

ADDENDUM AGREEMENT (GAI AND PROGRESSIVE DISCIPLINE)

THIS ADDENDUM AGREEMENT is made and entered into this 29th day of July, 1994 by and between the Steamship Trade Association of Baltimore, Inc. (herein referred to as the "STA") and the International Longshoremen's Association, AFL-CIO and its affiliated Local 953 (herein referred to collectively and individually as the "Union"), on behalf of the employees they jointly represent.

1. In consideration of the mutual covenants state herein, the parties agree to delete, effective October 1, 1994, Article V, GUARANTEED ANNUAL INCOME (hereinafter referred to as the "GAI Program"), in the current Collective Bargaining Agreement between the STA and the Union dated December 11, 1990, as extended through September 30, 1996 (hereinafter referred to as the "Collective Bargaining Agreement"), thereby permanently terminating, extinguishing and eliminating the GAI Program from said Collective Bargaining Agreement.

2. The union agrees that, after September 30, 1994, there no longer is any supplemental income for employees jointly represented by the Union in the Port of Baltimore and that neither the Union nor any of the employees it jointly represents have any further rights pursuant to the GAI Program.

3. In consideration of the termination and elimination of the GAI Program, the STA agrees to offer to forty-five (45) active employees jointly represented by the Union who shall be designated by the Union and who agree in writing on a form approved by the STA, no later than August 15, 1994, to leave the industry no earlier than August 1, 1994, and no later than September 30, 1994, a total payment of Sixty-five Thousand Dollars, (\$65,000) payable in three (3) installments, the first of which shall be in the amount of Twenty Thousand Dollars (\$20,000) payable on March 1,

1995, the second of which shall be in the amount of Twenty Thousand Dollars (\$20,000) payable on March 1, 1996, and the last of which shall be in the amount of Twenty-five Thousand Dollars (\$25,000) payable on January 1, 1997. Each employee who leaves the industry in accordance with the foregoing shall not be entitled to receive any further payments under the GAI Program or any similar payments directly or indirectly from the STA or any of its members, except for any payment due as a result of GAI eligibility during the 1993-1994 contract year.

For purposes of this Section 3, "active employee" shall include only those employees jointly represented by the Union who, in the current 1993-1994 contract year (1) are GAI eligible or (2) in said contract year have accumulated minimum of 700 hours through work, hours paid for by the GAI Program or hours credited under the Collective Bargaining Agreement by virtue of accident and sickness or workers' compensation, and (3) have not left the industry by retirement or otherwise before August 1, 1994. For purposes of this Sections 3, "industry" shall mean that work which is covered by the Collective Bargaining Agreement.

4. The STA agrees that all said employees who accept the above-described buy-out and who leave the industry no earlier than August 1, 1994, and no later than September 30, 1994, shall be replaced by the employer by whom such employee was employed as of July 31, 1994.

5. The parties agree further that the cancellation clauses in all Addendum or Supplemental Agreements between the parties relating to manning, flexible working hours, etc. shall be amended to provide for cancellation by either party after ninety (90), rather than thirty (30) days written notice.

6. The parties agree further to extend the term of each and every provision of the aforementioned Collective Bargaining Agreement to coincide with the term of the next

Master Contract that will become effective on, before or after October 1, 1996, including those provisions which are added to, altered or amended by the terms of this Addendum Agreement, but excluding those provisions which are eliminated by this Addendum Agreement (specifically the GAI Program). The wages and contributions provided in said Master Contract shall be made applicable also to that work which is covered by the Collective Bargaining Agreement but not covered by the Master Contract.

7. The parties agree further to the following policy and procedure, with safeguards, for the discipline and discharge of employees covered by the aforementioned Collective Bargaining Agreement:

- (1) No employee shall be disciplined or discharged except for just cause.
- (2) Employees shall be subject to immediate discharge or discipline for serious offenses, including, but not limited to, theft, use or carrying of dangerous weapons on or about an Employer's premises, fighting, or willful destruction of property.
- (3) For all other offenses, including, but not limited to, poor performance and absenteeism, employees shall be subject to discharge or discipline in accordance with the following:

First Offense Written Warning

Second Offense Written Warning

Third Offense Written Warning and three
(3) days suspension

Fourth Offense Discharge

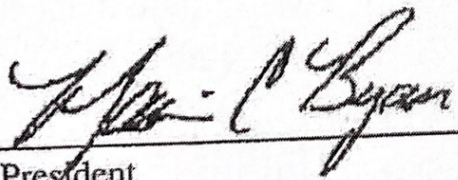
Written notice of such disciplinary measures shall be provided to the Union. After twelve (12) months from the date of any disciplinary action, such action shall be removed from the employee's record and the employee shall revert

one step back in the disciplinary procedure.

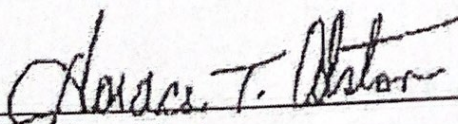
(4) All grievances or disputes hereunder shall be subject to resolution in accordance with the terms of Article III (grievance and arbitration procedure) of the Agreement.

(5) Whenever an employee is suspended or discharged by an Employer, the STA, in its sole discretion and based upon the circumstances, may exclude the employee from employment with all other Employers to the extent excluded by his or her Employer without recourse by the employee or the Union to Article III (grievance and arbitration procedure) in the Agreement. In the event that the underlying suspension or discharge is made the subject of a grievance under Article III (grievance and arbitration procedure) of the Agreement, any such grievance and any ensuing arbitration shall be limited to the underlying suspension or discharge. In the event that the grievance procedure and /or arbitration results in the reinstatement of the grievant with the Employer, which suspended or discharged him or her, the grievant will be reinstated to employment with all other Employers.

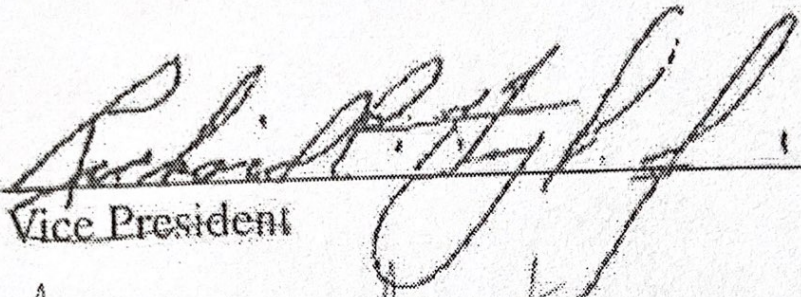
STEAMSHIP TRADE ASSOCIATION
OF BALTIMORE, INC.,
On Behalf Of Its Members

By: 
President

INTERNATIONAL LONGSHOREMEN'S
ASSOCIATION, AFL-CIO,

By: 
Vice President

LOCAL 953,
INTERNATIONAL LONGSHOREMEN'S
ASSOCIATION, AFL-CIO,

By: 
Vice President
Business Agent