COLLECTIVE BARGAINING AGREEMENT

BETWEEN

UNITED GOVERNMENT SECURITY OFFICERS OF AMERICA, INTERNATIONAL UNION

AND

UNITED GOVERNMENT SECURITY OFFICERS OF AMERICA LOCAL 068

AND

AKAL SECURITY, INCORPORATED

July 1, 2011 through September 30, 2014

MISSION STATEMENT

COURT SECURITY OFFICER

- Ensure the safety of US Federal Courts, Protected Government facilities and their employees against unauthorized, illegal and potentially life-threatening activities.

- Cadres of qualified and highly skilled officers perform this mission.

CSO Goal & Vision

Goal

To conduct ourselves in a manner as to bring credit upon the Court Security Officer and Special Security Officer program and the United States Marshal Service at all times.

Vision

To be alert to all situations and events that take place and take necessary measures to prevent dangerous situations from happening.

ARTICLE 1 GENERAL PROVISIONS

SECTION 1.1 PARTIES

This agreement is entered into by and between Akal Security, Incorporated a New Mexico corporation, hereinafter referred to as the "Company" or "Employer", United Government Security Officers of America, International Union (UGSOA, IU), and UGSOA Local 068 (hereinafter referred to as the Union). The Company recognizes the Union as the sole and exclusive bargaining representative, of the bargaining unit for the purpose of collective bargaining as defined in the National Labor Relations Act. This agreement shall be binding upon all parties, their successor's and assigns. In the event of the sale or transfer of the business of the employer, or any part thereof, the purchaser or transferee shall be bound by this agreement.

SECTION 1.2 BARGAINING UNIT

The unit is defined as all full-time and shared position Federal Court Security Officers (CSOs), Federal Special Security Officers (SSOs), Lead Federal Court Security Officers (LCSOs) and Lead Federal Special Security Officers (LSSOs) employed by the Company in the 6th Circuit consisting of UGSOA Local 068, in the Statewide District of the State of Tennessee in the following cities of Knoxville, Chattanooga and Winchester, excluding all other employees including office clerical employees and professional employees as defined in the National Labor Relations Act.

SECTION 1.3 NEGOTIATING COMMITTEE

The Company agrees to recognize a Negotiating Committee composed of up to three members and one alternate selected by the Union to represent the Employees in collective bargaining negotiations.

SECTION 1.4 STEWARD SYSTEM

A. The Company agrees to recognize a steward system.

B. The Union agrees that the union representatives and aggrieved employees will work at their regular jobs at all times except when they are properly relieved to attend to all the business of the Grievance Procedure as outlined in this Agreement. Aggrieved employees will be paid their regular rate of pay in the conduct of Company Union business during scheduled working hours.

C. If the Employee requests, the Company will call for a union representative prior to any disciplinary action taken, whether it be written or verbal. The supervisor, at the request of the Employee, will release the union representative as soon as possible. The Union Representative shall be paid for that time spent meeting with the Company, upon

receiving Supervisor approval of relief from duty. If no Union representative is available, the employee may proceed without a Union representative or reschedule the discussion within 24 business hours.

SECTION 1.5 MANAGERS AND SALARIED PERSONNEL

Managerial and salaried Employees shall not perform the duties of the Employees in the bargaining unit, except in an emergency.

"Management", as used in this Agreement, refers to Site Supervisors, Contract Managers and Corporate representatives; Lead and Senior Lead Court Security Officers are not considered management.

SECTION 1.6 UNION SECURITY

A. An Employee who is a member of the Union at the time this Agreement becomes effective shall continue membership in the Union for the duration of this Agreement, to the extent of tendering the membership dues uniformly required as a condition of employment.

B. An Employee who is not a member of this Union at the time that this Agreement becomes effective, as a condition of employment, the employee shall, within ten (10) days after the 30th day following the effective date of this Agreement or date of hire either:

1. Become a member of the Union and remain a member

   or

2. Pay the Union a service fee. The amount of this service fee shall be equal to that paid by regular Union members to include regular and usual initiation fees. The service fee will not include any assessments, special or otherwise. Such payments shall commence on the 30th day after the date of hire.

C. Before any termination of employment pursuant to this Section becomes effective, the employee involved shall first be given notice in writing by the Union to pay the prescribed initiation fee and/or delinquent dues. If the employee fails to pay the initiation fee and/or delinquent dues, the Union shall notify the Company and provide proof of notice and the request for termination of delinquent employee. The Company shall notify the delinquent employee of pending termination if such fees/ or dues are not tendered within 48 hours. If such fee and/or dues are tendered within 48 hours after the employee receives this notification from the Company, his/her dismissal under here shall not be required. If termination is administered under this provision, the reasons will be given in writing and the employee terminated within five working days. Termination

will not occur if there is an ongoing dispute between the effected employee and the Union.

D. The obligations set forth in this Article shall only be effective to the extent permitted by controlling law.

E. The Union, including its International, agrees to save and hold the Employer harmless from any and all claims, actions, suits, damages, or costs, including any attorneys fees incurred by the Employer, on account of any matter relating to the terms of this Article, including, but not limited to, any claims by any Employee(s) and compliance with the law.

SECTION 1.7 DUES CHECKOFF

A. The Company agrees to deduct dues as designated by the Union on a monthly basis from the paycheck of each member of the Union. These deductions will be made only upon written authorization from the Employee on a form provided by the Union. The Employee, upon written notice served upon the Company and the Union, may revoke such authorization as provided in the Employee Check-Off Authorization Card. It is understood that such deductions will be made only so long as the Company may legally do so. The Company will be advised in writing, by the Union, as to the dollar amount of the Union membership dues.

B. The Company will remit all such deductions to the Financial Secretary/Treasurer within three (3) business days from the date that the deduction was made. The Union agrees to furnish the Company with the current routing number for direct deposit. The Company shall furnish the Financial Secretary/Treasurer with a deduction list, setting forth the name and amount of dues with each remittance. The Union agrees to hold the Company harmless from any action or actions growing out of these deductions initiated by an Employee against the Company, and assumes full responsibility of the dispositions of the funds so deducted, once they are paid over to the Union. Errors made by the Company in the deduction or remittance of monies shall not be considered by the Union as a violation of this provision, providing such errors are unintentional and corrected when brought to the Company's attention.

SECTION 1.8 INTENT OF PARTIES

The Union and the Company agree to work sincerely and wholeheartedly to the end that the provisions of this Agreement will be applied and interpreted fairly, conscientiously, and in the best interest of efficient security operations. The Union and the Company will put forth their best efforts to cause the Bargaining Unit Employees, individually and collectively, to perform and render loyal and efficient work and services on behalf of the Company, and that neither their representatives nor their members will intimidate, coerce, or discriminate in any manner against any person in its employ by reason of his/her membership and activity or non-membership or non-activity in the Union.

