

AGREEMENT

BETWEEN

BIG SKY TRANSPORTATION COMPANY, INC.

AND

INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND AEROSPACE WORKERS  
AFL-CIO

*AIR TRANSPORT DISTRICT 143*

September 1, 2003 – August 31, 2010  
Signed January 23, 2004

**IAM AND BIG SKY TRANSPORTATION COMPANY INC.**  
Mechanics and Related Personnel

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INDEX

|            |  |    |
|------------|--|----|
| Article 1  | RECOGNITION.....                       | 1  |
| Article 2  | STATUS OF AGREEMENT.....               | 2  |
| Article 3  | CONDUCT OF UNION BUSINESS.....         | 2  |
| Article 4  | VOLUNTARY DUES CHECK-OFF.....          | 3  |
| Article 5  | CLASSIFICATIONS OF WORK.....           | 3  |
| Article 6  | HOURS OF SERVICE.....                  | 5  |
| Article 7  | OVERTIME AND HOLIDAYS.....             | 7  |
| Article 8  | FIELD SERVICE.....                     | 8  |
| Article 9  | VACATIONS.....                         | 9  |
| Article 10 | LEAVE OF ABSENCE.....                  | 11 |
| Article 11 | VACANCIES AND BULLETINED JOBS.....     | 12 |
| Article 12 | SENIORITY.....                         | 13 |
| Article 13 | PROBATIONARY PERIOD.....               | 15 |
| Article 14 | FURLOUGH.....                          | 15 |
| Article 15 | SICK LEAVE.....                        | 17 |
| Article 16 | TRANSPORTATION.....                    | 18 |
| Article 17 | TRANSFER OUT OF BARGAINING UNIT.....   | 18 |
| Article 18 | GRIEVANCE PROCEDURE.....               | 19 |
| Article 19 | SYSTEM BOARD OF ADJUSTMENT.....        | 21 |
| Article 20 | SAFETY AND HEALTH.....                 | 22 |
| Article 21 | LIABILITY FOR DAMAGE TO EQUIPMENT..... | 23 |
| Article 22 | SAVING CLAUSE.....                     | 23 |
| Article 23 | NO OTHER AGREEMENT.....                | 23 |
| Article 24 | WAGE RULES.....                        | 23 |
| Article 25 | PREMIUMS.....                          | 24 |
| Article 26 | LONGEVITY.....                         | 25 |
| Article 27 | <b>RESERVED</b> .....                  | 25 |
| Article 28 | RATES OF PAY.....                      | 26 |
| Article 29 | INSURANCE.....                         | 27 |
| Article 30 | TEST FLIGHTS.....                      | 27 |
| Article 31 | COMPANY MEETINGS.....                  | 27 |
| Article 32 | PENSION FUND.....                      | 27 |
| Article 33 | GENERAL AND MISCELLANEOUS.....         | 27 |
| Article 34 | EFFECTIVE DATE AND DURATION.....       | 30 |

ARTICLE 1  
RECOGNITION

A. This agreement is made and entered into in accordance with the provisions of Title II of the Railway Labor Act as amended by and between Big Sky Transportation Co., a Montana Corporation, hereinafter referred to as "the Company," and the International Association of Machinists and Aerospace Workers, hereinafter referred to as "the Union," representing the employees composing the craft or class of mechanics and related employees as certified by the National Mediation Board in Case No. R-5364 dated January 17, 1983 as restated in Case No. R-5754 dated January 13, 1988.

B. The purpose of the agreement is in the mutual interest of the Company and the employees to provide for the operation of the services of the Company under methods which will further to the fullest extent possible (1) the safety of air transportation, (2) the efficiency of operation, and (3) the continuity of employment under conditions of reasonable hours, proper compensation, and reasonable working conditions. For the advancement of this purpose, the Company and the Union agree to cooperate fully, both individually and collectively. To further these purposes, the Company or a representative of the Union may request a conference under the application of this Agreement.

C. The Union agrees that all employees covered by this Agreement shall be governed by published Company rules, regulations, and orders as shall be issued from time to time by properly designated authorities of the Company which are not in conflict with the provisions of this Agreement. Such rules, regulations, and orders shall be posted on the Company bulletin board and a copy shall be furnished to the Local Union Steward.

D. The Company agrees that all mechanic's work now and heretofore done by its own employees wherever performed involving the maintenance, inspection, repair, modification, and servicing of aircraft, including by not limited to mechanical work involved in dismantling, overhauling, repairing, fabricating, assembling, welding, and erecting all parts of airplanes, airplane engines, electrical systems, heating systems, hydraulic systems, and machine tool work in connection therewith, and including the dismantling, repairing, assembling, and erecting of all equipment and building maintenance and repair work, is recognized as coming within the jurisdiction of this Agreement may not be subcontracted so as to cause employees to be laid off.

E. The Company is an equal opportunity employer. The Company and Union agree to make it a matter of record in this Agreement that in accordance with the established policy of the Company and the Union, the provisions of this Agreement will apply equally to all employees hereunder regardless of sex, color, race, creed, age, or national origin. It is understood that wherever in this Agreement employees are referred to in the male gender, it is recognized as referring to both male and female employees, unless the meaning is obviously to the contrary.

F. Except as to the extent expressly abridged or modified only by specific provisions of this Agreement, the Company reserves and retains, solely and exclusively, all the inherent rights, powers, and authority to manage the business and direct its work force and all matters relating thereto which the Company had prior to signing of this Agreement, including the right to contract out work, so long as it does not cause employees to be laid off.

ARTICLE 2  
STATUS OF AGREEMENT

A. It is expressly understood and agreed that this Agreement supersedes any and all Agreements now existing or previously executed between the Company and any Union or individual effecting the craft or class of employees covered by this Agreement.

B. In case of a consolidation, sale, assignment, or merger, representatives of the Company and the Union will meet without delay and negotiate for proper provisions for the protection of employees' seniority and other property rights. **In the event one of the foregoing transactions (i) results in an operational integration of the flight operations of Big Sky with another air carrier that has employees in classes and crafts covered by this Agreement, and (ii) the seniority rights of the employees on the seniority list are affected, the parties will meet promptly to discuss integration of the seniority lists of the two carriers into a single list in a fair and equitable manner. In the event of a failure to agree on seniority integration into a single list, the dispute may be resolved using Sections 2(a), 3 and 13 of the LPPs specified by the CAB in the Allegheny-Mohawk merger. Except, such integration shall not require a system flush.**

C. It is understood and agreed that the Company will not lock out any employee covered hereby, and the Union will not authorize or take part in any slow-down, sit-down, work stoppage, strike, or picketing of the Company premises during the life of this Agreement, and/or until the procedures of the Railway Labor Act for settling disputes between the parties have been exhausted.

D. As a condition of employment, all regular full-time employees covered by this Agreement must, after ninety (90) days of employment, become members of the Union and maintain such membership in good standing as a condition of employment during the life of this Agreement.

ARTICLE 3  
CONDUCT OF UNION BUSINESS

A. The Union agrees that internal union business will be conducted during non-working hours. This shall not prevent an employee with a proper grievance from proceeding with such grievance in accordance with the terms of this Agreement during working hours as long as it does not unnecessarily disrupt the operation.

B. The Union's negotiating committee member of not more than one (1) will be permitted to attend all negotiating sessions after proper notification and coordination with the designated Company official. Committee members attending negotiating meetings during their scheduled work time shall not be paid by the Company for scheduled lost time.

C. The District General Chairmen of the Union will be furnished with free space-available transportation over the Company's system during their term of office for use in connection with their work in administering this contract to the extent permitted by law.

D. The Company agrees that no employees covered by this Agreement will be interfered with, restrained, coerced, or discriminated against by the Company, its officers, or agents because of membership in or lawful activity on behalf of the Union. The Union agrees that neither the Union nor its members will solicit membership or conduct during working hours on Company premises activities other than those of collective bargaining and the handling of grievances in the manner and to the extent hereinafter provided, except that this clause shall not be construed as restricting any of the rights granted to the Union and its members under any valid law.

ARTICLE 4  
VOLUNTARY DUES CHECK-OFF

A. Upon receipt of a signed authorization of the employee involved, the Company shall deduct from the employee's paycheck the dues payable by him to the Union during the period provided for in said authorization. All deductions for dues shall be made by the Company on the second regular paycheck of the month.

B. Deductions provided for in the preceding paragraph shall be remitted to the Financial Officer, District 143, International Association of Machinists and Aerospace Workers, AFL-CIO, no later than the tenth (10th) day of the month following the one in which the deductions were made and shall include all deductions made in the previous month. The Company shall furnish the Union monthly with two (2) copies of a record of those for whom deductions have been made and the amounts of the deductions. The parties agree that check-off authorization shall be in an approval form which shall be prepared and furnished by the Union.

