Effective 10/1/00

AGREEMENT

BETWEEN

INTEROCEAN UGLAND MANAGEMENT CORP.

AND

SEAFARERS INTERNATIONAL UNION OF NORTH AMERICA,
ATLANTIC, GULF AND INLAND WATERS DISTRICT,
AFL-CIO

READY RESERVE FLEET VESSELS

PETERSBURG
POTOMAC
GOPHER STATE
FLICKERTAIL STATE
CORNHUSKER STATE
CAPE MENDOCINO
CAPE FEAR
CAPE MOHICAN
CAPE MAY
CHESAPEAKE
MOUNT WASHINGTON

FILE COPY

ORIGINAL

Agreement between **Seafarers International Union of North America, Atlantic, Gulf, Lakes and Inland Waters District, AFL-CIO,** and **Interocean Ugland Management Corp.,** (hereinafter referred to as Company) it's successors and assigns,

WHEREAS, the Company has been awarded the Maritime Administration (hereinafter referred to as MARAD) Contract for the Operation and Maintenance of eleven (11) Ready Reserve Fleet vessels (RRF); the **Petersburg, Potomac, Gopher State, Flickertail State, Cornhusker State, Cape Mendocino, Cape Fear, Cape Mohican, Cape May, Chesapeake and the Mount Washington.**

WHEREAS, the Company and the Union have an existing Collective Bargaining Agreement that the Parties wish to amend for the purposes of these specialized vessels,

NOW THEREFORE, the Parties agree that this Agreement applies to all Unlicensed Deck, Engine and Steward Personnel hereinafter employed aboard the Vessel(s).

Such crewmembers, unless otherwise indicated, shall be referred to as Unlicensed Personnel.

ARTICLE I

EMPLOYMENT

SECTION 1. PERSONNEL COVERED

A. This Agreement applies to all Deck, Engine and Steward Personnel hereinafter employed aboard the Ready Reserve Fleet (RRF) American-flag sea-going vessels operated by the Company or subsidiaries or affiliates (hereinafter referred to as "vessel(s)").

B. Such crewmembers, unless otherwise indicated, shall be referred to herein as Unlicensed Personnel.

C. The Company recognizes the Union as the sole representative of the Unlicensed Personnel for the purpose of Collective Bargaining.

D. The Union agrees to furnish the Company with capable, competent and physically fit crewmembers when and where they are required, and of the ratings needed to fill vacancies necessitating the employment of crewmembers in ample

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time to prevent any delay in the scheduled departure of any vessel covered by this Agreement.

E. If the Union is unable to provide the personnel required within a reasonable time, the Company may obtain the required ratings from whatever source is available.

F. Unlicensed crewmembers shall not leave a vessel until properly relieved.

SECTION 2. MEMBERSHIP

All Unlicensed Personnel who are presently members in good standing of the Union shall be required to remain in good standing during the term of the Agreement as a condition of continued employment. All Unlicensed Personnel who are not members shall be required to become either members of the Union within thirty-one (31) days after hire and shall remain members in good standing as a condition of employment.

The Company has no obligation to take action under this Section until first notified by the Union that any of its Unlicensed Personnel has lost his good standing, and such Unlicensed Personnel has been afforded an opportunity to regain his good standing.

SECTION 3. CREW SELECTIVITY

A. The Company shall have the right to select all applicants for employment from the registration lists maintained at the various jointly operated Labor-Management Hiring Halls for the assignment or continuing assignment to the various vessels.

B. All such personnel shall be permitted to return to work after periods of vacation, sick leave, or authorized leaves mutually agreed to by the Union and the Company.

C. The selection of Unlicensed Personnel shall be accomplished in a method that requires the least amount of time and provides the Company the right of refusal of candidates for assignment.

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D. All personnel being considered for employment will complete a pre-employment application including an authorization for a pre-employment screening. If an applicant's responses indicate a need for further screening, the Company may require a post employment offer physical conducted by the Company physician.

E. All applicants for employment shall comply with all Government regulations relating to alcohol and substance abuse. It is understood that the Department of Transportation enforces a zero-tolerance of substance abuse in the work place.

F. If the MARAD has reason to be dissatisfied with the performance or conduct by any person employed by the Company, the Company shall, on receiving particulars on the complaint, investigate the matter and take immediate corrective action to include removal from all activities. The Company shall immediately notify the Union of any corrective action taken.

G. All Unlicensed Personnel to be assigned to a vessel shall be U.S. citizens and possess the appropriate U.S. Coast Guard endorsement(s) and STCW Certificate for the rating in which they are to be employed.

H. Unlicensed Personnel shall possess a valid U.S. passport and a drug free certificate.

I. The Company shall have the right to terminate Unlicensed Personnel for valid cause.

J. Unlicensed Personnel terminated for valid cause may not be eligible for future employment aboard an RRF vessel whether terminated by the specific Company who terminated the employee or another Company or General Agent.

SECTION 4. VESSEL MANNING

A. Vessels must be manned with trained, qualified, and medically fit personnel in sufficient numbers and required ratings to accomplish their assigned missions.

B. In ROS all crewmembers shall be maintenance crews.

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SECTION 5. EMPLOYMENT

All maintenance crewmembers shall be considered probationary employees for the first sixty (60) days of their employment. During this probationary period, employment may be terminated by the Company. If employment is terminated during the probationary period, there shall be no recourse through the grievance procedure.

All maintenance crewmembers shall be subject to a performance review once every six (6) months of employment.

When ordering replacements the Company shall clearly specify whether or not the replacement is to be a regular crewmember or a maintenance employee.

Personnel shall report with the following in their possession:

- PASSPORT and SEAMAN's DOCUMENT (Z card or BK with endorsements for the rating for which they are hired)
- DRUG-FREE CERTIFICATE (within past six months)
- FIT FOR DUTY SLIP
- PHYSICAL EXAMINATION within six months
- UNION ASSIGNMENT SLIP, if applicable
- CERTIFICATES OF TRAINING (for example, if a T-AVB assignment requires an LSO training, then the deck officer must show helo training)
- LICENSE AND REQUIRED ENDORSEMENTS
- MEDICAL PRESCRIPTIONS – adequate supply for intended voyage plus reserve with copy of medical prescription
- EXTRA EYE GLASSES
- PERSONAL SAFETY DEVICES customized safety glasses/shoes

SECTION 6. DISCHARGE

A crewmember who is discharged for cause shall be given, on the date of discharge, a written statement advising of the discharge, and a detailed explanation of the reason for discharge. Failure to furnish such a written statement will presumptively establish that the crewmember has been discharged without just cause. Such statement must be furnished to the Union Headquarters if the crewmember is not available.

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ARTICLE II

GENERAL RULES

SECTION 1. COMMENCEMENT OF EMPLOYMENT

Per diem as provided for in the Joint Travel Regulations for Civilian Employees (JTR) for the crewmembers requested by the Company shall start when the crewmember boards the plane if required to fly out. Otherwise, wages shall commence on the day the Unlicensed crewmember actually "turns to" on board the vessel. JTR per diem rate shall be paid for all travel days when reporting to the vessel.

SECTION 2. TRAINING AND DRILLS

All crewmembers shall participate, as directed, by attending orientation sessions, conferences, drills and training programs sponsored and/or required by the contract.

All crewmembers shall participate, as directed, in the vessel's Safety Management Plan. Failure to abide by the vessel's safety program may result in disciplinary action.

The Company shall provide orientation to the joining members of the FOS crew for ROS-4 and ROS-5 vessels, and provide orientation to all FOS crewmembers for RRF-10, RRF-20 and RRF-30 vessels. Technical orientation shall be provided before a watch (deck or engine) is assumed. Within two weeks of joining the vessel all crewmembers shall receive instruction with respect to safety videos and equipment, shipboard physical security, equal opportunity, and the prevention of sexual harassment and prevention of HIV-AIDS.

SECTION 3. DISCIPLINE

A. The introduction, possession or use of alcoholic beverages is prohibited by any person aboard these vessels.

B. Crewmembers arriving at the gangway in an apparent intoxicated condition will not be permitted on board without an escort.

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C. The possession of firearms, switchblades, knives or other dangerous weapons will not be permitted aboard. Masters may confiscate any item which in their judgement would endanger the crew, equipment or ship.

D. Gambling of any sort, including the sale of Government lottery tickets, is prohibited.

E. Smuggling or falsifying statements in regard to contraband are prohibited.

F. Any crewmember who is discourteous (unprovoked) to any Government official, visitor or any infraction of the above may result in immediate dismissal.

Any infraction of the above items may result in immediate dismissal.