SECTION 1.9 ANTI-DISCRIMINATION

Neither the Company nor the Union will discriminate against any Employee because of race, color, religion, sex, age, national origin, Military Veterans status, disability, sexual orientation or other protected reason. The Company and the Union recognize that the objective of providing equal employment opportunities for all people is consistent with Company and Union philosophy, and the parties agree to work sincerely and wholeheartedly toward the accomplishment of this objective. The union agrees, on behalf of itself and all employees covered by this Agreement, that the procedure in Article 3 will not be available to employees who pursue a discrimination claim in another forum.

SECTION 1.10 LOCAL SPECIFIC ISSUES

Appendix B of this agreement contains all language that is specific to this Local, such as:
Seniority, Seniority Lists, Personal Data, Transfer out of Unit, Probationary Employees,, Termination of Seniority, Job Opportunities, Filling Vacancies, Shared Time Employees, Layoff and Recall, Temporary Assignments, Appointment of Lead CSOs and Scheduling Vacations.

ARTICLE 2

SECTION 2.1 MANAGEMENT'S RETAINED RIGHTS

Management of the business and direction of the security force are exclusively the right of management. These rights include but are not limited to the right to:

A. Hire;
B. Assign work and schedule;
C. Promote, Demote, Layoff, Transfer except as defined in this agreement;
D. Discharge, discipline, or suspend for just cause;
E. Make and enforce reasonable Employer rules and regulations;
F. Determine when overtime shall be worked;
G. Determine the qualifications of an Employee to perform work;
H. Determine the size and composition of the workforce; and
I. Determine, direct or change work operations; and
J. Sell, lease, shut down or otherwise dispose of its assets or business operations.

SECTION 2.2 MANDATORY BARGAINING

Management shall not implement any changes to subjects covered in the mandatory bargaining list as provided for in the NLRA Section 8(d).

SECTION 2.3

Any rights, power or authority the Company had prior to the signing of this Agreement are retained by the Company, except those specifically abridged or modified by this Agreement and any supplemental Agreements that may hereafter be made. The Company's failure to exercise any function reserved to it shall not be deemed a waiver of any such rights.

ARTICLE 3

GRIEVANCE PROCEDURE

SECTION 3.1 INTENT

For purposes of this Agreement, a grievance shall mean a claimed violation, misinterpretation, or misapplication of any provision of this Agreement, or the challenge of any disciplinary action taken against a Union Employee.

SECTION 3.2 GENERAL PROVISIONS

A. The number of days outlined in Section 3.3 in the processing and presentation of grievances shall establish the maximum time allowed for the presentation and processing of a grievance. The term "days" shall not include Saturdays, Sundays or holidays when used in this Article.

B. Should the Company or the Union fail to respond to any step in this grievance process, in the times set forth, the grieving party will deem it as a denial and move the grievance to the next step, within the time limits set forth in that next step. Allowance by the Company for the Union to exceed the time limits in any given grievance at its discretion will not waive such time limits for any other grievance.

SECTION 3.3 GRIEVANCE PROCEDURE

All grievances shall be presented and processed in accordance with the following procedures:

A. **Informal Step** - The parties shall make their best efforts to resolve any dispute on an informal basis. Both the Company and the Union agree that the aggrieved party's Union representative will first discuss the complaint with their immediate supervisor, not in the bargaining unit (Senior Leads and Leads are NOT supervisors), within eight (8) working days of the Grievant's knowledge of a grievable matter, to start the informal procedure. If the informal procedure is not invoked within eight working days of the Grievant's knowledge of a grievable issue, then it is agreed by both parties that no further action can be taken. If, during the course of this discussion either the aggrieved party or the party being grieved deems it desirable, a steward or other Union representative will be called in.

B. **Step One** - If the matter is not resolved informally, the aggrieved party shall, not later than ten (10) days after the informal discussion with the party being grieved, set forth the facts in writing, specifying the Article and paragraph allegedly violated. This shall be signed by the aggrieved Employee and/or the union representative (if an Employee-initiated grievance) or the Contract Manager or his designee (if a Company-initiated grievance), and shall be submitted to the party being grieved or designee with a copy to the Company's Vice President of Human Resources (or the International Union, if a Company-initiated grievance). The responding party or designee shall have ten (10) days from the date the grievance was presented to return a decision in writing with a copy to the aggrieved party and the union representative.

C. **Step Two** - If the grievance is not settled in Step One, the grievance may be appealed in writing to the Company's Vice President of Human Resources (if an Employee-initiated grievance) or designee or the International Union (if a Company-initiated grievance) not later than ten (10) days from the date of receipt of denial by responding party. The Vice President of Human Resources/International Union or designee will have ten (10) days from the date the grievance was presented to return a decision, in writing, with a copy to the aggrieved party and the union representative.

D. **Grievance for Discipline** - Any grievance involving discharge or other discipline may be commenced at Step One of this procedure. The written grievance shall be presented to the Contract Manager or designee within eighteen (18) days after the Union's knowledge of the occurrence of the facts giving rise to the Grievance.

SECTION 3.4 ARBITRATION PROCEDURE

Grievances processed in accordance with the requirements of Section 3.3 that remain unsettled may be processed to arbitration by the Union or the Company, giving the Company's Vice President of Human Resources (or the International Union, if a Company-initiated grievance) written notice of its desire to proceed to arbitration not later than fifteen (15) days after the date of receipt of rejection of the grievance in Step Two. Grievances which have been processed in accordance with the requirements of Section 3.3 which remain unsettled shall be processed in accordance with the following procedures and limitations below. The issue of whether a grievance is arbitrable or timely may be decided by any court of competent jurisdiction. In such event, the requesting party will request an expedited proceeding so as not to unduly delay the matter. Unless the parties agree, only one grievance may be heard in a single hearing.:

A. **Selection of an Arbitrator** - Within fifteen (15) days the International Union or the Company will request the American Arbitration Association (AAA) or the Federal Mediation Conciliation Service (FMCS) to supply a list of seven (7) arbitrators. Within fifteen (15) days of receipt of the list an arbitrator will be selected by the parties alternately striking from the list until one (1) name remains, and this individual shall be the arbitrator to hear the grievance.

B. **Decision of the Arbitrator** - The arbitrator shall commence the hearing at the earliest possible date. The decision of the arbitrator shall be final and binding upon the parties to the Agreement. Any decision shall be complied with, without undue delay after the decision is rendered. It is understood and agreed between the parties that the arbitrator shall have no power to add to, subtract from, or modify any of the terms of this Agreement. If the decision of the Arbitrator is not complied with within fifteen (15) days of the decision in bad faith, the losing side shall be liable for attorney and court costs to enforce compliance including through the courts.