ARTICLE 5  
CLASSIFICATIONS OF WORK

A. **Duty Inspector (DI).** The duty inspector must hold a current FAA A&P certificate. The duty inspector must have been actively engaged in maintaining like aircraft for at least two (2) years. The duty inspector must hold and maintain Company RII Inspection qualification. The duty inspector must be knowledgeable of aircraft, engine and Company manuals and procedures. A duty inspector shall be an employee who has achieved the status of a mechanic or higher and who holds licenses as required by the Company or federal law. A duty inspector may do work in lower or higher classifications. Applicable pay rates will be effective while performing duties in higher classifications. The duty inspector will not have the applicable pay rate reduced for performing duties in lower classifications. Higher classifications for a duty inspector are lead mechanic and maintenance controller.

B. **Lead Mechanic (LM).** A lead mechanic must hold a current FAA A&P certificate. A lead mechanic must have been actively engaged in maintaining like aircraft for at least one (1) year. A lead mechanic must hold and maintain Company RII and Receiving Inspector qualifications. A lead mechanic shall be an employee who has achieved the status of a mechanic or higher, who holds licenses required by the Company or federal law. As a working member of the mechanic group, the lead mechanic is responsible for directing, assigning and approving the work of mechanics. The lead mechanic is responsible for the efficient and effective use of the work force. The lead mechanic is responsible to supervise

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shift activities. In no event shall there be five (5) mechanics working without one (1) lead mechanic being assigned. No lead mechanic will be required to lead and direct the work of a group totaling more than twelve (12) other employees. When Maintenance Management or Designee is on duty, a lead mechanic will not have his rate of pay decreased. A lead mechanic may do work in a lower or higher classifications. Applicable pay rates will be effective while performing duties in a higher classification. A lead mechanic will not have the applicable pay rate reduced for performing duties in lower classifications. Higher classification for a lead mechanic is maintenance controller. An employee shall not be required to accept a lead mechanic position against his will.

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C. **Mechanic.** A mechanic must hold a current FAA A&P certificate and have previous experience on aircraft. A mechanic must hold licenses as required by the Company or federal law. The work of mechanics shall include all work generally recognized as mechanic's work performed in and about Company shops, maintenance bases, overhaul bases, and Company buildings. Mechanic work is inclusive of, but not limited to, mechanical work involved in dismantling, overhauling, repairing, fabricating, assembling, welding, and erecting all parts of airplanes, airplane engines, radio equipment, electrical systems, heating systems, hydraulic systems, and machine tool work in connection therewith. It may also include work generally recognized as plant maintenance-type work, including all work described as normally performed by plumbers, painters, electricians, carpenters, machinists, welders and automotive mechanics. A mechanic may do work in a lower or higher classification. Applicable pay rates will be effective while performing duties in a higher classification. The mechanic will not have the applicable pay rate reduced for performing duties in lower classifications. Higher classifications for a mechanic are training officer, duty inspector, lead mechanic, and maintenance controller.

D. **Utility Mechanic (UM).** The utility mechanic will perform aircraft fueling in a safe, reliable and efficient manner. The utility mechanics will repair and service all supporting equipment. The utility mechanic will perform shop, hangar, building and ground maintenance consisting of work generally recognized as plant and ground maintenance and directly associated with the Maintenance Department. The utility mechanic will assist in the repair, alteration, and modification of all types of ground equipment, including the driving of all types of vehicles and the moving and servicing of aircraft and automotive equipment. A utility mechanic will work on or about the Company shops and buildings. The utility mechanic will not normally work on aircraft. The utility mechanic may be assigned, under the direct supervision and working with a licensed mechanic, to tasks not requiring the exercise of an A & P license by either the Company or the FAA.

E. **RII Inspectors.** An RII Inspector must hold a current FAA A&P certificate and have been actively engaged in maintaining like aircraft for at least one (1) year. An inspector must have received appropriate training and passed the Company's Inspectors examination. An inspector must hold and maintain current RII or RII Inspection Airworthiness Release Authorization. An inspector will be paid the applicable premium in accordance with Article 25. The premium will remain effective unless RII authorization is revoked or surrendered.

F. **Training Officer (TO).** The training officer must hold a current FAA A&P certificate. The training officer must have been actively engaged in maintaining like aircraft for at least one (1) year. The training officer must hold and maintain Maintenance

**Department qualifications. The training officer must maintain familiarization and knowledge of Company test equipment. The training officer may do work in a lower or higher classification. Higher classifications for the training officer are duty inspector, lead mechanic and maintenance controller. Applicable pay rates will be effective while performing duties in a higher classification. A training officer will not have the applicable pay rate reduced for performing duties in lower classifications.**

**G. Maintenance Controller (MXC). Maintenance controllers must hold a current FAA A&P certificate and have been actively engaged in maintaining like aircraft for at least one (1) year. Maintenance controllers must hold and maintain Company RII Inspector qualification. A maintenance controller may do work in a lower classification. The maintenance controller will not have the applicable pay rate reduced for performing duties in lower classifications. There are no higher classifications for maintenance controllers.**

ARTICLE 6  
HOURS OF SERVICE

A. 1. When an eight (8) hour day is scheduled, eight (8) hours exclusive of a meal period shall constitute a day's work.

2. When a ten (10) hour day is scheduled, ten (10) hours inclusive of a meal period, not to exceed thirty (30) minutes, shall constitute a day's work, applicable to night shift only.

B. 1. A work week will consist of five (5) eight (8) hour days worked within seven (7) consecutive days. Two (2) consecutive days shall be scheduled as regular days off in each work week.

2. Maintenance employees may be given the opportunity to work either an eight (8) hour day, five (5) day work week, or a ten (10) hour day, four (4) day work week, (or any combination thereof) as long as it is consistent with Company needs and does not adversely affect the Company operation.

3. Notwithstanding the provisions of Paragraph A.2. above, the Company agrees that no more than fifty percent of the mechanics will be put on eight (8) hour days (as defined in A.1. above) unless it is obvious that the eight-hour day is superior in coverage and cost to the ten (10) hour day, as determined by the Company.

C. Those employees working through a scheduled unpaid meal period will be given up to thirty (30) minutes straight time pay in addition to their normal day's pay.

D. There will be no change in days off or the starting or stopping time of a shift, either individually or collectively, without three (3) calendar days notice to the affected employee(s) except that less notice time may be given by mutual agreement between the employee(s) and the Company.

E. No employee shall be required to report for work on his regularly scheduled work day at less than his normally scheduled work hours or pay therefor, except when recalled after completing a shift of his normally scheduled hours or more. Employees regularly in the service of the Company will be considered as required to report for their normally scheduled work days unless notified by the Company before the close of the last shift worked or at least twelve hours before the start of the shift, whichever period is shorter, that there will temporarily be no work because of an act of God, circumstances over which the Company has no control, or work stoppage and strikes by employees of the Company. Any employee not notified by the Company and, as a result, reporting for work, shall receive a minimum of four (4) hours pay at his regular hourly rate.

F. All employees will be granted a fifteen (15) minute rest period during the first half of their work shift and fifteen (15) minute rest period during the second half of their work shift without loss of time. **Unless approved in advance by the lead mechanic on duty, an employee will not combine his rest periods and/or lunch breaks.**

G. **When an employee completes his tour of duty and there are fewer than eight (8) hours before the beginning of his next scheduled shift, he will not have to report for work (unless otherwise notified) until he has had the eight (8) hours off. If an employee is required to return to work with less than eight (8) hours of rest, he will receive the applicable hourly rate (see Article 7A) until he has received eight hours of rest.**

H. Upon written request of the employee(s) and upon the advance written approval of management, employees with equal qualifications may be permitted, at the Company discretion, and on a case by case basis, to exchange days off. Paragraph B and G above, Premium Pay, Overtime and other hourly contract restrictions affected by such an exchange will be waived. The employee who is to work on a particular day as the result of a swap is responsible for reporting to work and may be subject to disciplinary action if he does not report. Any employee who engages in an exchange runs the risk the employee with whom he exchanges a day off may terminate his employment before the swap is completed, leaving the remaining employee responsible for completion.

I. 1. Part-time help may not be scheduled for more than thirty-one (31) work hours for each employee each week.

2. Part-time help will accrue seniority on a pro-rata basis, i.e., an accumulation of forty (40) hours of work will be equal to one (1) week of seniority for all purposes.

3. Part-time help will be given preference for a full-time position (if qualified) before another full-time employee is hired. No full-time employee can be on furlough at a location while a part-time employee of the same classification is working.

4. Part-time employees will be paid the rate of pay based on their classification and in accordance with their accrued seniority.