SECTION 4. PASSES

The Company agrees to issue passes to the Union Representative for the purpose of contacting its members aboard the vessel of the Company covered by this Agreement.

Representatives of the Union shall be allowed on board any time (provided permission from the Company/MARAD has been obtained) but shall not interfere with crewmembers at work unless said crewmembers are properly relieved. (Such relief shall receive no extra compensation.)

SECTION 5. GRIEVANCE COMMITTEE

For the adjustment of any grievances arising in connection with performance of this Agreement which cannot be satisfactorily adjusted on board the vessel there shall be established a Grievance Committee, which shall meet in Camp Springs, Maryland, unless otherwise mutually agreed. The Grievance Committee shall consist of two (2) representatives from the Union and two (2) representatives from the Company, and it shall be the duty of the Grievance Committee to meet within twenty-four (24) hours, Saturdays, Sundays and Holidays excluded. In the event the Grievance Committee cannot agree, the dispute shall be submitted to final and binding arbitration before an arbitrator selected by the parties. In the event that the parties cannot agree on the selection of an

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impartial arbitrator, an arbitrator will be selected by them pursuant to the Labor Arbitration Rules of the American Arbitration Association. Expenses of the arbitrator shall be paid by the party whom the arbitrator rules against in the decision. All grievances must be submitted to the Union within fifteen (15) days of the incident, or the earlier of the date the seaman leaves the vessel or the vessel returns to Port. The failure to file a grievance within this time period shall preclude an assertion of this grievance or its subject matter at any later date in any form.

SECTION 6. NO STRIKES OR LOCKOUTS

A. There shall be no strikes, lockouts, slowdowns, refusal to perform assigned duties, in whole or part, picketing or other job action during the term of this Agreement. This obligation shall extend to all disputes, differences and controversies between the parties.

B. The Union agrees to support the Company fully in its efforts to maintain continuous operations. Direct participation by any crewmembers in any act violating this section, or the inducement of any crewmember to engage in a contractually prohibited strike or job action, is recognized as a cause for discharge.

C. In the event that a crewmember engages, or threatens to engage, in conduct prohibited by this section, the Union will take immediate affirmative action to prevent or terminate such conduct as the case may be including, but not limited to, immediately instructing the crewmember engaged in such activity to forthwith cease and desist from the same and to return immediately to work.

D. Whenever it is claimed that the Company or the Union has violated this section, either party may notify the impartial arbitrator in writing, by mail or hand-delivery. A copy of such notice shall be sent or delivered simultaneously to the party who is alleged to have violated this section. The claim shall be submitted to arbitration no later than twenty-four (24) hours after receipt by the impartial arbitrator, and his award shall be issued no later than twelve (12) hours after conclusion of the hearing. If the impartial arbitrator cannot, for any reason, conduct the hearing within the aforementioned twenty-four (24) hour period, the parties shall designate another person to act as arbitrator.

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SECTION 7. DISCRIMINATION

The Company shall not discriminate against an individual based upon race, creed, color, religion, national origin, sex or age. All employees should be treated fairly and equitably with no discrimination of any type. This policy shall be maintained and fostered by all senior department personnel and by the vessel's Master.

A copy of the Company's developed policy and procedures to prevent discrimination and sexual harassment shall be available to crew and senior vessel management.

SECTION 8. SEPARABILITY

The Provisions hereof are subject to applicable laws or regulations and, if any part hereof is in conflict therewith, such part shall be deemed inapplicable and to the extent thereof shall be deemed severed from this Agreement, the remainder of which shall remain in full force and effect.

SECTION 9. SHIPPING RULES

Shipping Rules promulgated by the Union which are not inconsistent with the terms of this Agreement, shall be deemed part of and incorporated into this Agreement, provided, however, that notwithstanding any provisions in the Shipping Rules, all permanently assigned crewmembers shall be permitted to return to the vessel for re-employment on it following their vacation, sick leave, etc.

SECTION 10. SHIPPING ARTICLES

The Parties agree that the provisions of this Agreement shall be, and be deemed to be, incorporated in and part of the Shipping Articles covering voyages of the vessel covered by this Agreement and further agree that appropriate notation thereof be made on the Shipping Articles. No Articles shall be for a duration in excess of twelve (12) months without prior written consent of the Union.

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SECTION 11. DELEGATE

A. One (1) man in each department shall be elected by the Unlicensed Seamen in that department to act as Departmental Delegate. Such Delegates shall, together with the Permanent Ship's Committee members, keep track of all conditions and problems and grievances in their respective departments, and present to their superior officers, on behalf of the Unlicensed Seamen in their Departments, all facts, opinions and circumstances concerning any matter which may require adjustment or improvement.

(FOS)

B. **PERMANENT SHIP'S COMMITTEE:** The Permanent Ship's Committee shall consist of three (3) members all chosen by a majority vote of the Unlicensed Personnel, and shall consist of a Ship's Chairman, a Ship's Reporter-Secretary and an Educational Director. The duties of the Permanent Ship's Committee shall be to assist the Departmental Delegates in their duties to convene and conduct the weekly Unlicensed crew meetings and to perform the following individual duties:

- The Ship's Chairman shall preside at all shipboard meetings of the Unlicensed Personnel and shall be the primary spokesman aboard ship for the Unlicensed Personnel.

- The Ship's Reporter-Secretary shall handle all paper work involved in documenting matters brought to the attention of the superior officers and he shall also prepare and maintain minutes of the Unlicensed crew meetings.

- The Educational Director shall be responsible for maintaining and distributing all publications, films and mechanical equipment relating to education on such subjects as safety, training, upgrading, health and sanitation.

(FOS)

C. **WEEKLY MEETINGS.** To make sure that all problems concerning the Unlicensed Personnel are brought to light and resolved as quickly as possible, there shall be a meeting of the Unlicensed Personnel every Sunday while the vessel is at sea.

Vessels remaining in port on Sundays may hold these meetings as soon as possible after departure. At such meetings the Permanent Ship's Chairman shall report to

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the Unlicensed Personnel all matters referred to them and shall receive any new and additional problems not previously raised. As compensation for the additional duties required by this section, the members of the Permanent Ship's Committee and the Departmental Delegates shall each receive one (1) hour's pay at the Penalty Rate for each weekly meeting held.

SECTION 12. SHIP SERVICES

The Company shall make necessary arrangements for the delivery and forwarding of mail both for the crew and the ship's business at all times. However, during activation, MARAD may direct that the ship be entered into the U.S. Fleet Postal Service.

The Company shall provide recreational reading materials/video tapes when the ship is in Phase O at his expense. The Company is cautioned to remember the diversity of crewmembers when selecting video tapes and reading materials.

SECTION 13. PERSONAL COMMUNICATIONS

All personal calls must be collect. The placement of personal calls is at the discretion of the officer in charge and may not interfere with mission or ship's business. Crewmembers operating ship to satellite personal communications devices must check with the officer in charge to determine if communications are restricted due to vessel's location or mission.

SECTION 14. CREW LIBERTY

When a vessel is in port, crew liberty shall be granted when allowed by local civilian/military authorities and in accordance with the vessel's in-port operating requirements. The local MARAD on-site representative can provide the Master with information regarding upcoming vessel operating requirements in order that the sailing board can be posted.

When sea watches are set, crewmembers shall be required to report on board and be available for duty not less than one (1) hour before time posted on sailing board. The sailing time shall be posted at the gangway one (1) hour after arrival when the vessel's stay in port is twelve (12) hours or less. When the stay exceeds twelve (12) hours, the sailing time shall be posted eight (8) hours prior to scheduled sailing if before midnight. If

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scheduled sailing time is between midnight and 8:00 a.m. sailing time shall be posted not later than 5:00 p.m.

When a vessel arrives on a weekend between 5:00 p.m. Friday and 8:00 a.m. Monday and is scheduled to sail prior to 8:00 a.m. Monday, the sailing board shall be posted not later than two (2) hours after arrival.

The sailing board shall be posted no later than 5:00 p.m. on Friday when a vessel is scheduled to sail on a weekend between 5:00 p.m. Friday and 8:00 a.m. Monday.

If the vessel's departure is delayed and the delay is due to the loading or discharging of cargo, the loading of stores or bunkers, the new time of departure shall promptly be posted on the board.

All crewmembers have the obligation to ascertain the sailing time as stated herein.

SECTION 15. RESTRICTION TO SHIP.