C. **Arbitration Expense** - The arbitrator's fees and expenses, including the cost of any hearing room, shall be shared equally between the Company and the Union. Each party to the arbitration will be responsible for its own expenses and compensation incurred bringing any of its witnesses or other participants to the arbitration. Any other expenses, including transcript costs, shall be borne by the party incurring such expenses.

D. **Time Limits** – The decision of the arbitrator shall be rendered as soon as possible after the dispute has been submitted to him/her and will normally be rendered within thirty (30) days of the latter of the close of the hearing or submission of post-hearing briefs (unless extended by agreement of the parties).

E. **Resolution of Grievances**
At any stage, the Company may settle any grievance by providing the relief requested in the grievance or the amount of relief available under this Agreement, whichever is less.

Unless agreed by both parties, any settlement is on a non-admission, non-precedent setting basis.

SECTION 3.5 CLASS ACTION

The Union shall have the right to file a group grievance (class action) or grievances involving more than one (1) Employee at the Informal Step of the grievance procedure.

SECTION 3.6 INDIVIDUAL GRIEVANCES

No individual may move a grievance to arbitration.

ARTICLE 4

DISCIPLINE

SECTION 4.1 GROUNDS FOR DISCIPLINE AND DISMISSAL

SECTION 4.1(a)

After completion of the probationary period, as specified in Appendix B.1.5, no Employee shall be dismissed or suspended without just cause. Just cause shall include any action or order of removal

of an employee from working under the contract by the U.S. Government, or revocation of required CSO credentials by the USMS under the Contract between the US Marshals Service and Akal Security, Inc.

Any temporary or permanent removal of an employee by determination of the Government as described in Section H-3 of the Contract, if available, shall not become permanent without requisite notice to the employee and the opportunity provided for the employee to respond to the Government's action within fifteen (15) days of the determination. Upon written request, the Company will provide the Union, in a timely manner, with all information concerning the removal that they may legally release, and will provide the Union with any relevant information concerning the proper Government point of contact and their contact data. The "final decision" on the employee's removal shall be determined by the Government, and the Employer shall be held harmless by the Union and the employee for any further claims made after this final determination. This provision is not intended to limit or prohibit the rights of any party to seek relief from other parties, but no such relief is available by the Union under the Agreement against the Company through the grievance and arbitration procedure or otherwise.

The Company's contract with the U.S. Government sets out performance standards for the CSOs in the Contract between the Company and the USMS, and all Employees are required to comply with these standards. These performance standards, the USMS Deadly Force Standards and the US Title 18 Domestic Abuse and Violence policy will be issued to each Employee and must be signed, acknowledging receipt, by the Employee and may be updated by the Company each year. Employees agree to comply with any express non-disciplinary directive issued by the Government. Employees agree to cooperate with any Company investigation of a violation of the performance standards.

SECTION 4.1(b)

The Company may discipline Employees when necessary and discharge those who fail to uphold U.S. Government or Company standards as described above. It is recognized by parties to this Agreement that progressive discipline generally shall be applied in dealing with Employees. However, it is also recognized that offenses may occur for which progressive discipline is not applicable (e.g. fraud, gross misconduct, theft, etc.) Disciplinary measures vary depending on the seriousness of the matter and the past record of the Employee. All discipline shall be subject to the grievance and arbitration procedures, except for those issues involving the USMS rights under the Contract as referenced above. The Employee may request, in writing, to the Site Supervisor, that any disciplinary action not resulting in suspension may be considered for removal from the Employee's file after 2 months, provided that no violations of the same type have occurred and that no more than one violation of any type has occurred.

ARTICLE 5

HOURS OF WORK AND OVERTIME

SECTION 5.1 WORKDAY AND WORKWEEK

For the purposes of this Article, a regular workweek of forty (40) hours of work, excluding lunch periods, shall constitute a normal full-time workweek for full-time Employees. Shift shall be defined as the start and end times, of the employee's work day. Shifts shall be designated at the discretion of the Employer to fulfill the needs of the U.S. Government. Per the National Labor Relations Act, changes in shifts must be negotiated with the Union prior to implementation of any such changes unless necessary to meet Government coverage requirements. Nothing contained herein shall guarantee to any Employee any number of hours of work per day or week.

SECTION 5.2 OVERTIME

An overtime rate of time and one-half (1 1/2) of an Employee's base rate of pay (exclusive of health and welfare and other fringe additions to pay) shall be paid for all hours actually worked in excess of forty (40) hours in a work week.

SECTION 5.3 OVERTIME REQUIREMENT

If directed to work overtime or extra hours, and the seniority system is not invoked due to shortness of notice to the Company, the Employee shall be required to do the work, unless the Employee is excused by the Company for good cause.

SECTION 5.4 OVERTIME DISTRIBUTION

A. Overtime will be offered by Seniority (within the worksite) on a rotating basis. Overtime will be distributed as equitably and fairly as practicable among Employees.

SECTION 5.5 REST PERIODS

There shall be two (2) fifteen (15) minute paid rest periods and one (1) thirty (30) minute unpaid lunch period for each eight (8) hour shift. These rest periods require that the Employee be properly relieved before leaving their post. One rest period shall be in the first half of the shift and the second rest period shall be in the last half of the shift. Rest periods and lunch period may be combined to give a one hour lunch break at the Company's discretion, if approved by the Government. On occasion, due to exceptional work requirements, Employees may have to work through their unpaid lunch breaks and/or paid rest periods, and, if so, they will be compensated at the appropriate rate of pay. The Company recognizes the requirement to make its best efforts to provide regularly scheduled breaks. It is not the intent of the Company to avoid this requirement.

ARTICLE 6

WORK SHIFTS AND PAYMENT POLICIES

SECTION 6.1 CALL-IN PAY

An Employee called in to work, when not previously scheduled, will be guaranteed a minimum of four (4) hours of work, or if four (4) hours of work is not available, will be paid for a minimum of

four (4) hours time. Call in is defined as anytime a CSO is required to report to duty for any business related function.

SECTION 6.2 SHIFT BIDDING – See Appendix B.2.6

SECTION 6.3 WAGE SCHEDULE

The base rate of pay for Court Security Officers and Lead CSOs in all locations are described in Appendix A of this Agreement.

SECTION 6.4 PAYDAY

Payday for all hourly Employees will be after 11 a.m. on Friday following the two (2) week pay period ending on Saturday, subject to change by mutual agreement. The Company will make its best effort to make direct deposit available and to list available personal leave and vacation in each Employee's paycheck.