5. Part-time employees will not accrue vacation, be eligible for holidays or holiday pay, sick leave, shift pay or insurance benefits.

6. The number of part-time mechanics will be limited to no more than twenty percent (20%) of the mechanic work force. The number of part-time utility servicemen will be

limited to no more than twenty percent (20%) of the mechanic and utility servicemen work force combined.

7. Part-time employees will be paid overtime at the rate of regular time plus one-half (1 1/2) for all hours worked in excess of forty (40) in a work week. Full-time employees on duty will be offered overtime prior to any part time in the same classification being requested to work in excess of their scheduled shift.

**J. An employee who has been approved to leave the premises during his scheduled workday must clock-out and clock-in during his absence.**

ARTICLE 7  
OVERTIME AND HOLIDAYS

A. For all full-time employees, an overtime rate of regular time plus one-half (1 1/2), computed on an actual minute adjusted to the nearest tenth of an hour basis, shall be paid for all actual work performed in excess of the regularly scheduled hours in any one work day or on a regularly scheduled day off. Hours scheduled on a holiday shall be treated separately as outline in Paragraph H.

B. Employees will be allowed (without loss of pay) a ten (10) minute break after each two (2) hours of overtime.

C. Except in case of an emergency, an employee will not be required to work overtime.

D. When an employee covered by this Agreement has been relieved for the day and is recalled to work from his home, or when an employee is called in to work on any of his regular days off, he will be paid for not less than two (2) hours at the applicable hourly overtime rate (see Article 7A).

E. Employees shall be given one-half (1/2) hour notice of overtime, except in cases of emergency to maintain daily flight schedules, or more notice if possible. There shall be no pyramiding of the overtime rates provided for in this Agreement.

F. **Voluntary** overtime will be distributed as equally as practical among all qualified employees wherever overtime is required. Overtime pay shall be governed by classification and/or shift in which work was performed. **Employees will not be required to work overtime except when the Company's operations cannot otherwise be maintained. Mandatory overtime will be assigned in reverse order with the most junior qualified and available employee(s) being assigned first. Utilization of all on-duty personnel will be exhausted before off-duty personnel are called.**

G. The following days are designated holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day and Personal Day Off (PDO). The holiday period for night shift will begin at the start of their shift on the evening before the holiday. For all other shifts, the holiday period shall begin at the start of the actual holiday. On all shifts, the holiday period will end when the employee has been relieved for the day. Employees

taking approved time off on any of the above holidays will be eligible for compensation for the regular scheduled hours they would have normally worked (based on either an 8-hour or 10-hour shift). **Employees using sick leave on a holiday will not be eligible to receive to receive holiday pay. The employee will be paid under the provisions of Article 15.**

PDOs must be used during the course of the current calendar year. If the employee does not use his PDO during the current year, he will lose his right to the PDO with no monetary compensation. Employees using a PDO will be eligible for compensation for the regular scheduled hours they would have normally worked (based on either an 8-hour or 10-hour shift).

H. Full-time employees required to work on any of the foregoing holidays will be paid at regular time and one-half plus holiday pay of eight hours at the applicable straight time rate.

I. Full-time employees who do not work on the foregoing holidays will be paid eight (8) hours pay at their applicable straight time rate. Holiday pay for hours not worked shall not be used for computation of overtime pay. In order to be eligible for holiday pay, the employee must have worked the last scheduled work day preceding the holiday and the next scheduled work day following the holiday unless excused by the Department Head or his designee. **Employees utilizing sick leave on the work day preceding or following the holiday are not eligible for holiday pay. Employees utilizing sick leave on a holiday will only be paid eight (8) hours pay at the applicable straight time rate. Sick leave utilized on a holiday will be deducted from the employee's sick leave accrued.**

J. **An** employee scheduled to work on a holiday may trade with an employee in the same classification not scheduled to work subject to management's approval in writing in accordance with Article 6 H. Such trade will not affect the holiday pay provisions, and such request in writing to management will be made at least three (3) days before the holiday. The employee accepting the trade will be required to report for work.

#### ARTICLE 8 FIELD SERVICE

A. When employees covered by this Agreement are required to engage in field or emergency work away from their base station, they shall be paid for such work on the same basis as at their base station and in accordance with Article 6.

B. Employees will be paid the applicable hourly rate (subject to provisions of Article 7) for all time spent in traveling or waiting at Company direction, except for periods when not on duty. Every effort will be made to return an employee engaged in field service or emergency work to this base station as soon as possible after he has completed his assigned duty.

C. Where transportation, laundry, meals and lodgings are not provided by the Company for employees on emergency work, attending school, or filling temporary vacancies of thirty (30) calendar days or less, all reasonable necessary expenses will be allowed as substantiated by receipts.

When an employee is required to go on field service duty, it shall be the responsibility of the Director of Maintenance to ensure that sufficient funds are available to the employee(s) to accommodate the anticipated and normal expenses.

Under unusual circumstances, additional monies may be required and received through notification and approval of the Director of Maintenance. Any and all expenses shall be submitted for final Company approval on the standard forms.

D. Employees called from home for field service after completing their regular shift assignment, or on a regular day off, who are not given at least one (1) hour's notice will be allowed one-half (1/2) hour as preparatory time in advance of scheduled departure time at the applicable hourly overtime rate (see Article 7A).

E. If an employee returns to his home station with less than eight (8) hours time lapse before his next scheduled shift, he shall not be unduly required to report for work unless he has met the eight (8) hour requirement. If an employee is required to return to work with less than eight (8) hours of rest, he will receive the applicable hourly overtime rate (see Article 7A) until he has received eight (8) hours of rest.

ARTICLE 9  
VACATIONS

A. Effective with the next bidding of vacations, any employee who has been on the payroll of the Company under this Agreement shall be eligible for vacation accrual as follows:

|   |           |
|---|-----------|
| Completion of one year of continuous service      | 80 hours  |
| Completion of five years of continuous service    | 120 hours |
| Completion of fifteen years of continuous service | 160 hours |

Accrued vacation is to be taken in the anniversary year following the year of accrual.

B. One week's vacation pay for an individual shall be computed by multiplying his applicable hourly rate by forty (40). One day's vacation pay shall be computed by multiplying his applicable hourly rate by his normal scheduled hours of service.

C. Vacation time accrual per month:

80 hours accrual will be earned at 6.67 hours per calendar month  
120 hours accrual will be earned at 10.0 hours per calendar month.  
160 hours accrual will be earned at 13.34 hours per calendar month.

D. Employees will not accrue vacation while on non-pay status from the Company except for those employees receiving worker's compensation, who will accrue vacation for the first sixty (60) work days.

E. Vacation periods for the year must be bid during the month of **January** for the **current** year. All employees under this Agreement shall indicate their preference, regardless of their class seniority, but actual bid awards will be assigned by the class seniority system. For vacation bid awards only, class seniority is identified as two classes - Mechanic and Utility

Serviceman. The bid awards for the period January 1 through December 31 will be posted for all employees by January 15. Employees desiring to change their vacation after bid awards may, with a minimum of two (2) weeks notice, request any open weeks of vacation at Company discretion. Employees failing to bid during January may have their vacations assigned by the Company.

F. Protests of vacation awards:

1. Any protests must be taken up with the employee's supervisor within thirty (30) days.

2. Senior employees will not be permitted to select a vacation period awarded to a junior employee after the vacation schedule has been published.

G. Vacations can be bid either a) one day at a time (DAT) or b) by consecutive days. Employees can only bid the amount of vacation they have accrued in the past year.

Any vacation not bid during the annual vacation bid period can be used as DAT (either singularly or consecutively) by providing a minimum of seven (7) days written notice to the Director of Maintenance. The Director of Maintenance will then provide a written response (either approving or denying the vacation request) within three (3) days of the date(s) requested off.

H. In unusual circumstances, as determined by the Department Head, or his designee, an employee can request and may be granted by telephone prior to his normal starting time, the use of his DAT.

I. No employee shall accrue vacation during his probationary period except that upon completion of his probationary period, the employee's accrued vacation shall be calculated as of his date of hire. Employees who leave the Company but have completed at least one (1) years' length of service will be compensated for any accrued but unused vacation time.

J. An employee involuntarily furloughed or entering the active Armed Services or who dies or retires shall be entitled to accumulated vacation.

K. If recognized holidays fall within an employee's vacation period, said vacation period will be extended by an additional work day with pay, or he may opt to save the day to be used at a later date, such option to be specified at time of vacation bid.

