

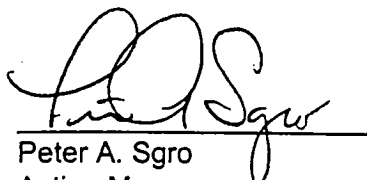
**MEMORANDUM OF UNDERSTANDING  
BETWEEN THE  
UNITED STATES POSTAL SERVICE  
AND THE  
AMERICAN POSTAL WORKERS UNION, AFL-CIO**

**RE: Annual Leave Exchange Option, Addendum**

The parties acknowledge that due to the delay between acceptance and ratification of the 1998-2000 Collective Bargaining Agreement, eligible APWU bargaining unit employees covered by the November 20, 1998, Memorandum of Understanding (MOU) concerning Annual Leave Exchange Option, missed one opportunity to sell back a maximum of 40 hours of annual leave at the end of leave year 1998.

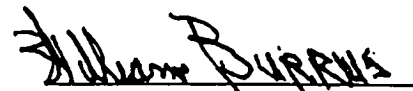
The parties agree that for the explicit purpose of correcting this situation, the MOU will be amended to apply the following specific agreement to APWU bargaining unit employees on a one-time basis:

1. The Annual Leave Exchange Option contained in the 1998-2000 Collective Bargaining Agreement will expire at midnight on the last day of leave year 1999.
2. APWU employees who are eligible under the criteria set forth in the Annual Leave Exchange Option MOU at the end of leave year 1999 will be allowed to sell back a maximum of 80 hours of annual leave.
3. The Union agrees to withdraw all grievances regarding Annual Leave Exchange.
4. This agreement is non-precedent setting and non-citable in any forum or for any purpose in the future.



Peter A. Sgro  
Acting Manager  
Contract Administration  
APWU/NPMHU

Date 5/10/99



William Burrus  
Executive Vice President  
American Postal Workers  
Union, AFL-CIO

Date 5.11.99