SECTION 6.5 UNDISPUTED ERROR

Neither the Company nor the Employee will be allowed to go back more than twenty-four (24) months to audit, adjust, or correct undisputed errors involving vacation pay, sick / personal leave pay, or salary issues unless required to do so by order of the Government. If an error is found, the employee shall be notified in writing prior to any deductions from his/her paycheck.

In case of an undisputed error on the part of the company as to an Employee's rate of pay, proper adjustment will be made in the next paycheck after the error has been brought in written form to the Company's attention. Any error, involving eight (8) hours of pay or more, will be corrected and paid within three (3) working days.

SECTION 6.6 LEAD CSO RATES

If additional Lead CSOs are added to the contract any time after this Agreement goes into effect, they will be paid the LCSO wage. In the case where there are multiple LCSO wages, the additional LCSO will be paid at the lowest LCSO wage for the site or location where they are assigned.

SECTION 6.7 COURTHOUSE CLOSURE

The employer recognizes the fact that there are times when inclement weather, a natural disaster, or any other planned or unplanned event may close a Courthouse or Government Building where its employees are assigned. In the event that a closing occurs, employees will be excused and may use personal leave, vacation leave or leave-without-pay.

ARTICLE 7

HOLIDAYS

SECTION 7.1 HOLIDAYS DEFINED

Whenever the term "holiday" is used, it shall mean: *See Appendix "A" for list of holidays.*

SECTION 7.2 MISCELLANEOUS HOLIDAY PROVISIONS

A. A full-time position Employee who is not required to work on a holiday shall be paid eight (8) hours straight time, excluding any shift premium for that holiday.

B. Any full-time position Employee who works as scheduled on a holiday shall receive the Employee's appropriate rate of pay for all hours worked, and in addition, shall receive eight (8) hours holiday pay at the straight time rate as described in Section 7.2.A. above.

C. A shared position Employee who does not work on a holiday shall receive prorated holiday pay based on the number of actual hours the Employee is eligible for pay during the two (2) week pay period in which the holiday occurs. A shared position Employee shall be granted a minimum of four (4) hours pay per holiday. Shared position holiday prorating shall be based upon total non-holiday work days in the pay period.

D. Any shared position Employee who works as scheduled on a holiday shall receive the Employee's appropriate rate of pay for all hours worked, and in addition shall receive prorated holiday pay as described above in Section 7.2.C.

E. In the event that the Holiday falls on a weekend, the term "holiday" will refer to the day that the U.S. Government designates as the Holiday.

ARTICLE 8

VACATIONS

SECTION 8.1 ELIGIBLE FULL-TIME EMPLOYEES

Full-time Employees shall be entitled to annual vacation based on their continuous years of service with the Employer (based on the Employee's anniversary date of employment) at their individual hourly rate of pay at the time payment is made in accordance with the following schedule:

See Appendix "A" for vacation schedule.

SECTION 8.2 ELIGIBLE SHARED POSITION EMPLOYEES

A. Eligible shared position Employees shall be entitled to pro-rated vacation per the schedule contained in Section 8.1, based on their individual hourly rate, the number of hours paid in the previous year, and the Employee's anniversary date. A minimum of one-half the full-time benefit is guaranteed for Employees who have been paid for at least 1040 hours in the previous year.

B. Any Employee who works a full anniversary year, in part as a full-time position Employee and in part as a shared position Employee, shall receive prorated vacation benefits for that year as calculated in SECTION 8.2.A. (per the Service Contract Act).

SECTION 8.3 PAY OPTIONS

Earned vacation pay may be requested at anytime and will be paid in the next pay cycle. Earned vacation will remain available without pay.

SECTION 8.4 UNUSED VACATION

Vacations shall not be cumulative from one year to the next. Any earned but unused vacation time remaining at the end of a year of service (based on the Employee's anniversary date of employment) shall be paid to the Employee.

SECTION 8.5 TERMINATING EMPLOYEES

Upon termination of employment, Employees will be paid at their individual hourly rate vacation time earned as of their last anniversary date, but not used, as entitled by the Service Contract Act. (Example: An Employee who terminates one month into the next anniversary year is entitled to any of the previous year's earned accrued vacation not already used, and not to the additional month accrued in the new anniversary period, except for those employees working in a State that requires, by State Law, that employees be paid all accrued vacation, upon termination of employment). Currently Refers to California only.

SECTION 8.6 VACATION - LAID OFF EMPLOYEES

Length of service with the Employer shall accrue for the purposes of vacation benefits while an Employee is on laid-off status for up to one (1) year. Employees will only be paid vacation benefits when they are working.

SECTION 8.7 VACATION INCREMENTS

Consistent with Employer approval, efficiency, and economy of operations, Employees may take their vacation in segments of less than one (1) week each, but not less than four (4) hours increments.

ARTICLE 9

LEAVES OF ABSENCE

SECTION 9.1 LIMITATIONS

Personal leaves of absence for non-medical emergencies may be granted at the sole discretion of the Employer without loss of seniority to the Employee. Such leaves, if granted, are not to exceed 30 days, unless a special extension is approved by the Employer. Length of service with the Employer shall not accrue for purposes of vacation, holiday, or other accrued benefits for any unpaid leave of absence over 30 days. The Employer will make every reasonable effort to maintain an Employee's position while on a non-statutory unpaid leave of absence. Unpaid leaves of absence may be taken only with written approval of the Employer, or in a case of verified personal emergency.

Any Employee in an unpaid status at the time a holiday occurs shall not be entitled to any holiday pay. Note "unpaid status" does not include regular scheduled days off, vacation or personal leave.

SECTION 9.2 MEDICAL LEAVE

A. The Family and Medical Leave Act of 1993 (FMLA) is incorporated herein.

B. The Company agrees to honor the FMLA for all eligible Employees.

C. During medical leave, the Employee shall be required to furnish a report from the doctor when requested periodically by the Employer. Upon the expiration of said leave, the Employee shall furnish the Employer with a statement, signed by the doctor, which establishes the fitness of the Employee to return to the Employee's previously held work. Any Employee who is not able to return to work with a medical clearance from a licensed physician at the end of a maximum medical leave shall be terminated from Employment.

D. If the Employee files for medical leave on false pretext or works for another employer, while on medical leave, without pre-authorization from the company, the Employee will be removed from the CSO program and from employment with the Employer.

SECTION 9.3 MILITARY LEAVE

An Employee of the Company who is activated, drafted or voluntarily enters service into any branch of the armed forces of the United States under the provisions of the Selective Service Act or the Reserve Forces Act shall be granted an unpaid military leave of absence, as required under the federal law, for the time spent in full-time active duty. The period of such leave shall be determined in accordance with applicable federal laws in effect at the time of such leave.