L. Two (2) employees per shift may bid and may be awarded the same period of vacation. **At least one (1) employee per shift will be awarded a posted vacation period. When, at a minimum, four (4) mechanics remain on a shift, two mechanics can bid and will be awarded the vacation period. In the event that less than four (4) employees remain in a shift with two (2) employees bidding the same posted vacation period, the Director of Maintenance can approve or deny the second bid for the same shift.**

M. Vacations shall be non-accumulative; and accrued vacations must be taken in the year following the year in which it was earned, unless the Company has denied the employee the right to take his vacation, in which case the employee must take his vacation in the first two (2) months of the following year. In the event, due to Company requirements, he doesn't use the vacation within the two (2) months, he will be paid for his accrued hours at the straight time rate.

N. When a state of emergency is declared by local or state government due to weather conditions and employees are prevented from reporting to work, employees may request and may be granted vacation or, subject to the supervisor's discretion, be allowed to make up the lost time at a later date on a straight time basis. In the event neither of the above options are used, the lost time will be considered time off without pay.

ARTICLE 10  
LEAVE OF ABSENCE

A. When the requirements of the service will permit, any employee hereunder shall, upon proper written application and approval of the Company, be granted a leave of absence in writing for a period not in excess of thirty (30) calendar days. When an employee goes on non-pay status, he will no longer accrue sick leave or reserve sick leave. Vacation benefits will be governed by Article 9, Paragraph D.

Except as herein provided, an employee shall not during the time he is on leave of absence, be gainfully employed without first having received approval from the Company. The employee is obligated to notify the Union of any such leaves.

B. Such leave or leaves may not be extended for additional periods unless approved by the Company.

C. Employees leaving the Company and entering the Armed Services during the term of this contract shall retain their seniority rights unimpaired and upon honorable discharge shall be reinstated according to the law.

D. During all the leaves of absence mentioned herein, employees shall retain, but not continue to accrue, seniority beyond the first thirty (30) calendar days. Sick leave or occupational injury leave shall continue to accrue seniority.

E. An employee on leave of absence of thirty (30) days or more, inclusive of extensions which may have been granted, who returns from such leave shall be reinstated to his former job if his seniority warrants.

F. In the case of death in the immediate family (spouse, children, father, mother, sister, brother, mother-in-law, father-in-law or grandparents), an employee will be allowed time off with pay beginning with date of death to and including the date of the funeral but not to exceed three (3) of his scheduled work days during said period. Pay shall be at the employee's base rate not to exceed the normal hours for any such scheduled work day lost with a maximum of twenty-four (24) hours each incident. The employee shall not be eligible for funeral leave pay if he is on vacation, layoff, or any kind of personal, sick, or workers' compensation leave. He shall not be paid for funeral leave in the event of a holiday for which he is eligible occurring during the funeral leave.

ARTICLE 11  
VACANCIES AND BULLETINED JOBS

A. When the Company declares a vacancy exists notice of such vacancy will be posted on the Mechanics bulletin board in Billings for a period of not less than seven (7) calendar days. Such bulletins will specify the classification, shift, hours of service, days off and the final date after which bids will not be considered. A qualified employee desiring to be considered for the job shall submit a bid during the posting period. Bids may be submitted to the Company on a form determined by the Company and must be dated and/or postmarked and received prior to the closing date of the bulletined vacancy. The selected bidder will assume the job within thirty (30) days from the date of closing.

B. Bid awards shall be on the basis of the most qualified senior bidder. The successful bidder shall be given a trial period of up to ninety (90) calendar days to demonstrate his ability to perform the work. The trial period spelled out above shall not apply to bidding work schedules within the employee's own classification. Successful bidders from one classification to another will not be eligible to be awarded a position outside their own classification for a period of six (6) calendar months from the date of their award; this six-month restriction does not apply when going to a higher classification. The Company may establish methods of testing and performance review to determine the qualifications of the bidder.

C. If no qualified employee bids, the Company shall have the right to hire from the outside or to assign the most junior qualified employee to fill the vacancy. New employees may be assigned a training schedule not to exceed ten (10) calendar weeks.

D. All vacancies can be filled by appointment on a temporary basis not to exceed ninety (90) calendar days while completing the posting and selection procedure. Employees who hold a seniority in the higher vacant position and refuse to accept a temporary assignment based on the reverse order of seniority shall lose seniority in the higher classification. Temporary positions do not accrue seniority.

E. 1. A general shift bid shall be held each year in **December**. Additional shift bids may be held when deemed necessary by the Company. **Company-proposed** work schedule(s) **for the next bid period** will be posted twenty (20) days prior to the end of the bid period. **Employee(s) may submit comments or alternative schedules for consideration by management.** A Company-approved work schedule will be posted ten (10) days prior to the end of the bid **period**.

2. All rotating day off schedules will be prepared in written form and will include rules, conditions and stipulations as deemed necessary by the Company. Said agreements may be entered into and approved on a local basis and must be signed by a Shop Steward and a Company Representative.

3. Rotating day off schedules may contain separate rules and stipulations that are not consistent with the provisions of the existing contract, and the Company will have the right to discontinue any rotating day off schedule(s) with ten (10) calendar days notice to the affected employees. If a rotating day off schedule is canceled by the Company, the Company agrees to post and hold a general shift bid within thirty (30) calendar days of the date of the cancellation.

F. Shift bids shall be by job classification only. Employees may not bid on a shift outside of their current classification. Shifts will be filled by qualification and then seniority.

G. Other employees under this Agreement with applicable licenses and equal qualifications will be given preference for mechanic job openings.

ARTICLE 12  
SENIORITY

A. Seniority under this Agreement shall be defined as length of continuous service with the Company subject to ability to perform the work of the job in a satisfactory manner and shall be by work classification and shall accrue from the date of entering a classification on a regular full time or part-time assignment, subject to other provisions herein. Temporary positions do not accrue seniority. The date of entering classification shall be established as one day after the closing date of the bid for seniority purposes only. The work classifications to be recognized for seniority purposes shall be as defined in Article 5. An employee moving from a lower classification to a higher classification will retain and continue to accrue seniority in all lower classifications he worked and will retain his present rate of pay or the starting rate of the higher classification (inclusive of any license premiums), whichever is greater, until such time as his seniority in that classification increases the rate of pay.

B. Seniority by work classification shall be recognized at all shops and points where employees hereunder are employed on a system basis in all reductions of force, in recalling after a layoff, in bidding for vacancies or new jobs, and in all promotions, demotions, or transfers involving classifications covered by this Agreement. Part-time Lead Mechanic and Duty Inspector positions of less than 24 hours will not accrue seniority in the Lead and Duty Inspector classifications and will be awarded on a basis of mechanic seniority. Individuals retaining, but not currently exercising, seniority in Lead or Duty Inspector classifications, will have first rights to those classifications should they become available. Next rights would be on a senior qualified mechanic basis.

C. If retained in the service after the probationary period, the names of such employees shall then be placed on the seniority list for their respective classification in order of the date of their entry into that classification. To decide the position of two or more employees on the seniority list whose date of entry into classification is the same, the following procedure will be used in sequence as outlined:

1. Date of entering classification;
2. Date of entering Company as an employee;
3. Birthday - oldest employee will be the senior;
4. By method mutually agreed upon by both or all parties concerned.

D. As of January 1 and July 1 of each year, the Company shall bring up to date system seniority lists which shall contain in their proper order the names of all employees in each job classification. Copies of seniority lists shall be posted on the IAM bulletin boards and a copy sent to District 143. At the time of the initial appearance on a seniority list, employees shall have

thirty (30) days after the posting of such a list in which to protest in writing to the Company any omission or incorrect posting affecting their seniority.

E. Employees covered by this Agreement shall lose their seniority status and their names shall be removed from the seniority list under the following conditions:

1. He quits or resigns.
2. He is discharged for just cause.
3. He is absent from work for two (2) consecutive days without properly notifying the Maintenance Department of the reason for his absence, and not then if a satisfactory reason is given for not notifying the Company.
4. He does not inform the Company in writing, by telephone or by other available means, of his intention to return to service within five (5) calendar days of receipt of notice.
5. He does not return to the service of the Company on or before a date specified in the notice from the Company offering him reemployment, which date shall not be prior to fourteen (14) calendar days after attempted delivery of the telegram or certified letter of notice; provided, however, that Sections 4 and 5 of this Article shall not apply to offers of temporary work.
6. All notices required to be sent under this Section can be delivered by telegram, certified mail (return receipt request to the employee at the last address filed by him with the Payroll/ Personnel Representative) in person, or by facsimile. Provided, however, that there shall be no duty on the part of the Company to send a notice to a laid off employee unless said employee shall, when laid off, file his address with the Payroll/Personnel Representative of the Company and shall thereafter promptly advise the Payroll/Personnel Representative of any change of address.
7. He is not recalled after having been laid off from the Company for a continuous period of thirty-six (36) months. The thirty-six (36) months shall be considered broken only if an employee is recalled for a period of thirty (30) or more consecutive work days.