If the crew is to be restricted to the ship, the Master shall post notice of this in a public location. This notice shall state the reason for restriction and the authority of government agency which required it. Masters shall make an entry in the vessel's log. If a vessel is not restricted, but no launch service is available, the Master shall post this notice and obtain from local authorities (or at the minimum the local agent) a letter stating that the ship was not restricted but that launch service was not available. Ship's lifeboats shall not be used for liberty or recreation. If the restriction is based on the sole decision of the Master and/or Company those crewmembers not required to be on board will be compensated at half their respective overtime rate for the period of time beginning with the restriction until the commencement of their watch or regular work hours.

SECTION 16. LAUNCH SERVICES

The Company shall arrange for launch service for both crewmembers and Government personnel when the ship is at anchor inshore or offshore. The Company's shall arrange for a seaworthy launch which conforms to USCG regulations or comparable foreign standards for the carriage of passengers .

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SECTION 17. SLOP CHEST

A Slop Chest shall be maintained onboard each RRF ship for the use of the crew and embarked personnel during FOS. The Company's shall ensure that the supply of retail items available shall support the crew and embarked personnel. Embarked Government personnel shall be provided the opportunity to purchase retail items in the same manner as the rest of the crew. Adequate supplies to support deployment shall be brought onboard prior to FOS.

SECTION 18. SUBSISTENCE/FOOD PROVISIONS (ALL PHASES)

A. The Company shall have total responsibility for food provisioning to feed all RRF ships' crews and embarked personnel.

B. Subsistence stores shall be provided to a level commensurate with planned vessel operational schedules.

SECTION 19. NO STRIKE CLAUSE

Recognizing that critical sensitive services are required under this contract, it is essential that continuous operation of the ships be maintained. Therefore, there shall be no work stoppages of any type including, but not limited to, strikes, sympathy strikes, boycotts, slowdowns, sickouts, primary picketing, secondary picketing, protests against unfair labor practices, contract violations, social or political protests and any other protests to interruption or interference with work aboard the vessel(s) for the full term of any charter or any subsequent extension thereof.

SECTION 20. UNUSUAL EMERGENCIES

The Company and its employees agree to obey the lawful orders emanating from the Maritime Administrator, Secretary of the Navy, Secretary of Defense and/or President of the United States in all cases relating to unusual emergency, natural disaster, contingency, notification and/or war.

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SECTION 21. VESSEL PHASES OF OPERATION

The RRF Program has six (6) phases. Phases I through III, Acquisition, Upgrade and Initial Deactivation, deal with the acquisition of vessels new to the RRF and their preparation for RRF service.

Ships assigned to companies are in one of the following Phases; Phase IV - Maintenance, Phase V - Exercise, or Phase O - Operation.

The overall responsibility of companies is to maintain their assigned RRF ships in Fully Mission Capable Readiness Status and to efficiently operate these vessels in support of national defense objectives. Fully Mission Capable Readiness Status is defined as capable of ship activation within the required readiness period and remaining fully available and operational for a period of 180 days without interruption to mission.

A. Phase I Acquisitions

Identification and selection of vessels for the RRF surveys and sea trials.

B. Phase II Upgrade

Vessels upgraded to RRF standards. Necessary dock and sea trials are conducted to confirm vessel condition and adequacy of repairs.

C. Phase III Deactivation

The initial deactivation under the program in preparation for Phase IV.

D. Phase IV Maintenance

Crew billets are to be maintained 365 days per year. Maintenance crewmembers shall perform routine shipboard maintenance when the vessels are in idle status and to crew and sail the vessels if activated. Maintenance crewmembers shall possess a current U.S. Coast Guard certificate for the rating to which they are assigned. During this phase, the vessel is preserved, tested, repaired and maintained in its required state of readiness. Vessels may be in a partially crewed and operational state (ROS-4 or ROS-5) or may be in deep lay-up (RRF-10, RRF-20, or RRF-30). During this phase the vessel must be capable of activation within the assigned time frame and of operating successfully for 180 days.

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E. Phase V - Exercise.

Phase V is comprised of two sub-phases, Activation and Lay-up, separated by a period of Operation, Phase O. During activation the vessel transitions from Phase IV Maintenance to Phase O Operation and during lay-up it transitions from Phase O Operation to Phase IV Maintenance.

F. Phase O - Operation.

This Phase involves the operation of the vessel for a specific mission or exercise. The vessel is to be operated in accordance with standard commercial practice and the RRF Operations. In Phase O the ship is normally under Maritime Administration's operational control.

All Phase O responsibilities shall continue while the vessel is in ROS during a specific mission.

SECTION 22. PREPOSITIONED RRF SHIPS

During the period of the contract, RRF ships in Phase O may be assigned for extended periods to DOD missions such as the Afloat Prepositioning Force (APF), Army Warfighting Reserve (AWR-3), etc.

Crewmembers must sign articles for a minimum of four months. Rotations must be scheduled so as to permit face-to-face turnover. Key crewmembers may be extended beyond four months to accommodate staggered rotation.

Crewmembers are not relieved until their replacement is onboard, oriented, and has acknowledged acceptance of duty.

Mariners traveling to Diego Garcia on Government arranged flights must present or show evidence of the following prior to boarding the aircraft.

A. Documentation of current examination with a maritime licensed physician's statement certifying fitness for duty in an isolated area.

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B. Immunization records.

C. Sufficient prescribed medications and prescription spectacles to cover the duration of the assignment.

D. Personnel not in possession of the above items will not be permitted to board the aircraft.

SECTION 23. VESSEL BREAKOUT

Crewmembers permanently assigned to the activated vessel must be part of the sailing crew. Other Maintenance crewmembers, generally from a vessel in the same group, may help to make up the balance of the sailing crew.

In the event of extended operations all crewmembers assigned to a vessel will be provided reliefs at 120-day intervals as per the appropriate Collective Bargaining Agreement. The reliefs may be staggered in order to ensure that a sufficient complement of qualified seamen is employed aboard at all times.

SECTION 24. OPERATION OF SHIP'S GEAR BY CREW.

If requested by the Government, the Company's shall assign trained members of the ship's crew; to the extent they are available and other shipboard duties and the safety of the ship permit, to operate the ship's cargo handling equipment and gear, including but not limited to booms, winches, cranes, ramps, forklifts, and container lift trucks during loading and discharge operations or exercises pertaining thereto.

SECTION 25. HOURS OF LABOR AND COMPENSATION

Maintenance crewmembers except those designated as Steward Department shall work a 40-hour workweek consisting of 8 hours per day, Monday through Friday, normally from 8:00 a.m. to 5:00 p.m. Such 8-hour schedule may be varied due to launch and/or other transport schedules to and from the vessel.

Steward Department crewmembers will work a 40-hour week consisting of 8 hours per day, Monday through Friday to be divided between three serving periods in the twelve hour period between 0530 and 1830.

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The daily base wage shall be paid for all days worked, Monday through Friday, and for the 10 holidays per year if not worked.

SECTION 26. FOS PHASE O OPERATIONS

Sea Watches for Watchstanding crewmembers shall constitute four (4) hours. Two (2) such watches shall constitute a day's work.

For all time that crewmembers are required to be available for duty in port in excess of eight hours in any one (1) day, Monday through Friday, they shall be paid at the applicable Penalty Rate. They shall be paid at the applicable Overtime Rate for all hours worked in excess of eight hours Monday through Friday and for all hours worked on Saturday, Sunday and Holidays.

Hours of labor in port for non-watch standing crewmembers, excluding members of the Steward Department, shall be between 8:00 a.m. and 5:00 p.m., Monday through Friday, inclusive and overtime shall be paid for all work performed outside these hours.

It is understood that each crewmember shall perform the recognized and customary duties of his particular rating. Necessary work shall include the preparation of cargo gear and cargo holds for the purpose of loading cargo and the securing of cargo gear and cargo holds after cargo is loaded or discharged. Necessary work shall also include the maintenance of the vessel equipment and machinery under the direction of the officer in charge.

When it is necessary to shift a man to fill a vacancy, the man so shifted shall perform the duties of the rating to which he is assigned.

SECTION 27. CALENDAR DAY

For the purpose of this Agreement, the calendar day shall be from midnight to midnight.

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SECTION 28. COMMENCEMENT OF OVERTIME

A. When the watch below is broken out to report for work outside their regular schedule, overtime, penalty or applicable time as appropriate, shall commence at the time stated for the callout, provided, however, that such crewmember reports for duty within thirty (30) minutes of the time the overtime commences. Otherwise, overtime shall commence at the actual time such crewmember reports for duty and such overtime shall continue until the crewmember is released.

B. The above provision shall not apply in the event the commencement of overtime, penalty or applicable time is scheduled one (1) hour following the conclusion of their regular watch or workday. In that event, the crewmembers, having had a full hour for their meal shall report promptly at the beginning of the period for which overtime, penalty or applicable time has been scheduled.

