefits. The Employer will cover the costs of such life and AD&D insurance provided, however, that should the aggregate costs of all health and welfare benefits exceed the health and welfare contribution amount set forth in Section 1 (\$3.01/hour), the employee will be required to pay the remaining cost to maintain such benefits.

(e) Short Term Disability. Subject to this Article, the Employer will continue to provide the current or comparable level of short term disability insurance benefits which shall remain 100% employee paid.

(f) Long Term Disability. Subject to this Article, the Employer will continue to provide the current or comparable level of long term disability insurance benefits which shall remain 100% employee paid.

(g) Employee Assistance Program. Subject to this Article, the Employer will continue to provide an Employee Assistance Program ("EAP"). The Employer will cover the costs of such EAP.

(h) 401K. On a pay period basis, the Employer will contribute to the employee's 401K account the difference, if any, between the health and welfare contribution amount set forth in Section 1 (\$3.01/hour) and the cost of the health and welfare benefits provided to such employee. Where the costs of health and welfare benefits provided to such employee exceed the health and welfare contribution amount, no Employer 401K contributions shall be made.

(i) 125 Plan. Subject to this Article, the Employer will continue to provide a Section 125 Plan. The Employer will cover the costs of such 125 Plan.

Section 3 Waiting Period. The benefits described in this Article will be made available to eligible employees on the first day of the first month following completion of the employee's probationary period.

Section 4 Termination of Coverage. Except as is otherwise required pursuant to the Employee Retirement Income Security Act of 1974 with respect to coverage under the insurance programs set forth in this Article coverage of an employee under the insurance programs set forth in Section 1 (a) through (h) of this Article shall terminate upon the earliest date allowed by the terms and conditions of the plan documents and the law. Notwithstanding any provision of this Agreement, the Employer shall have no obligations to pay any of the costs of the coverage set forth in this Agreement on behalf of any employee who is engaged in a strike.

Section 5 Cap on Employer Paid Premiums/Costs. If during the term of this Agreement, the premiums/costs of the above benefits increase, the increase shall be paid by the Employer and employee at the same proportionate rate as exists at time of execution of the Agreement provided, however, that should the aggregate costs of all health and welfare benefits exceed the health and welfare contribution amount set forth in Section 1 (\$3.01/hour), the employee will be required to pay the remaining cost to maintain such benefits.

Section 6 Right to Change Providers/Carriers. The Employer reserves the right to change insurance carriers, health maintenance organizations, plan administrators, or to self-insure, as it deems appropriate.

Section 7 The Language of the Policies Govern. The extent of coverage under all Employer insurance policies (including HMO) referred to in this Agreement will be governed by the terms and conditions set forth in said policies or plans. Any questions or disputes concerning said insurance policies or plans or benefits thereunder will be resolved in accordance with the terms and conditions set forth in said policies or plans.

Section 8 Scope of Employer Responsibility. It is expressly agreed and understood that the Employer does not accept, nor is it to be charged with, any responsibility or liability in any manner for any benefit afforded by this Article pursuant to or under an insurance contract, plan or program, including determination of coverage, qualification for or payment of benefits to or on behalf of an employee, or otherwise, and the Employer's sole liability shall be limited to making payment to the insurer of any required premium payment. No dispute arising or relating to this Article shall be subject to the grievance and arbitration procedures set forth in Article 6, except an allegation that the Employer has failed to pay premiums required to purchase insurance coverage. Nothing in this Agreement will be construed to relieve any insurance carrier(s) or plan administrator(s) from any liability it may have to the Employer, employee or beneficiary of any employee.

Article 24 **Dress Code**

Section 1 Acceptable Attire. Members of the bargaining unit shall groom and attire themselves in a neat, clean professional manner appropriate to the business of Air Traffic Control. Examples of acceptable attire include: casual slacks, jeans, shorts of appropriate length,

shirts with collars, dresses, skirts, blouses, turtle necks, and sweaters. Shoes (including appropriate athletic shoes) shall be neat and clean, and neckties shall not be required.