F. An employee holding seniority in classifications higher than his present classification and failing to bid on a bulletined job in such higher classification for which he has previously qualified shall lose all seniority in such classifications, except at no time shall an employee be compelled to bid a temporary job of less than sixty (60) calendar days. The same shall apply if his bid is withdrawn prior to the bid award or failure to accept after the bid award. When an employee successfully bids from a classification (to a lower classification), he shall lose seniority in all classifications which are rated higher than the one to which he has successfully bid. Lead Mechanics and Duty Inspectors are not required to bid part-time positions to retain seniority.

ARTICLE 13  
PROBATIONARY PERIOD

A. All newly hired employees for positions within the bargaining unit will be considered as probationary employees for the first ninety (90) calendar days of active service. For sufficient reason as determined by the Company, with Notice to the Union, the probationary period may be extended up to an additional ninety (90) days. Days of employment missed due to sickness, injury, or any other reason will extend the probationary period by the number of days missed; and all on the job training time will count towards completion of probation.

B. All such employees shall enjoy the benefits of the terms of this Agreement unless expressly provided otherwise, except that the termination of a probationary employee shall not be subject to the grievance procedure.

C. Upon completion of the probationary period, such employee shall be entitled to all benefits of the contract. If an employee has had the probationary period extended, then upon successful completion, all benefit accruals shall be retroactive to the original date of hire.

ARTICLE 14  
FURLOUGH

A. When a furlough becomes necessary, the Company will give the affected employee(s) a minimum of fourteen (14) calendar days notice or eighty (80) hours pay in lieu thereof, except in cases of work stoppage by other Company employees, acts of God, or other circumstances beyond the control of the Company. The employee(s) directly affected may exercise seniority in the following manner:

1. (a) Displace an employee in his own classification on another shift or work schedule according to his seniority in that work classification.

(b) Displace any employee at the station in any lower classification in which he holds seniority.

(c) Displace any employee on the system in any lower classification in which he holds seniority.

(d) Go on layoff status at the station where affected by a reduction in force, provided he has exercised seniority at the station to the fullest extent possible in any classification in which he holds seniority. An employee who is unable to exercise seniority in the classification, from which he was furloughed and holding seniority in a lower classification may elect to go on layoff status rather than exercise seniority in a lower classification, in which event he shall lose seniority in all classifications lower than that from which he was furloughed.

2. An employee electing options (b) or (c) above shall retain seniority in all classifications from which laid off or displaced, but will be required to accept recall in the classifications at the station. An employee electing option (d) above shall accrue seniority in all classifications in which he retains seniority.

3. Employees electing to exercise the above options will not be permitted to displace a junior employee at some later date but may bid on any bulletined vacancy in accordance with his seniority.

4. Laid off employees shall not be required to accept a temporary job of less than sixty (60) calendar days, and the Company shall notify the employee if the recall is for a temporary position.

5. An employee must notify the Company, in writing, within five (5) calendar days after receipt of notice or displacement which of the above options he elects. Failure to notify the Company will be considered to mean the employee desires to be placed on layoff status at the station, except that an employee who has failed to exercise seniority at the station in accordance with (d) above or an employee who has elected option (a) and fails to report at the new location within fourteen (14) calendar days (unless mutually agreed otherwise) after the effective date of his layoff or displacement shall have his name removed from the seniority list of all classifications in which he refused to exercise seniority in the order of his refusal.

B. In the event an employee's work is geographically relocated, he may elect to utilize the provisions of a station layoff rather than to exercise his right to follow the work.

C. All notices required to be sent under this Article shall be sent to the employee at the last address filed by him with the Payroll/Personnel Representative. There shall be no obligation on the part of the Company to recall an employee who fails to keep his current mailing address on file with the Company, as herein provided.

D. While an employee is on furlough, he will be eligible for transportation rights on the Company's system set forth in Article 16 of this Agreement.

E. In the event of a reduction of the mechanic work force, a mechanic holding utility seniority may exercise his utility classification seniority to displace a junior utility employee.

F. In lieu of involuntary furlough, at its discretion the Company may consider offers for voluntary furlough. Certain conditions must be met, however, in order for a voluntary furlough to be granted. They are:

1. The Company first must have initiated a reduction in work force action that would create (or has created) a furloughed employee.

2. The employee requesting a voluntary furlough must be equally or better qualified for the position as the furloughed employee.

3. A request for voluntary furlough must be submitted in writing to the employee's immediate supervisor and approved by the department director and vice - president before being granted.

4. The person to be involuntarily furloughed must agree to remain employed by the Company (or return to employment) before a voluntary furlough request will be considered.

5. Voluntary furloughs will be set for specific periods of time to be not less than one (1) month, nor more than six (6) months, as mutually agreed upon in advance. When the reduction in work force (furlough condition) ceases to exist, the voluntary furlough also will cease to exist and the employee will be subject to recall. Voluntary furloughs may be extended at the end of the original period, provided a timely written request for extension is received and properly approved, and provided that a furlough condition continues to exist.

6. Seniority will continue to accrue while on a voluntary furlough.

7. All other provisions of reduction in force and furlough, above will apply.

#### ARTICLE 15 SICK LEAVE

A. Sick leave is a benefit provided by the Company to compensate an employee on days that he cannot work because of illness or accident not covered by Company-provided workers' compensation. A day of sick leave shall consist of that time that the individual was scheduled to work had he not been sick. Sick leave shall be earned in two (2) ways: regular sick leave and reserve sick leave.

B. Regular sick leave shall be accrued at the rate of eight (8) hours per month. Each employee may earn a maximum of one hundred twenty (120) hours of regular sick leave.

C. After reaching the maximum of one hundred twenty (120) hours of regular sick leave credit, and so long as a one hundred twenty (120) hour balance is maintained and no regular sick leave has been taken during that month, the employee shall accrue eight (8) hours of reserve sick leave up to a maximum of one hundred twenty (120) hours of reserve sick leave.

D. Reserve sick leave credit will be available for use only after all regular sick leave credit has been exhausted.

E. The Company may require evidence of proving the illness. The Company may request a doctor's certificate if it so notifies the employee and pays the cost of the office call not covered by insurance unless the employee has sought medical assistance from a doctor on his own.

F. Employees who are furloughed or granted leave of absence shall accrue sick leave only for the balance of the current calendar month. Employees shall retain but not accrue sick leave for the length of the leave.

G. If an employee is injured on the job, he must complete and submit a claim immediately to the Company's Workers' Compensation carrier in order to qualify and receive compensation for any lost wages from his normally scheduled work time. If, after receipt of the Workers' Compensation insurance settlement from the insurance carrier, the total compensation does not equal the normal straight time compensation that would have normally been paid, the employee can provide the Company proof of the settlement and the difference not to exceed the employees applicable hourly rate of pay (see Article 24, Paragraph H.), will be paid from the employee's sick leave accrual; if any exists. During any period of claim to the Company's Workers' Compensation insurance carrier for an on-the-job injury, the employee shall earn and accrue regular sick leave, but such sick leave may be used only after the employee returns to work.

H. Sick leave shall be paid for time lost in any regularly scheduled work day at the employee's applicable hourly rate of pay (see Article 24, Paragraph H).

I. The Company will furnish in January of each year, each employee a statement showing his/her balance of accrued sick leave.

J. It is agreed that the Union will cooperate with the Company wherever possible to combat any abuse of the sick leave provisions provided in this Agreement. Any employee who uses sick leave for any other purpose than for which it is designated will be subject to disciplinary action, including discharge.

K. A new employee shall begin to earn sick leave from the first day but shall not be permitted to utilize sick leave accrual until he has passed his probation period, or any extension thereof, at which time his sick leave accrual will be credited retroactively.

#### ARTICLE 16 TRANSPORTATION

A. Employees covered by this Agreement will be granted transportation privileges on the Company's system to the extent permitted by the Company's Travel Benefit Policy Manual.

#### ARTICLE 17 TRANSFER OUT OF BARGAINING UNIT

A. Employees promoted to maintenance management positions (as defined in paragraph D) outside the coverage of this Agreement will retain and accrue seniority for 180 days in the classification from which promoted. After 180 days they will retain their seniority but no longer accrue seniority from the classification from which promoted. **After one (1) year from accepting the management position, the employee will lose all seniority in this Agreement if he does not return.**

B. Employees promoted or transferred to other positions outside the coverage of this Agreement will lose all classification seniority under the IAM Agreement.