SECTION 29. CONTINUOUS OVERTIME

When working overtime or penalty time on the watch below and the crewmember is knocked off for one (1) hour or less, the overtime, penalty or applicable time shall be paid straight through. Time allowed for meals shall not be considered as overtime, penalty or applicable time in this clause. This section does not apply to crewmembers who are receiving overtime, penalty or applicable time for standing their regular watch.

SECTION 30. COMPUTATION OF OVERTIME

When overtime, penalty or applicable time worked is less than one (1) hour, except for "Supper Relief's", overtime or applicable time for one (1) full hour shall be paid. When overtime, penalty or applicable time exceeds one (1) hour, the overtime, penalty or premium work performed shall be paid in one-half (1/2) hour periods, and any fractional part of such period shall count as one-half (1/2) hour.

SECTION 31. CHECKING OVERTIME

No work specified in this Agreement as overtime work shall be performed unless authorized by the head of the particular department. After authorized overtime has been worked, the senior officer of the department on board will present to each crewmember who has worked overtime a time sheet stating hours of overtime and nature of work performed.

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SECTION 32. MONEY DRAWS AND ALLOTMENTS

A. Monies tendered for draws in foreign ports shall be made in United States currency failing which, traveler's checks shall be issued at the Company's expense, except where currency laws established in foreign countries prohibit such issuance.

B. The Company will make money available to be granted to the crewmember upon request for emergency situations only.

C. Valid overtime, penalty or applicable Premium time and approved subsistence and lodging claims shall be included in computing the amount upon which the crewmember may draw.

D. Procedures shall be established on all vessels on foreign or inter-coastal articles whereby allotments or remittances may be made at the behest of the crewmembers.

SECTION 33. VACATION PAY (ROS PERSONNEL)

For each thirty calendar days on the payroll, the maintenance crewmember shall receive a vacation benefit of 1.5 days payable at the respective daily rate administered by the Company.

During each calendar year of 365 days, the ROS crew shall receive 10 paid holidays, 12 sick days, 18 days paid vacation, and 104 days off for weekends.

Any vacation time earned while sailing on an activated vessel shall be paid as per the Company-Union Collective Bargaining Agreement. Since such vacation pay is separate from that while employed in the ROS crew program, a crewmember may elect to file for his vacation benefits under the Company-Union Collective Bargaining Agreement and still return to his position in the ROS crew.

SECTION 34. HOLIDAYS

New Years Day	Labor Day
Martin Luther King, Jr. Day	Columbus Day

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Presidents Day	Veterans Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

SECTION 35. SICK LEAVE.

A. ROS/MAINTENACE PERSONNEL

Sick leave will accrue at the rate of one day for each thirty (30) calendar days worked as a maintenance crewmember, to be payable when crewmembers are unable to perform their normal maintenance duties due to illness. Abuse of this privilege shall be grounds for disciplinary action, including dismissal.

Sick leave can accrue from one calendar year to the next, however; it can only be used for illness. Termination of employment will result in the loss of any accrued sick leave. Any unused sick leave exceeding forty (40) days shall be forfeited.

When a crewmember is under legitimate out-patient treatment it is agreed that in adjusting maintenance and cure, the Company will compensate the man concerned at the rate of eight dollars ($8.00) per day to be paid weekly.

B. MAINTENANCE AND CURE

(1) Maintenance and Cure shall not be withheld in any case merely because a claimant has also submitted a claim for damages or has filed suit thereof or is taking steps to that end.

(2) The payment of Maintenance and Cure, or unearned wages, when denied, may be taken up on its merits, under the grievance machinery of the agreement, providing a reasonable period of time has been allowed to the Company to ascertain the facts involved, and no such issue may be submitted to arbitration unless the individual crewmember involved agrees that the Arbitration Award shall act as a complete and final substitute of any claim for Maintenance and Cure or unearned wages, and also to provide that initiation of suit of Maintenance and Cure will not preclude presentation of a grievance for arbitration if the crewmember agrees that such arbitration will be final adjudication.

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(3) The sole fact that a crewmember has made a claim for Maintenance and Cure, unearned wages or damages resulting from illness or injury, shall not constitute just cause for discharge or denial of reimbursement where otherwise required under the Agreement.

In addition to Maintenance and Cure to maximum cure or fit for duty, the Company shall provide an ROS maintenance crewmember certified Not Fit For Duty due to an injury full base pay for the first 30 days and 1/2 of base pay for the following thirty days of absence, for a total period of sixty (60) days. Convalescent pay benefits shall begin on the first day of NFFD. An ROS crewmember should use accumulated sick leave, before starting to use convalescent pay. If an ROS maintenance crewmember returns during this 60 day time frame fit for duty, normal pay resumes with his return to regular duties. The crewmember shall be advised that the convalescent pay benefit is for 60 days only.

SECTION 36. TRANSPORTATION - ROS

Transportation will be reimbursed at Government rates for crewmembers initially joining the vessel and when terminating their employment in the ROS Crew, provided that the port of engagement or disengagement is different from the individuals home of record. This reimbursement is only for the permanent crewmembers at initial joining or at termination (whether elected or mandatory). Reimbursement will not be made for vacations, replacements, or in case of sickness. Transportation shall not be reimbursed if a crewmember elects to terminate his/her employment in less than the sixty (60) day probationary period.

In addition to the above, Unlicensed Personnel shall be reimbursed expenses pursuant to JTF incurred when initially joining a vessel.

For air travel, unless otherwise provided, between home and ship and vice versa, and from one Company ship to another Company ships, Unlicensed Personnel shall receive economy class air transportation and be reimbursed for reasonable expenses associated with such travel. For other travel, Unlicensed Personnel travel expenses shall be reimbursed in accordance with the government's Joint Travel Regulations (JTR) for the area in which the travel occurs.

A "travel per diem" equal to the Daily Base Wage (Monthly Base divided by 30 for

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ROS/RAV) shall be paid to Unlicensed Personnel required to join a vessel outside the Continental United States, nearby foreign and the State of Hawaii (fringe benefit contributions are not required), starting the day the Unlicensed Personnel flies out or is scheduled to fly out directly to the vessel and ending the day the Unlicensed Personnel boards the vessel. For travel between one Company ship to another Company ship, covered herein, Unlicensed Personnel wages shall continue at the rate the Unlicensed Personnel are employed and all benefit contributions shall be made by the Company.

SECTION 37. WORK RULES

A. ROS Maintenance crews are expected to work as a team with no regard to departmental boundaries when work is related to maintaining the safety, security and habitability of the vessel.

B. Each crewmember shall maintain and clean his own quarters, and make his own bunk.

C. The Chief Steward and GUDE will maintain the galley, messing areas, and will collect/supply dirty/fresh linens weekly.

SECTION 38. CREW LOGS

Crewmembers working on laid up vessels will be required to maintain individual daily work logs listing a basic description of the work performed in accordance with Company guidelines.

SECTION 39. ROS

An ROS crew is a group of nine or more crewmembers assigned to a specific RRF ship. ROS crewmembers are provided accommodations (all week) and messing (Mon-Fri) onboard the vessel. The ROS crew's primary responsibilities are to:

- Become completely familiar with shipboard equipment and systems;
- Perform Vessel Maintenance Actions;
- Perform general shipboard duties;
- Operate and maintain shipboard equipment and systems during idle status;

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- Perform repairs and assist in supervising industrial repairs;
- Maintain the ship's inventory; and

Activate (transition) and operate the ship, when directed, and train new crewmembers. An ROS crew may be assigned to an inactive RRF ship in Phase IV (Maintenance) or during Phase O (Operation) to maintain the ship in standby but not fully-manned status.

All ROS crewmembers as appropriate to their rating shall:

- Assist in ship activations and sail as a member of the full crew.
- Assist new crewmembers to become familiar with the proper and safe operation and maintenance of shipboard equipment and systems including all compartments, major systems, as well as fire fighting and damage control equipment and systems.

ROS COMPOSITION FOR ROS-4

ROS crew for an ROS-4 vessel will generally consist of the following ratings:

1. One Maintenance Electrician*
2. One Maintenance QMED or equivalent
3. One Deck Maintenance man/Deck Engineer
4. One Maintenance Steward/Cook
5. One Maintenance Deck/Engine/Utility

ROS COMPOSITION FOR ROS-5

ROS crew for an ROS-5 vessel will generally consist of the following ratings:

1. One Maintenance QMED or equivalent*
2. One Deck Maintenance man/Deck Engineer

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3. One Maintenance Steward/Cook
4. One Maintenance Deck/Engine/Utility

* On tankers this rating shall be replaced by a Maintenance QMED Pumpman or Chief Pumpman.