Section 2. Unacceptable Attire. Examples of unacceptable attire include, but are not limited to: tattered blue jeans, sandals and flip flops, T-shirts, tank/muscle/sleeveless shirts, halter/tube tops, athletic clothing (such as sweats, jogging suits, gym shorts), revealing, ripped or disheveled clothing and clothing having sexual connotations, written or pictured, or large lettering or slogans. Hats and caps are not to be worn inside the facility.

Article 25 **Indemnification**

The Employer agrees to indemnify, hold harmless, and defend employees against claims against them in connection with the performance of their duties of employment for the Employer to the full extent permitted by law but not with respect to any claims that an employee engaged in fraudulent, willful, reckless, grossly negligent, criminal or acts outside the scope of his or her employment. Employees shall immediately (but in no event later than 24 hours) notify the Employer upon learning of any actual or threatened dispute or lawsuit and shall cooperate fully in any defense or action whether before or after their termination of employment. Where the Employer indemnifies the employee, the Employer shall retain the right to direct the defense, select legal counsel, and make any settlement decisions.

Article 26 **Substance Abuse and Testing Program**

Section 1 General: The parties recognize that employees work in safety sensitive positions where the health and safety of those traveling in airplanes depends on employees performing their duties in an alert, competent and professional manner. The parties also recognize that employees adversely affected by drugs or alcohol may pose a risk to such persons, as well as to themselves and other employees.

Section 2 Compliance with DOT/FAA Regulations: Employees shall be subject to substance abuse testing in accordance with Department of Transportation (“DOT”) and Federal Aviation Administration (“FAA”) regulations. The parties agree to the following substance abuse and testing procedures which supplement the DOT/FAA procedures.

Section 3 Definitions: For purposes of this Article, “drug” is any “controlled dangerous substance” as listed in Schedules I-V of 21 C.F.R. Part 1308 and any “prohibited drug” as defined in Appendix I to 14 C.F.R. Part 121. All prescription and over-the-counter (“OTC”) drugs must be approved by an Aviation Medical Examiner (“AME”) or the Civil Aerospace Medical Institute (“CAMI”), as appropriate.

Section 4 Prohibitions: In recognition of the safety-sensitive nature of the work and in an effort to promote a drug-free and safe working environment:

- (a) Employees are prohibited from using, possessing, manufacturing, distributing, dispensing, selling, or buying drugs or alcohol on Employer property, while operating Employer equipment/vehicles or during working time.
- (b) Employees may not be under the influence of drugs or alcohol on Employer property, while operating Employer equipment/vehicles or during working time.
- (c) Employees may not use prescription or OTC drugs in a manner inconsistent with the prescription or directives.
- (d) Employees may not consume any alcohol or other intoxicants within eight (8) hours of the start of their shift or otherwise violate the applicable FAA regulations regarding drugs and alcohol.

Section 5 Testing: Employees may be tested for drugs and/or alcohol in the following circumstances and in accordance with Appendix J to 14 C.F.R. Part 121:

(a) Reasonable Suspicion: Where the Employer has a reasonable suspicion and objective evidence that an employee is using, under the influence of, in possession of, distributing, manufacturing, buying, or selling drugs or alcohol on Employer property, while operating Employer equipment/vehicles or during working time, the Employer shall have the right to test for the presence of drugs and/or alcohol. Reasonable suspicion may be based upon factors including, but not limited to, the employee's appearance, behavior, speech, odor, or other characteristics;

(b) Post Incident/Accident/Injury/Unsafe Act: Where the employee is involved in (1) an air traffic incident; (2) an aircraft accident or incident; or (3) an accident that causes an injury or property damage on Employer property, while operating Employer equipment/vehicles or during working time; or where the employee is (4) injured in the workplace; or (5) otherwise observed engaging in an unsafe act on Employer property, while operating Employer equipment/vehicles or during working time, the Employer shall have the right to test the employee for the presence of drugs and/or alcohol.