#### C. **Temporary Management Positions**

**1. When a temporary management position becomes available, the Union will be notified at that time as to length of time and how the interview process will work.**

**2. The person moving into a temporary management position will continue to pay Union dues.**

**3. When the person returns from the temporary management position, he will exercise his seniority to the position classification from which he was promoted as provided above, and if such position is unavailable or he has insufficient seniority to bump, then he will exercise his seniority to the fullest at the station he left.**

D. Maintenance management positions are defined as the Director of Maintenance, Chief Inspector and Manager of Maintenance Control. Defined positions can be modified upon mutual agreement of the Union and the Company.

ARTICLE 18  
GRIEVANCE PROCEDURE

A. The representation for the effective handling of grievances and disputes between the parties under this Agreement shall be:

1. The Union will be represented by not more than one properly designated Steward or Committeeman for each shift (non-overlapping shifts) at each location. This Steward and/or Committeeman will deal with officials of the Company with or through an accredited I.A.M.A.W. representative an/or his designee. A Steward and/or Committeeman, upon request from an employee may be present at all disciplinary hearings. One of the stewards will be designated as Chief Steward who will assist the stewards on all shifts in handling disputes between the parties.

2. The Company will be represented by authorized Company representatives.

3. The Union and the Company will at all times keep the other party advised through written notice of any change in authorized representatives.

4. The authorized representative of the Union shall be permitted at any time to enter shops and facilities of the Company for the purpose of investigating grievances and disputes. The representative shall give prior notice to management and will not unnecessarily disrupt the operation.

B. It is specifically agreed that in the event any disputes arise out of the interpretation or application of the terms of this Agreement, the same shall be settled by means of the procedure set out herein. No grievances shall be recognized unless it has been brought to the attention of the Company or Union within fifteen (15) days of the alleged violation, interpretation or misapplication of the terms of the Agreement, or the constructive knowledge of the same.

Step 1. An employee will initially attempt to resolve the grievance informally with the immediate Supervisor.

Step 2. When an employee cannot resolve the grievance informally, the employee or Union shall bring the matter formally to the Director of Maintenance in writing on a form supplied by the Union, within fifteen (15) calendar days of the event giving rise to the grievance, or of the time the employee could reasonable expect to have knowledge of event. The Director of Maintenance will initial and date acknowledgement of receipt of the grievance. Such formal grievance shall state the date of event giving rise to the grievance, the specific terms of the Agreement violated, misinterpreted or misapplied and the specific remedy sought. The Director of Maintenance shall render his written decision within fifteen (15) calendar days or within five (5) calendar days after the final discussion with the Steward and/or grievant.

Step 3. If the decision on Step 2 is not considered satisfactory, or the Director of Maintenance fails to respond within the time frame allowed, the General Chairman or his designee may appeal in writing the decision, or failure to respond, to the Chief Operating Officer within fifteen (15) calendar days of such decision or failure to respond. The Chief Operating Officer shall render his decision in writing within fifteen (15) calendar days after the final discussion with the General Chairman or his designee.

Step 4. (a) If the decision of the Chief Operating Officer is not considered satisfactory, the grievance and decision may be referred to the four member Grievance Board of Adjustment, consisting of two (2) delegated Union members and two (2) Company officials, by submission to the Board within fifteen (15) calendar days after receipt of the written decision of the Chief Operating Officer.

(b) Upon receipt of this submission, the Board will meet on a mutually agreeable date not to exceed forty-five (45) days after the submission to consider and attempt to resolve the dispute. Time limits may be extended by mutual agreement.

(c) If the Board is unable to resolve the dispute within seven (7) calendar days after the Board convenes, the grievance and decision may be referred through the General Chairman to arbitration in accordance with Article 19. Such referral to arbitration shall be made within forty-five (45) calendar days of the initial meeting of the Board.

(d) The applicable rules spelled out in Article 19 will apply to the four-member Board.

C. Non-compliance with the time limits set forth in Step 3 and Step 4 of Section B shall result in the granting of the grievance, if by the Company, and the denial of the grievance, if by the Union or the aggrieved.

D. The steward, with authorization from the Director of Maintenance or his designee, may investigate and discuss grievances while on scheduled working time. The steward shall not disrupt operations, and the Director of Maintenance or his designee shall not unreasonably withhold the authorization.

E. 1. No employee who has completed his probationary period shall be so disciplined to the extent of loss of pay or discharge without being advised in writing of the charge, or charges, preferred against him leading to such action. Such notice shall be presented to the employee no later than five (5) calendar days after the final discussion with the Steward and/or grievant, with a copy to the Local Steward.

2. An employee disciplined in E.1. above may proceed directly to Step 2 of the grievance procedure and present his written grievance to the Director of Maintenance. Any grievance filed by the Company will be filed directly with the General Chairman. If the decision of the General Chairman is not considered satisfactory, the grievance and decision may be referred to the System Board, as spelled out in Article 19.

F. An employee has the right to review his personnel file at reasonable times in the presence of a Company official and may, in disciplinary cases, at his option, be accompanied by

his Union representative. Disciplinary letters and write-ups will not be used against an employee after one (1) year, provided there are no further disciplinary actions.

G. No disciplinary letters will be issued to an employee without first discussing the incident with the employee and the Union Steward.

ARTICLE 19  
SYSTEM BOARD OF ADJUSTMENT

A. In compliance with Section 204, Title 2, of the Railway Labor Act, as amended, there is hereby established a System Board of Adjustment for the purpose of adjusting and deciding all disputes or grievances which may arise under the terms of this Agreement and which are properly submitted to it after exhausting the procedure for settling disputes, as set forth under the Grievance Procedure.

B. At the arbitration stage, the Board shall consist of three (3) members, one (1) appointed by the Company, one (1) appointed by the Union and, for each dispute, one (1) member (hereinafter referred to as the neutral member) selected in accordance with Paragraph E of this Article.

C. The Board shall have jurisdiction over disputes between any employee covered by this Agreement and the Company growing out of grievances involving the interpretation or application of any of the terms of this Agreement. The jurisdiction of the Board shall not extend to proposed changes in hours of employment, basic rates of compensation, or working conditions covered by this Agreement or any amendment hereto.

D. The neutral member of the Board shall preside at meetings and hearings of the Board and shall be designated as Chairman of the System Board of Adjustment. It shall be the responsibility of the Chairman to guide the parties in the presentation of testimony, exhibits, and arguments at hearings to the end that a fair, prompt, and orderly hearing of the dispute is afforded. The Board shall meet in the city where the general offices of Big Sky Airlines are maintained (unless a different place of meeting is agreed upon by the Board).

E. Upon filing a request for hearing with the Company member and Union member, the Company and Union shall within fifteen (15) calendar days meet to select a neutral member to set with the Board in consideration and disposition of the case. If no agreement can be reached within the fifteen (15) calendar day period, the appealing party will file a request with the National Mediation Board for a panel of seven (7) neutral arbitrators from which the parties will select one to serve as the neutral member.

Upon the selection or appointment of a neutral member, the appealing party shall forward a copy of the submission to the members of the Board. All subsequent documents to be filed with the Board shall be addressed to all three members of the Board.

The Chairman shall set a date for hearing which shall be mutually satisfactory with the Union and the Company members of the Board and shall be within thirty (30) calendar days of the date of selection or appointment of the neutral member unless the Company and the Union have agreed to a mutually satisfactory later date.

F. Employees covered by this Agreement may be represented at Board hearing by such person or persons as they may choose and designate, and the Company may be represented by such person or persons as it may choose and designate.

G. Decisions of the Board in all cases properly referable to it shall be final and binding upon the parties hereto.

H. The decision of the Board shall be rendered within thirty (30) calendar days after the closing of the hearing and/or final briefs have been submitted, and a majority vote of the members of the Board, including the neutral member, shall be necessary to reach such decision. The expense and reasonable compensation of the neutral member selected as provided herein shall be borne equally by the parties hereto, except as may be otherwise provided under the Railway Labor Act. The time limits specified in this paragraph may be extended by mutual agreement of the parties to this Agreement.

I. Nothing herein shall be construed to limit, restrict or abridge the rights or privileges accorded either to the employees or to the Company, or to their duly accredited representatives, under the provisions of the Railway Labor Act, as amended.

J. Each of the parties hereto will assume the compensation, travel expenses, and other expenses of its Board member and witnesses called or summoned by it. Witnesses who are employees of the Company shall receive transportation over the lines of the Company in accordance with Company policy.

K. It is understood and agreed that each and every Board member shall be free to discharge his duty in an independent manner, without fear that his individual relations with the Company or its Union may be affected in any manner by any action taken by him in good faith in his capacity as a Board member.

#### ARTICLE 20 SAFETY AND HEALTH

A. The Company may require the employee to take a physical examination by a doctor selected by the Company. The cost of any such examination will be paid by the Company. Upon request, a non-probationary employee will be furnished a copy of the doctor's report.