SECTION 9.4 UNION LEAVE

The Union Delegates (up to a maximum of 3) will be granted an unpaid leave of absence for up to a maximum of seven (7) days per contract year upon written request for the purpose of attending Union conventions or other meetings of vital interest to the Union as long as staffing requirements permit. The Company shall respond, in writing, within five (5) days to the Employee's written request. More time will be granted upon mutual agreement between the Company and the Union.

SECTION 9.5 PROCESSING UNPAID LEAVES OF ABSENCE

The Employer will consider requests for unpaid leaves of absence and may grant them at its sole discretion. An unpaid leave of absence must be processed in the following manner:

A. At least ten (10) calendar days prior to the date the leave will take effect, except in cases of verified personal emergencies, all requests for unpaid leaves of absence shall be submitted in writing to the Site Supervisor or the Lead CSO if there is no site Supervisor on site, who shall pass on the request to the Contract Manager or designee, and include:

a. The reasons for such leave;
b. The effective dates of such leave;
c. The estimated date of return to work.

The Contract Manager must give the final approval for the leave of absence.

B. The Company will respond to the request, in writing, within five (5) working days.

C. Extensions of the leave of absence may be granted at the sole discretion of the Employer, upon written request by the Employee within ten (10) calendar days prior to the expiration of the leave of absence. Extensions, when granted, shall not total more than thirty (30) days.

SECTION 9.6 GENERAL PROVISIONS

Union Seniority shall accumulate during the period of any approved leave of absence subject to the provisions of this Agreement.

ARTICLE 10

HEALTH, WELFARE AND UNIFORM ALLOWANCES

SECTION 10.1 H & W PAYMENTS

For the term of this agreement, the Company and the Union agree that the Company will make a contribution of all H&W monies to the Health and Welfare Benefit Program on behalf of each employee covered by this agreement beginning October 1, 2011.

The collective plan shall be referred to the HWBP for the purposes of this agreement.

H&W contributions shall be set by the CBA between the parties and will be paid on all hours paid up to a maximum of 2080 hours per year.

All H&W amounts earned by each employee will be placed in an HWBP account under their name and shall be immediately 100% vested in the employee. The Union agrees that the Company may use all needed employee information available to the company in the normal course of business to set up these accounts. All employees will be enrolled into the program. There is no waiver option.

Any Employee who does not allocate or direct the funds in the plan will have the funds placed into the default 401K fund as deemed by the Plan Trustee. At the current time, the Manning and Napier Moderate Fund is the default fund.

If, during the life of this agreement, the company negotiates with any labor organization representing CSOs the option of a of receiving the H&W funds in payable in whole or in part in cash, the union reserves the right to re-negotiate mid-term with any changes to take effect no sooner than the succeeding October 1st.

The Plan will comply will all applicable laws. The Plan will offer various benefits as outlined below which shall be selected by each individual participant as they see fit; all participants are encouraged to actively monitor and revise their benefit selections as they individually deem appropriate and will be afforded the opportunity to do so. The Plan shall contain, at a minimum, the following features, available for selection by all employees, which will be developed in consultation with the union:

1. 401K plan with 10 different investment selections
2. Voluntary and/or Supplemental medical, dental and vision plans
3. Long term and Short term disability-available subject to participation
4. Health Reimbursement Account
5. Parking and Commuter Reimbursement Account
6. All benefit plans covered through this plan will be administered through Specialized Contract Administrators and will continue as such through term of CBA.
7. The plan shall permit employees the opportunity to make two (2) withdrawals during any single plan year for a fee of $20.00. Employees under the age of 59 ½ may be subject to IRS rules regarding hardship withdrawals.

The Company will:

1. Ensure all employees are automatically enrolled in the plan within 2 pay periods from date of hire.
2. Ensure all H&W earned by the employee is sent to the plan administrator within 14 days of the end of the pay period for which the money is earned.

3. Ensure each employee receives the information to facilitate the allocation of their funds as they choose once a year during annual open enrollment.
4. Consult with the Union to develop the plan and plan documents, including the selection of the benefits to be included in the plan offering and prior to making any voluntary plan changes after the plan is established.
5. Have the final say in all benefits included in the plan.
6. Bear 50% of the costs of administration of the plan with the remainder paid from plan assets. The hourly administration fee of .05 cents will be paid from the H&W dollars.

On behalf of the Employees, the Union agrees to the following:

1. The Company may use all needed employee information available to the company in the normal course of business to set up these accounts.
2. No Employee covered by this agreement may refuse to participate in the plan. Refusal to sign any documents will not prevent an employee's funds from being placed in the plan.
3. If an employee fails to make an election, the employee shall be deemed to have selected participation in the 401(k) Plan.
4. The Union agrees that the plan will continue for the term of the CBA and all future CBA's unless specifically negotiated.

SECTION 10.2 OTHER BENEFITS

The Employer will offer Employees the opportunity to participate in other available Employee-paid fringe benefit programs made available to all Court Security Officers employed by the Company. These programs may include cafeteria plans, payroll deduction plans, retirement plans, insurance plans, 401 (k) plans, and any other plan mentioned in this Agreement. The Company has the right to share needed Employee information with the administrators of such plans.

SECTION 10.3 UNIFORM MAINTENANCE

The Employer will pay the Employee an allowance for each hour worked, up to 40 hours per week, for uniform maintenance as described in Appendix A. The Employer will provide foul weather gear for each Employee as is authorized and funded by the USMS for each employee. The Company shall issue uniforms by December 31st and uniforms shall be gender-proper.

ARTICLE 11

MISCELLANEOUS PROVISIONS

SECTION 11.1 BULLETIN BOARDS

The Employer will make its best effort to obtain a space from the U.S. Government for Union to locate a Union-provided bulletin board that will be used by the Union for posting notices of meetings, elections, appointments, recreational and social affairs, and other Union notices. The

provision of these facilities is the prerogative of the U.S. Government, who owns and controls all worksite facilities. Notices or other postings may not disparage the client or the company and its management nor contain obscene or inappropriate language.

SECTION 11.2 PHYSICAL EXAMINATIONS

A. The Employer shall pay for any physical/medical examinations and medical follow-up exams that are required by the Employer and/or the U.S. Government. The Employer has the right to choose the physician who will perform the physical exam.

B. Employees must pass the physical exam prescribed by the Employer's contract with the U.S. Government in order to be employed and to maintain employment.

C. The Employer will pay for the time required for the Employee to take required physical exams and medical follow-ups. Time for any exams requiring more than two (2) hours must be pre-approved by the Site Supervisor. If, when the appointment is going to exceed two (2) hours, the Employee will call into the Site Supervisor or designee to inform them of the delay and request approval for additional time.