(c) Follow-up: As part of a follow-up program under this Article, the Employer shall have the right to test for the presence of drugs and/or alcohol.

(d) Random: Due to the safety risk posed by the safety-sensitive nature of the work performed and in an effort to ensure the health and safety of persons traveling by aircraft and employees, employees may be selected for drug and/or alcohol testing pursuant to a random selection process. The tests will be unannounced, spread throughout the year, and the selection of employees will be made by a scientifically valid method.

(e) Return from Extended Absence: Prior to returning from an extended absence of three (3) weeks or more.

Testing Procedures: Testing will be conducted in accordance with applicable DOT and FAA regulations.

Section 6 Disciplinary Penalties:

(a) The use, possession, manufacture, sale or distribution or being under the influence of alcohol or a drug on Employer property, while operating Employer equipment/vehicle or during working time, shall constitute just cause for immediate discharge of the employee.

(b) A confirmed positive test result for drugs from a test administered pursuant to this Article shall constitute just cause for immediate discharge of the employee. "Positive test result" for purposes of this paragraph means a test performed on a specimen provided by the employee which detected an amount of a drug at or above the levels established by the applicable U.S. Government agency for safety sensitive positions.

(c) A confirmed positive test result which measures an ethyl alcohol concentration of .04% or higher for alcohol from a test administered pursuant to this Article shall constitute just cause for immediate discharge of the employee.

(d) Intentionally submitting or attempting to submit an adulterated, diluted, or substituted specimen, whether the employee's own specimen or another's specimen, shall constitute just cause for immediate discharge.

(e) Refusal to take or cooperate in a drug and/or alcohol test pursuant to this Article or a referral to treatment shall constitute just cause for immediate discharge. Any refusal to take a drug or alcohol test shall be considered a "confirmed positive test result" for drugs under this Article.

(f) Conviction of a violation of a criminal drug offense shall constitute just cause for immediate discharge.

(g) Any other violation of this Article shall subject the employee to discipline up to and including immediate discharge.

Section 7 Drug-Free Workplace: In accordance with the Drug-Free Workplace Act of 1988, employees must abide by the terms of this Article and must notify the human resources manager or area manager in writing of any conviction of a violation of a criminal drug offense no later than five (5) calendar days after such conviction. The term "conviction" includes a finding of guilt, a no contest or nolo contendere plea, and the imposition of a sentence by a judicial body.

Section 8 Searches: To the extent allowable by federal and state law, the Employer reserves the right to search any Employer property, including but not limited to, any desk, drawer, file, locker or other container of any nature on the Employer's premises and any package, bag or container of any nature whatsoever brought on or removed from the Employer's premises.

Article 27
Union Publications and Use of Employer Facilities

Section 1 **Bulletin Board**. The Employer shall provide necessary space, if available, for a Union-furnished bulletin board in the facility for posting of Union materials. The content of publications or announcements placed on the Union's bulletin board shall not be restricted, censored, altered, or removed by the Employer unless such materials are offensive, scurrilous, inflammatory, or disparaging to an employee, manager, or the Employer. The Employer shall provide the Union President with a copy of any materials removed due to violation of this Article.

Section 2 **Employer Facilities**. The Union may place materials in the employee's mail slots/boxes or lockers if available in the facility and outside the operating quarters. The parties agree that the Union will not identify the Employer's address or telephone number as the Union's office on any business card or other written material. The Employer's copy machine, fax machine, other equipment and supplies shall not be used for Union business.

Article 28
Layoff and Return to Work

Section 1 **Notice of Layoffs**. For the purpose of this Article, "layoff" shall be defined as an Employee not being scheduled by the Employer for one (1) week or more due to lack of work. Should the Employer determine the need to layoff employees, the Employer will provide the Union and affected employee(s) with written notice one (1) week prior to the commencement of the layoffs, except in the event of emergency or other circumstances beyond the Employer's control.

Section 2 **Order of Layoffs**. In the event of a layoff, the Employer will select the least senior Employee(s) to be laid off first.