B. The Company shall continue to furnish first aid equipment and all necessary safety devices for employees working on hazardous or unsanitary work and also shall continue to furnish protective clothing for employees required to work with acids or chemicals that are injurious to regular clothing. Employees must use or wear devices or clothing as may be furnished or will be subject to disciplinary action.

C. Employees covered by this Agreement shall not be required to work on aircraft outside of hangars during inclement weather when Company hangars are reasonably available. This clause shall not apply to emergency work on aircraft and ground equipment for immediate service or to servicing of flights. Suitable raingear will be kept available at all maintenance locations.

D. Should an employee become injured and unable to perform his duties, the Company will make every reasonable effort to provide the employee with such work that is available in another job assignment.

ARTICLE 21  
LIABILITY FOR DAMAGE TO EQUIPMENT

No employee shall be required to pay for damage done to any equipment or property which may be damaged during the course of his employment unless such damage is a result of gross negligence or a willful or wanton act of such employee.

ARTICLE 22  
SAVINGS CLAUSE

If any article or section of this Agreement or any addendums thereto should be held invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any article or section should be restrained by such tribunal, the remainder of the Agreement and addendums shall not be affected thereby; and the parties shall enter into immediate collective bargaining negotiations for the purpose of arriving at a mutually satisfactory replacement for such article or section.

ARTICLE 23  
NO OTHER AGREEMENT

The employer agrees not to enter into any other agreement, written or verbal, with the members of the Bargaining Unit, individually or collectively, which in any way conflicts with the provisions of this Agreement.

ARTICLE 24  
WAGE RULES

A. The minimum hourly rates set forth in Article 28 attached hereto and made a part of this Agreement shall prevail on and after the dates and in the manner indicated therein.

B. The rates of all employees on the payroll at the time of the execution of this Agreement will be adjusted in accordance with the progression schedule indicated in Article 28, but no employee shall receive a reduction in hourly rate because of that progression schedule.

C. Employees shall be paid bi-weekly, on Friday, no later than 5:00 p.m. If the scheduled payday is on a holiday during the business week, payday will be the Thursday before the normal Friday payday.

D. Employees hereunder who must be absent from their work while serving as jurors shall, upon proper evidence that they were called and actually served such jury duty, be paid their applicable rate of compensation less the amount received for jury service.

E. It is understood that if approval of any or all changes in rates of pay and other compensation is required by applicable laws and regulations, such changes shall be payable only after joint application and approval by the appropriate government wage stabilization agencies and then only in accordance with such approval.

F. If in the event it becomes necessary to temporarily upgrade an employee to a higher classification, the employee will receive the higher classification pay for all time worked with a minimum of four (4) hours pay for each day.

G. In the event of an emergency financial condition which may exist within the Company, the Union shall agree to go into immediate consultation with the Company for productivity, wage, and/or benefit concessions and, with approval of the membership, may agree to assist the Company in regaining a secure and stabilized financial position.

H. Applicable Rate: Applicable rate shall be defined to include the Base rate of the employee, any License Premiums, IA Premiums, RII Premiums and Longevity.

I. The Company will not normally allow employees to take time off without pay. However, an employee can make a written request to the Director of Maintenance, whereby it will be considered and approved if conditions will permit. This written notice must be provided to the Director of Maintenance a minimum of seven (7) days prior to the requested time off. The Director of Maintenance will then provide a written response (either approving or denying the request) within three (3) days of the date of the requested time off.

ARTICLE 25  
PREMIUMS

A. Shift Premiums

1. **When there are two shifts, employees who start work between 11:00 a.m. and 5:00 p.m., which will be considered the afternoon shift, shall receive a premium of twenty-six cents (\$.26) per hour effective for those hours worked, including any hours extending beyond. Employees who start work after 5:00 p.m. and before 5:00 a.m., which will be considered the night shift, shall receive thirty-five cents (\$.35) per hour for all hours worked, including any hours extending beyond 5:00 a.m.**

2. **When there are three shifts, employees who start work between 11:00 a.m. and 6:00 p.m., which will be considered the afternoon shift, shall receive a premium of twenty-six cents (\$.26) per hour effective for those hours worked, including any hours extending beyond. Employees who start work after 6:00 p.m. and before 6:00 a.m., which will be considered the night shift, shall receive thirty-five cents (\$.35) per hour for all hours worked, including any hours extending beyond 6:00 a.m.**

3. Shift premiums shall be included as a part of the basic rate in the computation of pay for hours of overtime, holidays, vacation, and sick leave.

B. License Premiums:

| License    | 1/1/04 | 1/1/06 | 1/1/08 | 1/1/10 |
|------------|--------|--------|--------|--------|
| Airframe   | .72    | .79    | .89    | .99    |
| Powerplant | .71    | .79    | .89    | .99    |

C. The license pay in this article is not applicable to the utility serviceman.

D. Inspection Premiums

1. An employee holding an FAA Inspection Authorization (IA) will be paid an additional thirty cents (.32) per hour.

2. Company-designated RII inspectors will receive an additional thirty-three cents (.33) an hour. Employees failing to perform the duties of RII Inspector, or to maintain their proficiency, may lose their premium.

ARTICLE 26  
LONGEVITY

A. **Effective January 1, 2004 an active employee's longevity rate will increase each year on his anniversary date as follows:**

**1. An employee with a minimum of one (1) year of active service but not greater than five (5) years of active service will receive an hourly longevity rate of six cents (\$.06) per hour for each year of active service, to a maximum of thirty cents (\$.30) an hour.**

**2. An employee with a minimum of six (6) years of active service but not greater than ten (10) years of active service will receive an hourly longevity rate of seven cents (\$.07) per hour for each year of active service, to a maximum of seventy cents (\$.70) an hour.**

**3. An employee with a minimum of eleven (11) years of active service will receive an hourly longevity rate of eight cents (\$.08) per hour for each year of active service, to a maximum of one dollar and twenty cents (\$1.20) per hour.**

B. Longevity pay shall be included as a part of the basic rate in the computation of pay for hours of overtime, holidays, vacation, and sick leave pay.

ARTICLE 27

Intentionally left blank.

ARTICLE 28  
RATES OF PAY

A. Classification – Duty Inspectors will be paid ninety-one (.91) per hour above their base pay in addition to their RII Premium per Article 25.D.2. Lead Mechanics will be paid one dollar fifty cents (\$1.50) per hour above their base pay in addition to their RII premium. Maintenance Training Officers will be paid eighty-two cents (\$.82) per hour above their base pay in addition to their RII premium. Maintenance Controllers will be paid two dollars and thirty-five cents (2.35) per hour above their base pay in addition to their RII premium.

B. New Hire Mechanics will normally receive a starting wage equivalent to sixty percent (60%) of the fully-qualified mechanics base wage unless it is evident the qualifications and experience of the new hire is significantly superior. In such cases, new hires may be brought in at a higher percentage rate. Mechanics can be tested and awarded more than a one-step percentage adjustment at one time, but in any case, not more than two steps can be awarded in any six (6) month period.

C. Mechanic Base Pay Scale:

| Effective Date | 100%  | 90%   | 80%   | 70%   | 60%   |
|----------------|-------|-------|-------|-------|-------|
| 9/1/2003       | 15.65 | 14.09 | 12.52 | 10.96 | 9.39  |
| 9/1/2004       | 16.12 | 14.51 | 12.90 | 11.28 | 9.67  |
| 9/1/2005       | 16.60 | 14.94 | 13.28 | 11.62 | 9.96  |
| 9/1/2006       | 17.10 | 15.39 | 13.68 | 11.97 | 10.26 |
| 9/1/2007       | 17.61 | 15.85 | 14.09 | 12.33 | 10.57 |
| 9/1/2008       | 18.14 | 16.33 | 14.51 | 12.70 | 10.88 |
| 9/1/2009       | 18.68 | 16.81 | 14.94 | 13.08 | 11.21 |

D. Utility Mechanic Pay Scale

| Effective Date | Start | 6 mos. | 12 mos. | 18 mos. | 24 mos. | 36 mos. |
|----------------|-------|--------|---------|---------|---------|---------|
| 9/1/2003       | 7.92  | 8.47   | 9.02    | 9.55    | 9.94    | 10.24   |
| 9/1/2004       | 8.16  | 8.72   | 9.29    | 9.84    | 10.24   | 10.55   |
| 9/1/2005       | 8.40  | 8.99   | 9.57    | 10.13   | 10.55   | 10.86   |
| 9/1/2006       | 8.66  | 9.26   | 9.86    | 10.44   | 10.86   | 11.19   |
| 9/1/2007       | 8.91  | 9.53   | 10.15   | 10.75   | 11.19   | 11.53   |
| 9/1/2008       | 9.18  | 9.82   | 10.46   | 11.07   | 11.52   | 11.87   |
| 9/1/2009       | 9.46  | 10.11  | 10.77   | 11.40   | 11.87   | 12.23   |

ARTICLE 29  
INSURANCE

A. Eligible new and returning employees shall be eligible to subscribe to the Company's Group Medical and Dental Plan, subject to the requirements of the current Group Medical and Dental Plan. Employees who fail to make application for coverage during the initial period will be required to submit a statement of health showing evidence of good health which is acceptable to the insurance carrier.