Due to the size and composition of ROS maintenance personnel, it is understood that ROS maintenance crews shall be expected to work as a team with no regard to departmental boundaries when work is related to maintaining the safety, security and habitability of the vessel. The type of work that all ROS maintenance crewmembers would be expected to do as a team includes, but is not limited to the following:

- Secure Ship for Prevailing Weather Conditions
- Adjust/Double up/Stow Mooring Lines
- Adjust Gangway
- Take on and Stow Ship's Stores/Spare Parts
- Operate Cargo Equipment for Storing/Testing
- Assist with Vessel Habitability Requirements
- Housekeeping: In order to allow for subsistence onboard with minimal housekeeping staff, all maintenance crewmembers shall be expected, in addition to specific duties described below, to maintain the cleanliness of their own quarters and make up their own bunks. The Steward/Cook and DEU shall maintain the galley, messing areas, and shall collect/supply dirty/fresh linens weekly and clean common spaces.

If hotel services are lost on an ROS vessel, the Company retains the right to temporarily house the ROS crew on an adjacent ROS vessel while repairs are on-going. Twenty-four hours after the incident which caused the loss of hotel services, the Company may obtain temporary housing for the ROS crew.

If a vessel is transferred from its original home port, maintenance and ROS crews shall be provided subsistence and lodging in accordance with the highest Joint Travel Regulations (JTR) for the area as they apply to civilian employees of the government if not provided for onboard.

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Within the 365 days, each ROS crewmember is entitled to 10 holidays, 18 vacation days, and a maximum of 12 sick days off with pay if required.

ROS Crew Attendance During Severe Weather

Outside of the normal working hours, if an ROS crewmember is required to be onboard a vessel for severe weather, standard overtime will be authorized.

All ROS crewmembers are subject to call-back. No overtime or compensation is payable simply for being subject to call-back. However, if called back by the duty officer, a crewmember shall receive overtime in accordance with normal procedures for work in excess of a 40 hours week. This time shall be calculated from the crewmember's arrival onboard ship.

SECTION 40. VESSEL TRANSITION TO FULL OPERATING STATUS, NOTICE OR NO-NOTICE

During a vessel transition, ROS Maintenance crewmembers for that class of ship may be sent to the vessel being transitioned to assist in the transition.

ROS Maintenance crews with co-located vessels shall assist the transitioning vessel if the remaining vessel is not being simultaneously transitioned.

It is the Government option to re-assign crewmembers from other ROS ship(s) to assist with the transition. These crewmembers remain on their ROS wages.

The crewmembers permanently assigned to the transitioning vessel shall be part of the sailing crew, in the rating held while in idle status or in a higher rating, as necessary. Crewmembers designated to sail with the vessel shall be signed on Articles as appropriate

For co-located ROS vessels: all ROS crews may assist during the maintenance activation transition. It is the Company's option to temporarily assign other ROS crewmembers during a maintenance activation with sea trial.

Crew wages (for those ROS crewmembers designated to sail with the vessel) shall convert to standard commercial rates as per applicable employee agreements for vessels in Phase V or Phase O, upon the arrival of the first FOS crewmember.

Maintenance crewmembers who fail to perform their required duties during a vessel transition, or who fail to sail with the vessel as required, barring any extenuating

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circumstances as determined by the Company's, shall be subject to disciplinary action. In the event that the crewmember was determined to be fit for duty with no extenuating circumstances as determined by the Company's, such disciplinary action shall include denial of future employment onboard all RRF vessels.

If performance was satisfactory, such transfer from maintenance crewmember to sailing crewmember shall not break any continuous employment, and the crewmember shall revert to his/her original maintenance status at lay-up.

In the event of extended operations all crewmembers assigned to the vessel shall be provided reliefs as per the appropriate employee agreement. The Government retains the right to phase reliefs in order to provide continuity.

SECTION 41. RIDING CREWS

A. The Company shall have the option of employing Unlicensed Personnel as members of a "riding crew" consisting of such ratings as it deems necessary to conduct a viable maintenance and repair program aboard its vessels.

B. Riding crews may perform routine maintenance and repair throughout the vessel without restriction and shall receive the appropriate wages and benefits as agreed to, provided, however, that the Company can supplement the riding crew on a temporary basis with outside specialists who are not covered by this Agreement for the purpose of making necessary repairs requiring skills, training or experience not possessed by the ship's regular crew complement or the riding crew.

SECTION 42. SUBSISTENCE AND LODGING

FOS/ROS - When room and board are not provided, Unlicensed Personnel shall receive Subsistence and Lodging allowance in accordance with the highest Joint Travel Regulations (JTR) for the area as they apply to civilian employees of the government.

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ROS DUTIES

ARTICLE III
DECK DEPARTMENT

The DECK DEPARTMENT, shall conduct a fire, safety, mooring line, ring buoy and security inspection, as well as maintain a Draft Log on a daily basis. All other requirements are contained in the ROS Maintenance Management Plan which, at a minimum, shall address: testing of mooring winches, cargo hold inspections, testing of Master gyro and navigation equipment, testing of Steering Gear Test, test Cargo Gear, test Cargo Winches and Anchor Windlass, lifeboat and life raft inspection, fire equipment tests, inspect emergency gear lockers, and safety equipment inspection, inventory and inspect all portable fire extinguishers, life jackets, survival suits, fire hoses, pyrotechnics, and all other firefighting and lifesaving equipment that is not permanently secured for lay-up during Phase IV.

ARTICLE IV

ENGINE DEPARTMENT

ENGINE DEPARTMENT duties include, but are not limited to:

1. Perform planned maintenance actions, that would contribute to a successful activation.
2. Light off systems and equipment to the extent practical without diminishing a ship's preservation and lay-up condition.
3. Accomplish a program of repairs in accordance with approved monthly work plan, a.k.a. ROS Vessel Maintenance Management Plan.
4. Perform routine servicing and maintenance on ship's machinery and equipment.
5. Perform all required repair activities within their abilities and expertise.
6. Each Unlicensed crewmember of the Engine Department shall sign a Crew Time and Attendance Sheet.
7. Participate in required training; e.g., crane operations, UNREP, Helo Operations, CBR-D, small arms, safety and oil spill response.

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ARTICLE V

STEWARD DEPARTMENT

The STEWARD DEPARTMENT shall perform the following on a daily basis Monday-Friday only: (NOTE: Such work is to be performed in an eight (8) hour split shift between 0630 -1830 daily.)

- Prepare three meals.
- Clean galley facility and mess areas.
- Garbage removal.
- Domestic reefer inspections.

The Steward Department is also responsible for keeping clean recreation rooms and passageways; collecting, inventorying and bundling dirty linen for linen service and distributing fresh linen to other crewmembers on a weekly basis; inventorying, ordering and stowing provisions.

The following guidelines shall be utilized when executing Steward Department duties:

1. Galley Facility. Galley area, cooking utensils and cooking area shall be maintained in a clean, sanitary ship-shape condition at all times. All food leftovers, cooking grease and perishable materials shall be removed and properly stored. Galley area must remain clean between meals.
2. Garbage. All trash and garbage accumulated each day shall be removed to the ship's garbage room, compacted and removed to shore dumpsters. Do not allow garbage to accumulate onboard the ship. All garbage pails and ship garbage drums shall be covered per U. S. Department of Agriculture (USDA) rulings.
3. Domestic Reefer Inspection. Make daily rounds to check all domestic reefer temperatures and conditions. Abnormal temperatures shall be reported to the Chief Engineer immediately. All foodstuffs must be covered and properly

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stored. Questionable or spoiled stores shall be removed to the approved trash facility.

4. Mess Areas. Mess areas shall be cleaned, mopped and squeegeed daily. All garbage and food wastes removed to the approved trash facilities. Table linens shall be changed weekly or as necessary.
5. Inventory Renewal. Provisioning of ROS crew, determination of and rotation of foodstuffs. The Steward's Department shall remove from the ship and dispose of foodstuffs with expired freshness/use by dates.
6. Passageways and Cabins. Open and inspect cabins presently utilized for ROS personnel. Sougee quarters, head, deck and bulkheads. Clean and sougee all passageways and bulkheads. Report any damages to the senior crewmember.
7. Linen and Equipment Inventory. Every 30 days, soiled linen shall be bagged and collected for shoreside cleaning. Standing inventory of the ship's linen and galley shall be recorded and updated monthly.

If the ship carries more than twelve (12) Government personnel, the parties agree to petition the Government for extra department personnel.

Any work rules not covered by this Agreement shall revert to the master agreement in effect between the Company and the Union.