SECTION 11.3 TRAVEL EXPENSES

The Company will provide advance payments for Company authorized and approved travel expenses if requested by an Employee, at least five (5) days in advance. Any workday that includes travel and totals over twelve (12) hours may require the Employee to stay overnight, and the appropriate per diem will be paid. All hours in travel up to a maximum of eight (8) per day will be counted as work hours, with the appropriate overtime wages provided for under this Agreement. Employees will be reimbursed for all authorized expenditures of any authorized travel within twenty (20) days from the day the Employer receives the properly completed travel voucher and all required receipts.

SECTION 11.4 BREAK ROOMS

The Employer will make its best effort to obtain from the U.S. Government break rooms for CSOs for breaks and lunch, without management using the room as an office, and will make its best effort to have the U.S. Government equip the room with water. The providing of these facilities is the prerogative of the U.S. Government.

SECTION 11.5 LOCKERS

The Employer will make its best effort to obtain lockers from the U.S. Government for the use of the CSOs. The Employer agrees to make its best effort to support any Union request for separate Locker/Changing facilities. The providing of these facilities is the prerogative of the U.S. Government.

SECTION 11.6 UNION MEETINGS

Neither Union officials nor Union members shall, during working time (excluding break and lunch periods), solicit membership, receive applications, hold meetings of any kind for the transaction of Union business, or conduct any Union activity other than the handling of grievances as described in this Agreement. No employee may leave their post without permission from the Employer under any circumstances, unless there is appropriate Government permission granted.

ARTICLE 12

RETIREMENT PLANS

SECTION 12.1 401 (K) PLAN

The Company shall provide a 401 (k) plan to which Court Security Officers are eligible to contribute, whether Union or Non-Union. Employees shall be subject to the eligibility requirements and rules of the Plan.

Please see Article 10 for all plan details.

SECTION 12.2 UGSOA 401(a) PLAN

The Company agrees to make deductions for Union members in good standing for the UGSOA 401(a) Plan, if the Union members so choose. At the direction of the individual Union member, the Company may contribute the Health & Welfare and /or Pension payments into the Union members' UGSOA 401(a) plan. Union members shall be subject to the eligibility requirements and rules of the Plan.

The Company agrees to send the deductions / contributions to UGSOA International Union, the Administrator of the UGSOA 401(a) Plan, no later than the Tenth (10th) of the Month following the Month the deductions were made.

The Company's sole responsibility is to make the payroll deductions and send said deductions to the Plan Administrator with a record of name, social security number and amount of deduction for each source of money (i.e. Health & Welfare, Pension and/or after-tax deduction). The Company is in no way responsible for any other aspect of the plan.

No local and its members will be eligible for both the Company's 401 (k) Plan and the Union's 401 (a) Plan. All Employees in a local will be eligible for only one of the plans.

ARTICLE 13

SAFETY

SECTION 13.1 SAFETY POLICY

It is the policy of the Company to make its best efforts to provide Employees with places and conditions of employment that are free from or protected against occupational safety and health hazards. Under this Agreement, all worksites and facilities are the property of the U.S. Government, who is responsible for the condition and safety of the worksite. The Company agrees to permit one (1) bargaining unit member selected by the Union to participate in any locally scheduled safety meetings, if permitted by the government.

SECTION 13.2 OSHA STANDARDS

The Company will report, to the appropriate party, any safety violations observed or reported to the Company in any U.S. Government-provided CSO workstations and break rooms.

ARTICLE 14

CONTINUITY OF OPERATIONS

SECTION 14.1 NO LOCKOUTS

During the life of this Agreement, the Employer shall not lockout any Employees covered in this Agreement.

SECTION 14.2 NO STRIKES

A. Both the Company and the Union agree that continuity of operations is of utmost importance to the Company's security operations. Therefore, so long as this Agreement is in effect, the Union and the Company agree that there will be no strikes, lockouts, work stoppages, illegal picket lines, slowdowns, or secondary boycotts during the term of this Agreement.

B. Upon hearing of an unauthorized strike, slowdown, stoppage of work, planned inefficiency, or any curtailment of work or restriction or interference with the operation of the Employer, the Union shall take affirmative action to avert or bring such activity to prompt termination.

ARTICLE 15

SEPARABILITY OF CONTRACT

In the event that any provision of this Agreement shall at any time be declared invalid by any court of competent jurisdiction or through Government regulations or decree, such parties hereto agree to renegotiate such provision or provisions of this Agreement for the purpose of making them conform to the Government decree or statutes, so long as they shall remain legally effective. It is the express intention of the parties hereto that all other provisions not declared invalid shall remain in full force and effect.

ARTICLE 16

ENTIRE AGREEMENT

The parties acknowledge that during the negotiation which resulted in the Agreement, each party was afforded the unlimited right and opportunity to make demands and proposals with respect to any matter not removed by law from the area of collective bargaining, and all understand that agreements reached by the parties are set forth in this Agreement. Therefore, the Company and the Union shall not be obligated to bargain collectively on any matter pertaining to conditions of employment, including, but not limited to, rates of pay, wages, hours of work, disciplinary actions, training requirements, etc., during the term of this Agreement, except as specifically provided for in other provisions of this Agreement.

ARTICLE 17

TERMINATION OF AGREEMENT

Should either party desire to terminate this Agreement or any provision thereof, it shall give written notice to the other party of not less than sixty (60) days and not more than one hundred and eighty (180) days prior to the expiration. In the event such notice is given, the existing Agreement may be continued by mutual consent of both parties until a new Agreement is reached. This Agreement may also be changed or amended by agreement of both parties.

ARTICLE 18

DURATION

This Agreement shall be effective from its effective date through September 30, 2014 and supersedes any and all prior agreements or understandings between the parties. Non-economic terms shall take effect immediately and economic increases shall take effect October 1, 2011 unless otherwise specified.

IN WITNESS WHEREOF, the parties have caused their representatives to sign this Agreement as full acknowledgment of their intention to be bound by the Agreement.

FOR: **United Government Security Officers of America, Local 068**

BY: Kenneth W. Hatmaker

TITLE: President

DATE: 8-15-2011

FOR: **United Government Security Officers Of America, International Union**

BY: [illegible]

TITLE: International Director

DATE: 08-16-11

FOR: **Akal Security, Incorporated**

BY: [illegible]

TITLE: V.P. H.R.

DATE: 8/29/11

Appendix A

Addendum to Collective Bargaining Agreement

Whereas, Akal Security Inc. (hereinafter referred to as "the Company") and UGSOA Local 068 (hereinafter referred to as "the Union") entered into an Agreement effective July 1, 2011,

Whereas, the Union has been duly designated by the Company's non-supervisory employees per Local Section 1.1 of the Collective Bargaining Agreement

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

Now therefore, it is hereby agreed as follows:

WAGES

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

Current:

CSO	$18.88/hour
LCSO	$20.08/hour

Effective 10/1/11 **Increase of 4%**

CSO	$19.64/hour
LCSO	$20.84/hour

Effective 10/1/12 Increase of 3%

CSO	$20.22/hour
LCSO	$21.42/hour

Effective 10/1/13 Increase of 3%

CSO	$20.83/hour
LCSO	$22.03/hour

Lead Premiums LCSO - $1.20

Firearms Instructor

Firearms instructor shall be paid his regular rate of pay plus the Lead premium while conducting firearms training and qualifications.