Section 3 **Recall**. Laid-off Employees shall be placed on a recall list for the period of one year and shall be recalled to work based on seniority. An Employee who declines a recall opportunity forfeits all recall rights.

Section 4 **Recall Procedure**. In the event of lay-off and recall, the Employer shall contact the Employee at the telephone number of record and by certified mail to the last known address. The Employee shall be required, within five (5) working days (excluding Saturday and Sunday) of delivery or attempted delivery of the notice of recall, to notify the Employer of his intent to return to work and return to work on the date specified for recall. The Employee shall be required to be available for work within two (2) weeks of the notice.

Article 29
Jury Duty Leave/Emergency Leave Due to Temporary Closure of the Tower

Section 1 **Jury Duty**.

(a) Employees required to perform jury duty will receive his or her straight time rate of pay, less jury fees received for up to twenty-four (24) hours per year. Compensation for jury

duty is based on the number of hours the employee would regularly have worked (excluding overtime) on those days.

(b) Employees receiving a jury summons must present the summons and a leave request to the ATM promptly after receipt of such summons and must furnish the ATM with proper written documentation of performed jury duty and fees received upon their return to work.

(c) An Employee is required to work on a regularly scheduled work day if he is not required for jury duty on a particular day or if he is dismissed early enough to work two (2) hours or more of his shift.

(d) Jury duty leave shall be used to replace scheduled work hours and may not be used to bring the employee's total paid hours in one week to an amount above forty (40). If an employee's approved jury duty leave will result in more than forty (40) paid hours in a work week, the approved leave over forty (40) hours will be treated as leave without pay.

Section 2 Emergency Leave Due to Temporary Closure of the Tower. In the event of fire, storm, power outage or other emergency which requires the temporary closing of the tower, employees scheduled to work (excluding overtime) during such closure shall receive up to eight (8) hours of straight time pay for loss of scheduled work. Employees will be permitted to use earned vacation leave for any additional loss of scheduled work hours (excluding overtime) resulting from such closure.

Article 30 **Medical Qualifications**

Section 1 Employees are required to maintain a current FAA Class II Medical Certificate ("Class II Certificate") and ensure that the medical clearance is current at all times. The Employee shall provide a copy of a valid Class II Certificate to the Employer within one week of the renewal date or the last day of the renewal month, whichever comes first.

Section 2 Employees shall be required to submit the costs of the Class II physical examination to their health insurance carrier.

Section 3 The Employer will reimburse employees for costs not covered by health insurance incurred for the required routine annual Class II physical examination and one way travel expense (using Joint Travel Regulations mileage rate) to the nearest Aviation Medical Examiner ("AME") for such examination up to a total not to exceed seventy-five dollars (\$75.00). To receive such reimbursement, employees must complete all required expense reports and must provide a copy of the Class II Certificate and itemized receipt from a certified Aviation Medical Examiner ("AME").

Section 4 Employees who allow their Class II Certificate to expire shall be promptly suspended from air traffic control duties and placed on a leave of absence without pay under Article 15 (Leave of Absence without Pay) for a maximum of six (6) weeks or until a valid Class II Certificate has been provided to the Employer, whichever time is less. The Employee may use earned vacation hours available during such leave.

Section 5 Employees who allow their Class II Certificate to expire may be subject to disciplinary action under Article 7 of this Agreement.

Article 31
Probationary Period

All newly hired employees shall serve a training and probationary period during the first ninety (90) days of their employment. During such period, the Employer may evaluate the employee's performance and may discipline or discharge a probationary employee at its sole discretion without just cause. Discharge and/or disciplinary action of a probationary employee cannot be challenged by the Employee or the Union through the grievance and arbitration procedure established in this Agreement. If an employee fails to obtain the required certification within the first ninety (90) days of employment, such employee's probationary period may be extended by the Employer until such employee obtains the necessary certification or for an additional ninety (90) day period, whichever comes first, to allow for additional assessment and training. To be effective, notice of such extension must be received by the Union prior to the expiration of the Employee's original 90-day probationary period.