DURATION OF AGREEMENT

This Agreement shall remain in effect for the duration of the contract between the Company and the Maritime Administration.

Interocean Ugland Mangement, Corp.

Date: 10/9/00

Seafarers International Union of North America, Atlantic, Gulf, Lakes and Inland Waters District, AFL-CIO

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ADDENDUM "A-1"
Economic Matters
Ready Reserve Fleet Vessels

I. Full Operating Status (FOS)

A. The monthly base wages and hourly overtime rates to be paid when a vessel is in FOS/Phase O ROS are effective as follows:

EFFECTIVE THE FIRST DAY OF OPERATION

Rating	Monthly Rate	Overtime Rate	Penalty Rate
Bosun	$3306.60	$25.36	$14.38
AB Maint.	2631.60	21.64	11.02
AB WS	2395.50	21.64	11.02
O.S.	1811.70	12.94	8.73
QMED/Ch. Electrician	3900.00	25.36	14.38
QMED DW	3220.50	25.36	14.38
Jr. Engineer	3220.50	21.64	11.02
Deck Engine Mech.	3220.50	25.36	14.38
QMED Pumpman	3306.60	25.36	14.38
Chief Pumpman	3220.50	25.36	14.38
Oiler Maint. Ut.	2631.60	21.64	11.02
Oiler	2400.00	21.64	11.02
FWT	2400.00	21.64	11.02
Mtce. Deck Eng.	3220.50	25.36	14.38
Reefer Eng.	3220.50	25.36	14.38
Reefer Mech.	3220.50	25.36	14.38
Wiper	2124.60	12.94	8.73
GUD/E	2124.60	12.94	8.73
GVA	2124.60	12.94	8.73
Ch. Steward	3306.60	25.36	14.38
Steward/Baker	3306.60	25.36	14.38
Steward/Cook	3306.60	25.36	14.38
Chief Cook	2631.60	21.64	14.38
2nd Cook/Baker	2460.00	21.64	11.02
Asst. Cook/Ut.	2247.00	21.64	11.02

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Steward Asst.	1811.70	12.94	8.73
MDR/Nurse	3220.50	21.64	11.02
Storekeeper	3220.50	21.64	11.02

B. Each crewmember shall perform the customary duties of his particular rating.

Ordinary Seamen, Wipers, General Utility Deck/Engine and General Vessel Assistant ratings, when carried, may be required to perform general maintenance and cleaning throughout the vessel, including unlicensed quarters.

General Vessel Assistants shall perform such assignments as directed by the Chief Steward during routine working hours.

C. Beginning on the second anniversary (3rd year) of the contract, and each anniversary thereafter, the Parties agree to implement a three percent (3%) increase in Total Labor Cost (TLC) which shall include base wages, overtime rates, fringe benefit contributions and taxes, but shall not include transportation, victualling and P&I insurance. Recognizing the limitations imposed by the Federal Acquisition Regulations (FAR), the Total Labor Costs during the term of the contract will not exceed the ten percent (10%) FAR cap. The Parties agree to meet prior to the fourth anniversary (5th year) of the contract to allocate any increases, if any are due, after calculating the ten percent (10%) FAR limitations.

D. If a vessel is being operated subject to the provisions of the Service Contract Act and the Wage Determination by the Department of Labor (D.O.L.) contains rates higher than the contractual rates, the higher rates shall prevail.

E. Except as otherwise provided, in addition to the respective base wages, the Overtime Rates specified above shall apply to all work performed in excess of eight (8) hours, Monday through Friday and for all hours worked on Saturdays, Sundays, and Holidays.

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F. The monthly rate specified above when divided by thirty (30) determines the base daily rate.

G. When the crew is required to perform longshore work, tank cleaning, cleaning bilges, spray painting or sand blasting they shall be paid at the Penalty Rate during routine hours Monday through Friday. They shall be paid at the Overtime Rate during off duty hours Monday through Friday and at all times on Saturdays, Sundays and Holidays.

H. On vessels carrying explosives in excess of fifty long tons each crew-member shall receive in addition to their regular monthly wage ten percent (10%) of such wage from the time loading of the explosives commences until the last of such cargo is discharged. When required to handle explosives they shall be compensated, in addition to their regular wages, at the rate of Ten Dollars ($10.00) per hour unless a higher rate is applicable.

For this purpose, "Dangerous Cargo" is defined as Class "A" munitions or dangerous explosives in accordance with the Interstate Commerce Commission's classification, such as:

a) Ammunition for cannons of 27 mm (1.5 in) caliber or larger;

b) Ammunition for cannons with explosive projectiles;

c) Projectiles, grenades, bombs, mines, torpedoes;

d) Black powder or low explosives;

e) Ammunition with explosive bullets;

f) Ammunition with explosive chemicals;

g) High explosive such as dynamite, etc;

h) Initiating or printing explosives such as blasting caps; and

i) Nuclear explosives.

This section shall not apply to small arms, ammunition, signaling devices, etc., carried for the protection of the ship.

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I. War Zone and Imminent Danger Zone Bonuses:

1. While a vessel is being operated in or traversing waters described as being a "War Zone" by an appropriate U.S. Government Agency, all Unlicensed Personnel shall receive a bonus equal to one hundred percent (100%) of Base Wages on a day for day basis.

2. While a vessel is being operated in or traversing waters described as being an "Imminent Danger Zone" by a appropriate U.S. Government Agency, all Unlicensed Personnel shall receive a daily bonus equal to the bonus paid to U.S. Military Personnel assigned to the area, or civil mariners, whichever is higher.

3. For 1 and 2 directly above, the appropriate bonus shall be paid effective the day the vessel enters the "zone" and shall terminate effective the day after the vessel departs the "zone" or effective the day the respective "zone" designation is withdrawn by the appropriate U.S. Government Agency, whichever occurs first.

J. A "Harbor Attack Bonus" and a "Vessel Attack Bonus" of six hundred dollars ($600.00) and one thousand dollars ($1,000.00), respectively, shall be paid to all Unlicensed Personnel on a per incident basis.

Warning shots across the bow in compliance with International Law does not constitute an "attack" of any kind.

It is understood that when a "Vessel Attack Bonus" is paid, no "Harbor Attack Bonus" shall be paid for that particular day.

For the duration that a vessel is in the above described "zones", the Company shall provide to the Unlicensed Personnel, at its own cost, insurance covering loss of life, disability, including dismemberment and loss of functions, detention and loss or damage to personal effects, by a policy substantially in the form of the Second Seamen's War Risk Policy.

The policy amounts payable under such war risk insurance shall be the same as those described in the Second Seamen's War Risk Policy except

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that the benefit for loss of life shall be six hundred thousand dollars ($600,000.00).

K. When overtime work is performed, such work shall be paid for in one-half (1/2) hour increments except for the first hour. Supper relief's shall be paid in one-half (1/2) hour increments.

L. Penalty meal hours, ship's committee meetings and relieving for meals shall be compensated at the Penalty Rate.

M. There shall be no pyramiding of overtime except as specifically provided herein.

N. Gangway watches shall be maintained at the discretion of the Master or as required by the Department of the Navy.

O. Unlicensed Personnel shall be entitled to fifteen (15) days vacation pay for each thirty (30) days employed.

P. On or about December 31st of each year, all crewmembers, whether at sea of in port, shall receive all monies due them in the form of a check or other instrument which, under Internal Revenue Service Rules, shall be deemed constructive receipt of said money.

Q. All hands shall be allowed fifteen (15) minutes for coffee at 10:00 a.m. and 3:00 p.m., or at a convenient time near those hours.

II. Reduced Operating Status (ROS)

A. The daily rates of pay (for the first eight hours worked each day Monday through Friday) and hourly overtime rates to be paid to the Unlicensed Maintenance Personnel employed aboard a vessel in ROS are as follows:

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EFFECTIVE THE FIRST DAY OF OPERATION

Rating	Weekly Wages	Daily Rate	Overtime Rate
Bosun	$1036.00	$207.20	$25.36
AB DK MT	787.99	157.60	21.64
AB	717.29	143.46	21.64
O.S.	542.50	108.50	12.94
QMED Chief Electrician	1036.00	207.20	25.36
QMED DW	988.54	197.71	25.36
Jr. Engineer	919.24	183.85	25.36
Deck Engine Mech.	988.54	197.71	25.36
QMED Pumpman	1036.00	207.20	25.36
Chief Pumpman	988.54	197.71	25.36
Reefer Eng.	919.24	183.85	25.36
Reefer Mech.	919.24	183.85	25.36
Oiler Maint. Ut.	787.99	157.60	21.64
Oiler	718.69	143.74	21.64
FWT	718.69	143.74	21.64
GUD/E	636.23	127.25	12.94
GVA	636.23	127.25	12.94
Wiper	636.23	127.25	12.94
Ch. Steward	1036.00	207.20	25.36
Steward/Baker	1036.00	207.20	25.36
Steward/Cook	1036.00	207.20	25.36
Chief Cook	787.99	157.60	21.64
2nd Cook/Baker	726.25	145.25	21.64
Asst. Cook/Ut.	672.84	134.57	19.06
Steward Asst.	542.50	108.50	12.94
MDR/Nurse	919.24	183.85	21.64
Storekeeper	919.24	183.85	21.64

Weekly wages shall be divided by five when determining wages for unlicensed crew who work less than a full week, provided however, that no unlicensed crewmember shall be paid less than the weekly wage listed above when employed Monday through Friday and the vessel remains in Reduced Operational Status throughout the subsequent weekend.