HEALTH & WELFARE

The Employer agrees to pay employees covered by this agreement the following H&W per hour in accordance with Article 10:

Current and continuing

All Employees $3.60 per regular hour paid up to 40 per week

Effective 10/1/11

All Employees $3.75 per regular hour paid up to 40 per week

Effective 10/1/12

All Employees $3.90 per regular hour paid up to 40 per week

Effective 10/1/13

All Employees $4.05 per regular hour paid up to 40 per week

UNIFORM ALLOWANCE

Current and continuing:

All Employees: $0.11 per regular hour worked up to 40 per week

VACATION

The Employer agrees to pay employees covered by this agreement at the following Vacation allowances per year as stated in Article 8 of the National Language:

Current and continuing:

Upon completion of 1 year of service:	80 hours
Upon completion of 5 years of service:	120 hours
Upon completion of 10 years of service:	160 hours
Upon completion of 15 years of service:	200 hours

HOLIDAYS

See Article 7 for Holiday Provisions.

Current and continuing:

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

Any day designated by the President of the United States as a permanent National Holiday.

BEREAVEMENT LEAVE

Effective Upon Ratification

A. If it is necessary for an Employee to lose time from work because of the death in the immediate family, whether the family member lives in or out of their local state, the Employee shall be entitled to three (3) paid days leave per occurrence up to a maximum of three (3) occurrences, at their straight-time rate of pay. Immediate family is defined to mean the Employee's spouse, father, mother, step mother, step father, brother, sister, children (including legally adopted children and/or stepchildren), father-in-law, mother-in-law, grandparents, grandchildren, sister-in-law, brother-in-law, daughter-in-law, son-in-law, and recognized spouse. No Employee may take a total of more than nine (9) paid days Bereavement leave per year.

B. The Employer may require proof of the death for which an Employee requests a paid leave.

JURY DUTY

Current and continuing:

The Company will comply with all State and Federal regulation regarding Employees' service for jury duty.

PERSONAL / SICK LEAVE

START DATE	RATE OF PERSONAL/SICK LEAVE ELIGIBLE TO USE	
Date Employee begins working on the contract, based on an October 1 contract start date.	**FULL-TIME**	**SHARED POSITION**
October 1 – 31	48 hours	24 hours
November 1 - 30	44 hours	22 hours
December 1 -31	40 hours	20 hours
January 1 – 31	36 hours	18 hours
February 1 – 29	32 hours	16 hours
March 1 – 31	28 hours	14 hours
April 1 – 30	24 hours	12 hours
May 1 – 31	20 hours	10 hours
June 1 – 30	16 hours	8 hours
July 1 – 31	12 hours	6 hours
August 1 – 31	8 hours	4 hours
September 1 - 30	4 hours	2 Hours

A. Each full-time Employee shall be eligible to use a maximum of six (6) days personal leave at the beginning of each 12-month Government contract year worked. Employees who begin employment after the inception of the contract year will be eligible to use a prorated amount of personal leave, based on the above Personal/Sick Leave Table.

B. Personal leave may be taken in not less than four (4) hour increments and shall be paid when taken by the Employee as approved in advance by the Site Supervisor or District Supervisor.

C. Shared position Employees will receive one-half the full time personal leave per full contract year worked. At the end of the contract year, any shared position Employee who was paid more than half the full-time hours (1040 hours) will receive additional prorated personal leave based on the number of hours the Employee was paid during that contract year.

D. Unused personal days shall not be cumulative from year to year. Any unused, earned personal leave will be paid to the Employee at the end of the contract year.

E. Upon termination of employment, Employee will be paid at their individual hourly rate for any unused, earned personal leave, based upon the number of hours the Employee was paid during that contract year. If the Employee has used more personal leave than

he/she earned based upon time paid on the contract, the amount of the overage will be deducted from the Employee's final paycheck.

F. Personal leave (and vacation) days may be used to cover absences caused by illness. Any Employee who is unable to report to work because of sickness must notify the Employer at least two (2) hours prior to the beginning of his/her shift in order to be eligible for paid personal leave benefits. Proof of illness may be required.

UGSOA Local 068

By: Kenneth W. Hatmaker Dated: 8-15-2011

Title: President

UGSOA International Union

By: Dated: 08-16-2011

Title: Director

Akal Security Incorporated.

By: Dated: 8/29/2011

Title: V.P. H.R.

APPENDIX B

APPENDIX B.1. UNION SENIORITY

APPENDIX B.1.1. UNION SENIORITY DEFINED

A. Union seniority shall be the length of continuous service, within the Local, from the Employee's last date of hire as a CSO or LCSO for the Employer, past or present and/or any predecessor Employer. Union seniority shall not accrue until the Employee has successfully completed the probationary period. Union seniority shall be applicable in determining the order of layoff and recall, shift bidding, vacation schedules, extra work, transfers within the Local, and other matters as provided for in this Agreement.

B. For the purposes of shift bidding, vacation schedules and extra work, union seniority shall be defined as seniority within the work site; a work site is a location with a Lead CSO.

C. For the purposes of layoff and recall, seniority is extended to the entire Local.

D. Any Employee permanently transferred out of the designated Local Bargaining Unit for any reason shall lose their Union seniority as it applies to the order of layoff and recall, shift bidding, vacation schedules, extra work, and other matters as provided for in this Agreement.

APPENDIX B.1.2. SENIORITY LISTS

The Company shall provide an employee list (last date of hire as a CSO), to the Local Union each year on October 1. The Union will respond, within thirty (30) days, with two "Union Seniority" lists to the Company, one for full-time employees and one for shared position employees. These lists shall be posted on all Union bulletin boards. If a shared position employee goes to a full-time, they go to the bottom of the full-time list. If a full-time employee goes to shared position, he/she keeps his seniority status..

APPENDIX B.1.3. PERSONAL DATA

Employees shall notify the Employer in writing, on the company provided form, of their proper mailing address and telephone number or of any change of name, address, or telephone number. The Company shall be entitled to rely upon the last known address and telephone number in the Employer's official records.

APPENDIX B.1.4. TRANSFER OUT OF UNIT

Any Bargaining Unit Employee who is promoted to a non-bargaining unit position for more than four (4) consecutive weeks shall lose their Union seniority, unless extended by mutual agreement

between the company and the union. If they return to the bargaining unit at a later date their seniority will start on that return date.