B. The Company will continue to provide the same coverage and rates to the mechanic group that is in effect for all employees of the Company.

C. The Company has provided the means of purchasing additional life insurance but will not guarantee the continuation of existing rates.

ARTICLE 30  
TEST FLIGHT

No employee under this Agreement will be required to enter an aircraft on a bomb scare against his wishes or to participate in test flights.

ARTICLE 31  
COMPANY MEETINGS

Employees who must attend meetings by Company request shall be paid for such meetings at straight time for the duration of the meeting or a minimum of two (2) hours. This provision includes meetings conducted for the purpose of training. It is agreed that where practical, training will be conducted on the employees shift, however both parties acknowledge that this cannot always be accomplished due to scheduling or work load. Therefore, it is agreed that mandatory Company training will not exceed eight (8) hours per quarter on an employee's own personal time. This provision is waived when there is an outside trainer, or by mutual consent of the IAM.

ARTICLE 32  
PENSION FUND

The Company will provide the same benefits to the Mechanic Group that is in effect for all employees of the Company.

ARTICLE 33  
GENERAL AND MISCELLANEOUS

A. Should there be any change during the life of this Agreement in Federal license requirements, employees affected will be given a reasonable length of time specified in such changed requirements to obtain the license affected without change in status of pay.

B. If new equipment is put into service by the Company, all employees affected shall be given every opportunity to become familiar with the new equipment without change of classification or rate.

C. All orders or notices to an employee under this Agreement involving a change in permanent station assignment, promotion, demotion, furlough, and leave of absence shall be in writing.

D. The Company agrees to furnish bulletin board space and will place same at places agreed upon for the use of official Union business.

E. Management will not perform work covered by this Agreement to the extent that is could cause a reduction in the size of the work force.

F. The Company will arrange in each permanent base a designated agreed-upon location for the use of employees in the safe storage of tool boxes and personally owned equipment which might be used on the job and the employee shall use same.

G. The Company shall provide each employee covered by this Agreement with a copy of the Agreement in typewritten form.

H. 1. Standard uniforms, for an employee required to wear uniforms, shall consist of a shirt, trousers, and parka as approved by the Company. The first issue of a standard uniform set to either a new employee who has completed his probation period, or for any new style uniform piece adopted for use for all employees, will consist of four (4) shirts, four (4) trousers, **one (1) jacket or one (1) parka**. The Company will pay one-half the cost of the first **standard** uniform issue set for new hires. **The Company will pay 100% for a new standard uniform set to be completed during CY2004 for all employees. A special transition program will be arranged for new employees hired before the transition to the new standard uniform set. New employees hired after the transition will pay one-half on the uniform set, which can be paid by payroll deduction over six (6) payroll periods.**

2. **There will be a uniform committee, which will consist of Company and Union representatives, that will make recommendations regarding uniform styles and pieces.**

3. **Employees will be considered in compliance with the uniform shirt requirement if they wear a shirt with a standard dress collar, a Polo-style with collar, or a T-Shirt.**

4. **Trousers must be standard dress trousers.**

5. **An employee may wear coveralls.**

6. **All items must be in dark blue. Blue jeans (denim) are not allowed. Torn or obviously worn clothing is not acceptable. All clothing must be clean with acceptable normal daily wear.**

**7. Duty inspectors and training officers, due to the nature of their respective positions, are exempt from the requirements to wearing a standard uniform and receiving the uniform allowance.**

**8.** Additionally, the Company will provide an annual replacement uniform allowance of ninety dollars (\$90) value per employee each year thereafter for replacement of any standard uniform piece.

I. The Company will provide any special tools that are required to perform proper maintenance.

J. The Company will agree to provide payroll deductions for employees upon a signed authorization from the employee to permit participation in any group benefit package, limited to the capacity of the data processing program.

K. The Company agrees to continue providing tool insurance that is presently in effect at no cost to the employees, subject to the rules set forth in present Company policy.

ARTICLE 34  
EFFECTIVE DATE AND DURATION

This Agreement shall become effective on **September 1, 2003** and shall remain in full force and effect through **August 31, 2010** and shall renew itself without change each succeeding **September 1** thereafter unless written notice of intended change is served in accordance with **Section 6, Title I, of the Railway Labor Act, as amended, by either party between 1 and 30 days prior to August 31, 2010 or of any August 31 thereafter if renewed as provided above.**

AGREED TO this \_\_\_\_ day of \_\_\_\_\_, 2003.

FOR BIG SKY TRANSPORTATION CO.

FOR INTERNATIONAL ASSOCIATION  
OF MACHINISTS AND AEROSPACE  
WORKERS, AFL-CIO:

\_\_\_\_\_  
Craig Denney, Executive VP

\_\_\_\_\_  
Kevin Graf, General Chair

\_\_\_\_\_  
Ed Van Krieken, Director/Maintenance

\_\_\_\_\_  
Larry M. Hansen, Negotiator

LETTER OF AGREEMENT BETWEEN BIG SKY TRANSPORTATION CO.  
AND

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS  
MECHANIC AND RELATED PERSONNEL

Big Sky Transportations Co. and the International Association of Machinists and Aerospace Workers, Mechanic and Related Personnel, hereby agree that Mr. Ed. Van Krieken, Director of Maintenance, and Mr. Bill Buekenhorst, Maintenance Control Manager, be included in the provision of Article 17, Sections (A), (B), (C) & (D), of this Section.

This agreement shall become effective January 1, 2004 and remain in effect with and become amendable with the basic Agreement. The previous letter covering Mr. Van Krieken shall remain in effect until this letter becomes effective and there shall be no gap in coverage.

BIG SKY TRANSPORTATION CO.

IAMAW

BY \_\_\_\_\_

BY \_\_\_\_\_

ITS \_\_\_\_\_

BY \_\_\_\_\_

DATE \_\_\_\_\_

LETTER OF AGREEMENT BETWEEN BIG SKY TRANSPORTATION CO.

AND

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS  
MECHANIC AND RELATED PERSONNEL

This shall confirm our agreement to clarify Article 9.A. reached in our recent negotiation that in the event the Company increases the number of hours of vacation in its policy for other employees, the same increase in vacation hours would be provided to all employees covered by this Agreement.

This agreement shall become effective January 1, 2004 and remain in effect with and become amendable with the basic Agreement.

BIG SKY TRANSPORTATION CO.

IAMAW

BY \_\_\_\_\_

BY \_\_\_\_\_

ITS \_\_\_\_\_

BY \_\_\_\_\_

DATE \_\_\_\_\_

LETTER OF AGREEMENT BETWEEN BIG SKY TRANSPORTATION CO.

AND

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS  
MECHANIC AND RELATED PERSONNEL

This shall confirm our agreement to clarify Article 15.B. and C. reached in our recent negotiation that in the event the Company increases the number of hours of sick leave accrual in its policy for other employees, the same increase in sick leave hours accrual would be provided to all employees covered by this Agreement.

This agreement shall become effective January 1, 2004 and remain in effect with and become amendable with the basic Agreement.

BIG SKY TRANSPORTATION CO.

IAMAW

BY \_\_\_\_\_

BY \_\_\_\_\_

ITS \_\_\_\_\_

BY \_\_\_\_\_

DATE \_\_\_\_\_

LETTER OF AGREEMENT BETWEEN BIG SKY TRANSPORTATION CO.

AND

INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS  
MECHANIC AND RELATED PERSONNEL

This shall confirm our agreement reached in our recent negotiations that notwithstanding the effective date of the new agreement of September 1, 2003, the changes to the agreement shall not go into effect until January 1, 2004. However, within 30 days after ratification, the employees who were active on September 1, 2003 and remain active as of ratification shall receive a lump sum payment reflecting a 3% increase to their base pay rate for the period September 1, 2003 through December 31, 2003 as set forth in the previous agreement. On January 1, 2004 the terms of the new agreement shall be fully in effect.

This agreement shall become effective September 1, 2003 and remain in effect with and become amendable with the basic Agreement.

BIG SKY TRANSPORTATION CO.

IAMAW

BY \_\_\_\_\_

BY \_\_\_\_\_

ITS \_\_\_\_\_

BY \_\_\_\_\_

DATE \_\_\_\_\_