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B. Beginning on the second anniversary (3rd year) of the contract, and each anniversary thereafter, the Parties agree to implement a three percent (3%) increase in Total Labor Cost (TLC) which shall include base wages, overtime rates, fringe benefit contributions and taxes, but shall not include transportation, victualling and P&I insurance. Recognizing the limitations imposed by the Federal Acquisition Regulations (FAR), the Total Labor Costs during the term of the contract will not exceed the ten percent (10%) FAR cap. The Parties agree to meet prior to the fourth anniversary (5th year) of the contract to allocate any increases, if any are due, after calculating the ten percent (10%) FAR limitations.

C. For all work performed in excess of eight (8) hours Monday through Friday, and for all hours worked on Saturdays, Sundays and Holidays, Unlicensed Personnel shall be compensated at the Overtime Rate shown above.

D. For the purposes of this section, an accrued vacation day used shall be considered as a day worked.

E. ROS crewmembers shall sign their time and attendance for overtime.

F. The work day shall be 8 a.m. to noon and 1 p.m. to 5 p.m. Monday through Friday as specified in the RFP.

G. Unlicensed Personnel employed in ROS shall be entitled to subsistence and lodging in accordance with the provisions of Section 39.

H. Unlicensed Personnel shall earn one and one-half (1-1/2) days of paid vacation and one (1) day of paid sick leave for each thirty (30) days on the payroll. Vacation and sick leave benefits shall be administered directly by the Company. Any abuse of the sick leave policy shall be cause for disciplinary action.

I. Unlicensed Personnel shall receive a day's pay for each holiday occurring during their assignment period.

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J. All hands shall be allowed fifteen (15) minutes for coffee at 10:00 a.m. and 3:00 p.m., or at a convenient time near those hours.

K. On or about December 31st of each year, all crewmembers, whether at sea of in port, shall receive all monies due them in the form of a check or other instrument which, under Internal Revenue Service Rules, shall be deemed constructive receipt of said money.

Interocean Ugland Mangement, Corp.

Date: 10/2/00

Seafarers International Union of North America, Atlantic, Gulf, Lakes and Inland Waters District, AFL-CIO

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ADDENDUM "B"

Fringe Benefits
Ready Reserve Fleet Vessels

Seafarers Welfare and Pension Benefits

Employees with the appropriate eligibility are entitled to the same medical benefits and pension benefits as provided by Seafarers Welfare and Pension Plans.

Seafarers Harry Lundeberg School of Seamanship

Employees with the appropriate eligibility requirements are entitled to the various training and upgrading programs provided at the Seafarers Harry Lundeberg School of Seamanship.

Seafarers Money Purchase Plan

Employees will receive Money Purchase benefits in accordance with the Rules and Regulations of the Seafarers Money Purchase Plan.

Seafarers Vacation Plan (FOS)

Unlicensed Personnel shall be entitled to fifteen (15) days vacation pay for each thirty (30) days employed.

Reduced Operating Status (ROS)

Unlicensed Personnel shall earn one and one-half (1-1/2) days of paid vacation and one (1) day of paid sick leave for each thirty (30) days on the payroll. Vacation pay and sick leave benefits shall be administered directly by the Company.

Interocean Ugland Management, Corp.

Date: 10/9/00

Seafarers International Union of North America, Atlantic, Gulf, Lakes and Inland Waters District, AFL-CIO

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ADDENDUM "B"

Fringe Benefits
Ready Reserve Fleet Vessels

Seafarers Welfare and Pension Benefits

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Interocean Ugland Management, Corp.

Date: 10/9/00

Seafarers International Union of North America, Atlantic, Gulf, Lakes and Inland Waters District, AFL-CIO

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Current MSEAD Agreement

ADDENDUM "C"

Fringe Benefits
Ready Reserve Fleet Vessels

FOS Status

The following contribution rates shall be made to the various Trust Funds during all Phases of FOS on a per man per day employed basis:

SEAFARERS WELFARE PLAN	$38.50
S.H.L.S.S.	$ 5.68
SEAFARERS JOINT EMPLOYMENT*	$ 5.58

* Subject to reallocation.

SEAFARERS VACATION PLAN

In order to pay a vacation benefit of fifteen (15) days vacation pay for each thirty (30) days employed, the contribution rate shall be fifty-eight percent (58%) of the respective FOS base wages.

SEAFARERS MONEY PURCHASE PLAN

Contributions to the Seafarers Money Purchase Plan shall be as specified in the attached schedule for Unlicensed Personnel in FOS status.

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ROS Status

The following contribution rates shall be made to the various Trust Funds during all Phases of ROS on a weekly basis for any crewmember employed Monday through Friday and the vessel remains in ROS status over the weekend.

SEAFARERS WELFARE PLAN	$269.50
S.H.L.S.S.	$ 39.75
SEAFARERS JOINT EMPLOYMENT*	$ 39.05

*Subject to reallocation.

Contributions for any crewmember working less than five (5) days in the week shall be based on a per man day basis (weekly divided by seven)

VACATION PLAN

For each thirty (30) calendar days on the payroll, maintenance crewmembers shall receive a vacation benefit of 1.5 days at the respective daily rate administered by the Company.

SEAFARERS MONEY PURCHASE PLAN

Contributions to the Seafarers Money Purchase Plan shall be as specified in the attached schedule for Unlicensed Personnel in ROS status and shall be paid as follows.

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SEAFARERS MONEY PURCHASE PLAN
FOS/Phase O ROS STATUS

Five percent (5%) of base wages.

SEAFARERS MONEY PURCHASE PLAN
ROS STATUS

Five percent (5%) of base wages.

Interocean Ugland Management, Corp.

Date: 10/9/00

Seafarers International Union of North America, Atlantic, Gulf, Lakes and Inland Waters District, AFL-CIO

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The following Appendix shall be in effect between the parties for the term of Maritime Administration (hereinafter referred to as MARAD) contract covering the maintenance and operation of the Ready Reserve Force vessels (RRF); the **Petersburg, Potomac, Gopher State, Flickertail State, Cornhusker State, Cape Mendocino, Cape Fear, Cape Mohican, Cape May, Chesapeake and the Mount Washington.**

APPENDIX A

It is hereby understood and agreed by and between the Seafarers International Union of North America, Atlantic, Gulf, Lakes and Inland Waters District, AFL-CIO (hereinafter called the "Union") and Interocean Ugland Management, Corp. (hereinafter called the "Company") that the Company, commencing with the 1st day of operation under the MARAD Contract covering the above listed vessels, shall pay the following:

SECTION 1. SEAFARERS WELFARE PLAN

Full Operational Status (FOS) or Reserve Operational Status (ROS)

The Company shall pay to the Seafarers Welfare Plan, a jointly administered Labor-Management Trust Fund, and/or its successors while the vessel(s) is in FOS or ROS a per man per day sum provided for in the Collective Bargaining Agreement between the Company and the Union; (to provide benefits under the Seafarers Welfare Plan), for employees covered by the Collective Bargaining Agreement or any supplements or addenda thereto between the Union and the said Company.

Payments shall be made monthly and shall be accompanied by reports in such form as the Trustees of the Plan may determine. Such payments shall be used to provide welfare and similar benefits for eligible employees, their families and dependents, as well as for the administration of the Plan and for any other purpose which the Trustees may determine from time to time, in accordance with the provisions of the Trust Agreement, as amended.

By execution of this Appendix A, the Company becomes a party and subscriber to the Trust Agreement establishing the aforesaid Seafarers Welfare Plan, as amended, and acknowledges receipt of a copy of such agreement, as amended.