APPENDIX B.1.5. PROBATIONARY EMPLOYEES

Probationary Employees will be considered probationary for a ninety (90) calendar day period after their hire date. The Union will still represent Probationary Employees for problems concerning wages, hours and working conditions, but the Company reserves the right to decide questions relating to transfers, suspensions, discipline, layoffs, or discharge of Probationary Employees without recourse to the grievance procedure contained in this Agreement.
Probationary Employees do not have seniority until the completion of the probationary period, at which time seniority dates back to the date of hire. The Probationary period can be extended by mutual agreement between the Company and the Union.

APPENDIX B.1.6. TERMINATION OF SENIORITY

The seniority of an Employee shall be terminated for any of the following reasons:

- **A.** the Employee quits or retires;
- **B.** the Employee is discharged for just cause;
- **C.** a settlement with the Employee has been made for total disability, or for any other reason if the settlement waives further employment rights with the Employer;
- **D.** the Employee is laid off for a continuous period of one hundred eighty (180) calendar days;
- **E.** the Employee is permanently transferred out of the bargaining unit;
- **F.** An Employee returned to work after overturning a medical disqualification shall regain their seniority back to the original date of hire; and
- **G.** An Employee returned to work after overturning a discipline termination shall regain their seniority back to original date of hire.

APPENDIX B.2. JOB OPPORTUNITIES

APPENDIX B.2.1. FILLING VACANCIES

If a vacancy occurs in a regular position covered by this Agreement or a new position is added and the company chooses to fill the position, the job will be posted for a period of three (3) working days (excluding Saturdays, Sundays, and Holidays) within the work site in which the vacancy occurs. If a vacancy occurs, the full-time employees shall have first bid. All shared position Employees who have notified the Site Supervisor, in writing of their intent to apply for a Full-time position and who are not scheduled to work during that three (3) day period at the site where an opening occurs, and any Employee on vacation or on other approved leave will be notified by the Company. When a vacancy occurs, the Employer will fill the position with the most senior Employee who has applied for the position in writing, who has been trained (if required) to fill any necessary special qualifications for the new position.

APPENDIX B.2.2. SHARED TIME EMPLOYEES

The Company is obligated under its contract with the USMS, to fill a designated number of shared positions in order to provide full staffing level coverage, increase security levels as needed and avoid unnecessary overtime. A shared position Employee may be scheduled to work more than a part time schedule, as necessary, at the Company's discretion. The Company will give the shared position Employee the maximum possible notice for weekly work schedule changes.

APPENDIX B.2.3. LAYOFF AND RECALL

In the event of layoff or recall, when full-time or shared positions are being reduced, probationary Employees will be laid off first. Should it be necessary to further reduce the work force, Employees will be retained on the basis of seniority within the Local. The Company will notify the Union, in writing, the number of required reduction. The Union will respond, in writing, within three (3) business days (excluding Saturday, Sunday & Holidays), with the name or names of the least senior employee or employees. Recall of Employees will be accomplished by recalling the last Employee to be laid off, first, and so on.

APPENDIX B.2.4. TEMPORARY ASSIGNMENTS

In the interest of maintaining continuous operations, the Employer may temporarily assign an Employee to a vacant or new position until the job is filled in accordance with Articles 2 and 3, or assign an Employee to a position that is part of a temporary security assignment directed by the USMS, including temporarily assigning an Employee to a work site within or outside of the area defined by this Agreement. To the extent feasible the assignment shall be a voluntary selection based on seniority and qualification. In the absence of volunteers, assignments shall be made on a reverse seniority and qualifications basis. Employees so assigned will receive the higher of the base hourly wage available to Employees regularly assigned to the site to which they are being transferred, or their regular hourly wage they receive at their regular site under this agreement, whichever is greater. Temporary shift assignments within a site will be limited to thirty (30) days as long as scheduling and manpower allow.

APPENDIX B.2.5. APPOINTMENT OF LEAD CSOs

The U.S. Government in its contract with the Company creates specific guidelines for the job duties and qualifications of Lead CSOs. Based on these guidelines, all appointments of Lead CSOs will be made on the basis of suitability as evaluated by the Company. Suitability shall include an Employee's skills, experience, past performance, capabilities, and the needs of the operation. If, in the Employer's determination, Employees are equally qualified, seniority will prevail. Lead CSOs are not supervisors and shall not perform supervisory duties, as described by the National Labor Relations Act.

APPENDIX B.2.6. SHIFT BIDDING

At the request of the Local, within reason, full-time Employees and shared position Employees at each location shall bid their shift schedules among designated full-time shifts or shared shifts in the order of seniority up to twice per contract year, with additional bids by mutual consent. Shift bidding may not lead to any change in status from full-time to shared position or vice versa.

APPENDIX B.3. SCHEDULING VACATIONS

A. Vacations, insofar as reasonably possible, shall be granted at the times most desired by the Employee, after the Employee's anniversary date. Each employee who qualifies for a vacation in accordance with the provisions of Article 8 of the National Language, shall notify their Lead of other designated supervisor, in writing, starting December 1st through January 2nd, of each year of their first and second choice for desired vacation periods, if any. If vacation time is required to be used differently than as requested prior to these dates, the employee must give their immediate supervisor a written request as least seven days prior to the requested vacation time.

B. The LCSO or site supervisor shall by February 1, accept or reject the submitted request to allow the employee to lock in their vacation requests. The acceptance or rejection will be based solely on the seniority of the employees in relation to the seniority of the other employees who submitted their requests in writing by the above dates. After the deadlines above, a more senior employee may NOT later submit their requests and cause a junior employee to disrupt or cancel their locked vacations.

C. The employer will recognize union seniority when scheduling employees for vacation or personal leave time off in accordance with this agreement. The employer will allow the maximum number of personal off at one time for vacation periods that allows the company to maintain efficient operations. The final allocation of vacation periods shall rest exclusively with the employer to ensure orderly and efficient operations and meet government contract requirements.

D. If the Company requires an Employee to cancel a vacation after it is approved, the Company will pay the employee the *mitigated expenses* that the employee has actually incurred. Mitigated expenses are those that have actually been paid to a third party (e.g. prepaid vacation expenses, such as airline tickets, cruise tickets, etc.) by the Employee prior to the Company canceling the Employee's vacation *and* for which the employee has sought the maximum refund, credit, or other cost reduction possible. Proof of actual expenses incurred and efforts to mitigate expenses may be required.

UGSOA Local 068

By: Kenneth W. Watonalu Dated: August 15, 2011

Title: President

UGSOA International Union

By: Dated: 08.16.2011

Title: Director

Akal Security Incorporated.

By: Dated: 8/29/11

Title: V.P. H.R