Article 32
Official Personnel File

Section 1 The Employer shall maintain one official personnel file for each employee which shall be kept in the Employer's corporate office. Nothing in this Article shall preclude the Employer from maintaining copies of relevant personnel documents relating to employees in informal files at the facility or other Employer locations.

Section 2 Each employee may receive a copy of his or her official personnel file upon written request. The Employer shall pay for one such copy per year. Any subsequent copies of the personnel file in the same calendar year shall be paid for by the employee.

Section 3 Within fifteen days of review of his or her personnel file, the employee may submit a written response to any derogatory material contained in the file. The employee's written response shall be attached to such derogatory materials and maintained in the official personnel file.

Section 4 Disciplinary action notices shall be maintained in the official personnel file in accordance with Article 7 of this Agreement.

Article 33
Savings Clause

In the event that any provision of this Agreement shall be rendered invalid by applicable legislation or be declared invalid by any court or regulatory agency of competent jurisdiction, such action shall not invalidate the entire Agreement which shall remain in full force and effect. Both parties agree that the subject matter of any provision found to be invalid shall be renegotiated. If there is any conflict between the provisions of this Agreement and any legal obligations imposed on the Employer by federal or state law, such legal obligations will be controlling.

Article 34
Printing of the Agreement

The Employer shall print two copies of the Collective Bargaining Agreement (“CBA”), with each party retaining one original.

Article 35
No Strike/No Lockout

Section 1 The Union, its officers, agents, representatives, members, and employees covered by this Agreement hereby agree that during the term of this Agreement there will be no strike, slow-down, sympathy strike, work stoppage, picketing and/or curtailment of or interference with the work or operations of the Employer. In the event such prohibited activities occur, the Union agrees that it will promptly notify the employees that it disapproves of such action and instruct employees to cease such actions and return to work immediately.

Section 2 The Employer hereby agrees that during the term of this Agreement there will be no lockout of employees.

Section 3 In the event any employee covered by this Agreement violates the terms of this Article, the Employer will have the unqualified right to immediately discharge or otherwise discipline such employee. Any grievance or arbitration concerning employee discipline or discharge for violation of this Article shall be limited solely to a determination of whether the employee engaged in conduct prohibited by this Article and the Employer’s choice of penalty may not be challenged or contested, but shall remain in the sole discretion of the Employer. The failure to confer a penalty for violation of this Article shall not constitute a waiver of the right to do so in any other instance, nor shall such failure establish a precedent of any kind.

Article 36
Termination of Government Contract

Section 1 This Agreement is expressly limited to the work assigned the Employer to be performed at the Kalispell, Montana tower pursuant to the contract between the Employer and the FAA. If the FAA cancels, does not renew, or otherwise terminates its contract with the Employer with respect to the work to be performed at the Kalispell, Montana tower, all obligations on the Employer required by this Agreement shall cease upon the effective termination date of the FAA contract with respect to the work to be performed at the Kalispell, Montana tower.

Section 2 The Union reserves all of its rights under applicable law to apply and/or extend this Agreement in its entirety to any successor contractor for the duration of the term of this Agreement and thereafter.

Article 37
Duration

Section 1 This Agreement shall become effective on the date the Agreement is approved and ratified by the Union and the Employer and shall be in full force and effect from June 15,

2007 to and including June 14, 2010, and from year-to-year thereafter unless modified, amended, or terminated in accordance with this Article.

Should either party wish to modify or terminate this Agreement, the party shall provide notice of its desire to terminate and/or modify this Agreement in writing at least sixty (60) days prior to the expiration date.

IN WITNESS WHEREOF, the parties hereto by their duly designated representatives have hereunto set their hands.

FOR THE EMPLOYER
SERCO MANAGEMENT SERVICES,
INC.

By: 

Its: Vice President Aviation Operations

Date: June 13, 2007

FOR THE UNION
PROFESSIONAL AIR TRAFFIC
CONTROLLERS ORGANIZATION, INC.

By: 

Its: PRESIDENT

Date: 6/14/2007