SECTION 2 . NATIONAL HEALTH CARE

If a National Health Care Program is enacted and implemented during the term of this agreement then the parties agree to meet and discuss the impact on the cost of providing medical benefits by employers and the Seafarers Welfare Plan. If a National Health Care Program should necessitate direct contributions by Employers via payroll tax or otherwise, or if some of the currently covered benefits are assumed by the Government or other third party, the parties agree to negotiate an appropriate reduction in contributions to this Plan to offset such expenditures, and/or reflect such other coverage. In addition, the ability of the Welfare Plan to continue all non cumulative and non duplicative benefits being provided at the time a National Health Care Program is implemented or any other benefits mandated by such National Program shall not be affected or impeded. If the parties are unable to agree on the amount of any reduction, either party may submit the matter to arbitration under the terms and conditions of the current Collective Bargaining Agreement.

SECTION 3. AMERICAN DISABILITY ACT (ADA)

The employer agrees that it shall not discriminate against employees on the basis of a physical or mental disability. The Union agrees that employees dispatched from the Hiring Halls will be qualified to perform the required shipboard duties. The parties agree that in the event an employee suffering from a disabling condition requests accommodation to enable him/her to perform essential functions aboard the vessel, every reasonable effort will be made to accommodate the employee. Such accommodation will not however, be required if it would create and undue hardship or would represent a substantial threat to the safety and well being of the employer, the employee requesting the accommodation, or other crew members.

In applying the protections of the ADA to any individual, the parties agree that the standards established in the Johns Hopkins study shall be followed.

SECTION 4. SEAFARERS VACATION PLAN

The Company, in order to pay a vacation benefit of fifteen (15) days vacation pay for each thirty (30) days employed, shall contribute fifty-eight percent (58%) of the respective daily rate per man per day while the vessel(s) is in Full Operational Status (FOS) for employees covered by the Collective Bargaining Agreement or any supplements or addenda thereto between the Union and the Company.

By the execution of this Appendix A the Company becomes a party and subscriber to the trust agreement establishing the aforesaid Seafarers Vacation Plan, as amended and acknowledges receipt of a copy of such agreement, as amended.

SECTION 5. SEAFARERS JOINT EMPLOYMENT TRUST FUND*

Full Operational Status (FOS) or Reserve Operational Status (ROS)

The Company shall pay to the Seafarers Joint Employment Fund, a jointly administered Labor-Management Trust Fund, and/or its successors while the vessel(s) is in FOS or ROS a per man per day sum as provided for in the Collective Bargaining Agreement between the Company and the Union for employees covered by the Collective Bargaining Agreement or any supplements or addenda thereto between the Union and the Company.

Payments shall be made monthly and shall be accompanied by reports in such form as the Trustees of the Plan may determine. Such payments shall be used to provide benefits in accordance with the provisions of the Trust Agreement establishing the said Fund.

By execution of this Appendix A, the Company becomes a party and subscriber to the trust agreement establishing the aforesaid Seafarers Joint Employment Fund and acknowledges receipt of a copy of said Agreement.
*Subject to reallocation

SECTION 6. SEAFARERS HARRY LUNDEBERG SCHOOL OF SEAMANSHIP

Full Operational Status (FOS) and Reserve Operational Status (ROS)

The Company shall pay to the Seafarers Harry Lundeberg School of Seamanship, a jointly administered Labor-Management Trust Fund, and/or its successors, while the vessel(s) is in FOS or ROS a per man per day sum as provided for in the Collective Bargaining Agreement between the Company and the Union for employees covered by the Collective Bargaining Agreement or any supplements or addenda thereto between the Union and said Company.

Payments shall be made monthly and shall be accompanied by reports in such form as the Trustees of the Plan may determine. Such payments shall be used to provide training programs, as well as for the administration of the Plan and for any other purpose which the Trustees may determine from time to time, in

accordance with the provisions of the trust Agreement, as amended. By execution of this Appendix A, the Company becomes a party and subscriber to the Trust Agreement establishing the aforesaid Seafarers Harry Lundeberg School of Seamanship as amended, and acknowledges receipt of a copy of such Agreement, as amended.

Section 7. SEAFARERS MONEY PURCHASE PENSION PLAN

Effective from the first (1st) day of employment on the covered vessels, the employer agrees to make contributions to the Seafarers Money Purchase Pension Plan based 5% of the respective base wage in effect for each respective rating per man day for employees covered by the Collective Bargaining Agreement or any supplements or addenda thereto between the Union and the Company.

Section 8. ARBITRATION

In order to avoid the necessity of litigation procedures, the parties agree that any question regarding the payment of monies due to any of the Seafarers Plans may be submitted to arbitration in the County of Prince Georges, State of Maryland; or in the state and county where the Company is located. It is within the discretion of the Plan representative to choose between the two locations. The parties agree that the Plans are authorized to directly pursue all matters relating to payments to the Plans. In the event that the arbitration is conducted in the State of Maryland, this agreement to arbitrate shall be valid and enforceable in accordance with the Annoted Code of Maryland, courts and Judicial Proceedends, Title 3, Subtitle 2.

Either the Plan or any Company which had a question concerning the payment of contributions, interest, or other monies due to the Plans shall set forth the question or questions in a written Demand for Arbitration, which shall be served upon the opposing party by Certified Mail, Return Receipt Requested. Within five (5) days after receipt of the Demand for arbitration, the parties shall cause a copy of such demand to be served upon John Sands, Esq., 55 Park Street, Monclair, NJ 07042; Eric Schmertz, Esq., 275 Madison Avenue, NY, NY 10016; or Alan Viani, 240 Judson Avenue, Dobbs Ferry, NY 10522-3022; all of whom are permanent impartial Arbitrators. The Arbitrator selected shall arrange for a hearing upon the question or questions submitted at the earliest convenience of the Arbitrator. The Arbitrator shall notify the parties of the date, time and place of the hearing at least seven (7) days prior to the scheduled date.

The Arbitrator shall have the authority to award the unpaid contributions with interest thereon and an amount equal to the greater of interest on the unpaid contributions or liquidated damages in the amount of twenty percent (20%).

Interest shall be computed at a reasonable rate. In the event that the permanent Arbitrator is unable to hear and determine the question within a reasonable time after his receipt of the demand, he may designate another Arbitrator to hear and determine the question in his place and stead.

In the event that the parties are in agreement as to all the facts bearing upon the question, they may submit the issue to the Arbitrator by a written stipulation of facts and they may agree to waive a formal hearing. Any waiver of hearing shall be executed in writing by the parties. The failure of any party to attend an arbitration hearing as scheduled by the arbitrator shall not delay said arbitration. The Arbitrator is authorized to proceed to take evidence and to issue an award as though such party were present.

The Arbitrator shall not have the authority to alter in way the terms and conditions of the Agreement or the various applicable Agreements and Declarations of Trust. The award of the Arbitrator shall be in writing and shall be sworn to and may be issued with or without opinion. The Award shall be issued within seven (7) days of the hearing or submission of stipulated facts, if the latter procedure is agreed upon, and shall be final, binding and enforceable by any court of competent jurisdiction. Any extension of time for the rendering of the Arbitrator's award must be mutually agreed upon by the parties. In the event the Company is delinquent in its payments to the Plans, the Company is responsible for the payment of the fees and expenses of the arbitrator. If the arbitration involves a disputed payment to the Plans, the cost of the arbitration shall be equally shared between the parties.

This Appendix A shall be incorporated in and made a part of the Master Collective Bargaining Agreement between the Union and the Company.

SECTION 9. CONTRIBUTIONS AND REPORTS

Contributions and reports made pursuant to this memorandum of Understanding shall be made monthly on the tenth (10th) day thereof covering the preceding month's work force. Notwithstanding anything to the contrary, the Company further agrees to provide the following information on each employee's check stub:

1. Name of employee
2. Employee's rating
3. Employee's social security number
4. Employee's on and off dates during the pay period; and
5. Employee's total number of days worked during the pay period.

SECTION 10. PAYROLL/DATA

Payroll/data and other pertinent records may be examined by the Plans or their representatives on demand at any reasonable hour provided at least five (5) days notice of said examination is given to the Company.

The rates contained in this document shall be increased in accordance with the appropriate collective bargaining agreement in effect during the execution of this Appendix.

This Appendix was executed by the parties hereto, whose duly authorized representatives' signatures appear below this ____ day of _____, 2000.

INTEROCEAN UGLAND MANAGEMENT, CORP.

DATE: 10/9/00

SEAFARERS INTERNATIONAL UNION OF NORTH AMERICA, ATLANTIC, GULF, LAKES AND INLAND WATERS DISTRICT, AFL - CIO

AUGUSTIN TELLEZ, VICE PRESIDENT

GEORGE TRICKER, ASST. VICE PRESIDENT