

A G R E E M E N T

by and between

**PACIFIC FISHERMEN SHIPYARD & ELECTRIC, LLC
(DBA PACIFIC FISHERMEN SHIPYARD, DBA PFI MARINE ELECTRIC)**

and

PUGET SOUND METAL TRADES COUNCIL

Terminates: July 1, 2019

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and

PUGET SOUND METAL TRADES COUNCIL

PREAMBLE

This Agreement, made and entered into this 1st day of July 2016, by and between PACIFIC FISHERMEN SHIPYARD AND ELECTRIC, LLC (DBA PACIFIC FISHERMEN SHIPYARD; and DBA PFI MARINE ELECTRIC), hereinafter called the "EMPLOYER" and the PUGET SOUND METAL TRADES COUNCIL representing UNIONS signatory hereto, hereinafter collectively called the "UNIONS".

ARTICLE 1

Scope of Agreement

This Agreement shall cover all production, repair and maintenance employees within the bargaining unit in the employ of the Employer signatory hereto, and shall apply to all work and activities of the Employer in connection with the construction, conversion, repair or scrapping of any vessel on the Pacific Coast including, but not limited to, dredges, floating dry docks, offshore drilling vessels, barges, mobile drilling platforms, and all auxiliary equipment used in conjunction therewith.

ARTICLE 2

Recognition, Union Security, Hiring, Dues Deduction

(a) RECOGNITION

The Employer recognizes the Unions as set forth in the Preamble and signatory hereto as the sole collective bargaining agents for all of its employees covered by this Agreement, in all of the classifications contained in Schedule "A" of this Agreement and employed on work covered by the "Scope of this Agreement".

(b) UNION SECURITY

Newly hired employees or former employees, within thirty-one (31) days from the date of their employment shall, as a condition of continued employment with the Employer, become members of the respective Local Union and maintain their membership in good standing therein. If an employee fails to become a member of the Union by the thirty-first (31) day from the date of his employment, he shall be terminated by the Employer upon written request of the Union.

(c) HIRING

(1) The Employer agrees that when additional employees are required the appropriate Local Union will be given twenty-four (24) hours notice in advance so that the Union may have a reasonable opportunity to refer applicants for employment. Such notice, including the number and qualifications of the employees required shall be given by the

Personnel Department or other designated representative of the Employer. The Union agrees that it will, upon the request of the Employer, refer experienced applicants, when available, to the Employer for the classifications covered by this Agreement.

- (2) (a) The Employer and Union agree that there will be no discrimination in employment because of race, creed, color, national origin, age, or sex. Compliance with State and/or Federal laws shall not be considered discrimination under this subsection.

(b) Selection of applicants for referral to jobs shall not be based on or in any way affected by Union membership, bylaws, rules, regulations, constitutional provisions, or any other aspect or obligation of Union membership, policies, or requirements.
 - (3) The Employer retains the right to reject any job applicant referred by the Union. The Employer may discharge any employee for just and sufficient cause. The Employer agrees to notify the appropriate Union in writing of the name or names of any former employee or employees not eligible for rehire.
 - (4) The Union agrees that it will not discriminate against non-Union workmen in referring workmen to the Employer, and the Employer agrees that he will not discriminate against Union workmen in selecting job applicants referred to him by the Union.
 - (5) A copy of this Article of the Agreement shall be posted at the employment office of the Employer and at the place where the appropriate local Unions conduct the operation of referring persons for employment under this Agreement.
 - (6) The Employer may request any unemployed workman by name and the Union shall refer such workman subject to the provisions set forth in Article 3, Seniority. An employee requested by name shall be classified as a Journey unless the Company and the effected local union mutually agree to a lower classification.
 - (7) If the Employer hires persons other than those referred by the Union, he shall advise the appropriate Local Union within two (2) working days after such person is hired as to the name, address, social security number, date of hire, classification, and rate of pay of such employee. The same information shall be furnished by the Employer to the appropriate Local Union within forty-eight (48) hours after the termination of such employee.
 - (8) All employees referred to the Employer by the Union under this Article shall submit to the making of such records as are, or may be required by the Employer for the purpose of identification.
 - (9) The Union and the Employer agree to hold each other harmless from any money damages and penalties assessed against them by any government agency or court of law because of any charge of unfair labor practice or act where such practice or act was proximately or solely caused by the Union or the Employer.
- (d) An employee who desires his regular monthly union dues to be deducted from his pay by the Employer and remitted to the Financial Secretary of the Union shall submit a fully executed authorization card as follows:

Union Dues Deduction:

I hereby authorize PACIFIC FISHERMEN SHIPYARD & ELECTRIC, LLC to deduct regular monthly union dues from wages earned by me while in the bargaining unit represented by the Unions shown below. I understand that the monthly deduction amount to be withheld will be provided by the Unions directly to PACIFIC FISHERMEN SHIPYARD & ELECTRIC, LLC on an annual basis or as interim rates change.

I understand that such deductions are to be made on the first regularly scheduled payday of the month following the month in which this authorization is received by the Human Resource office of the Employer. This authorization and assignment shall remain in effect until canceled by written notice of the Union or the Employee. The dues deducted are to be sent no later than the end of the calendar month in which the deduction was made to:

Employee Name: _____ Date: _____

Signature: _____ Social Security #: _____

The Union and the Employee shall hold the Employer harmless against any claim that might arise out of or by reason of action taken or not taken by the Employer in a good faith effort in complying with this provision.

ARTICLE 3
Seniority

(a) For purposes of layoff and recall the principle of seniority is hereby established for employees in the bargaining unit.

(b) Employees hired or rehired after July 1, 1989, or present employees who do not qualify for seniority as of July 1, 1989, shall be entitled to seniority when they have completed at least one hundred and forty-five (145) cumulative working days in a nine (9) month period subsequent to their day of hire, subject to Section (d) below. Prior to attaining seniority an employee shall be considered probationary.

For example: If any employee starts in January, he has until the end of September to qualify for seniority. If at the end of September he has not qualified for seniority, then the nine (9) month period is extended to the month of October, and the month of January is dropped.

(c) The continuous nature of an employee's seniority shall not be broken by reason of layoff, vacation, approved leave of absence, and absence for proven sickness or injury, except as provided below:

(1) If the employee is discharged for cause.

(2) If the employee quits.

(3) If the employee fails to report to work at the time specified by the Company or within 48 hours (Saturday, Sunday, and holidays excluded) after the Company sends a notice to the last telephone number or address shown on the company's records. The Company's notice shall be effected by telephone when possible; in the event the employee is not

contacted by phone, the Company shall notify the employee by means of verifiable communications (certified letter, courier, telegraph, etc.). The appropriate union shall be notified when such recall notice is sent to the employee.

(4) Any employee absent for three (3) consecutive workdays or more without notification and furnishing a justifiable reason for such absence shall be considered to have voluntarily terminated his employment. Exceptional cases will be handled on their merit.

(5) If the employee is off the active Employer payroll for a period of more than nine (9) months for any reason whatsoever.

(d) (1) Seniority shall not apply to recall to jobs of less than ten (10) working days duration.

(2) The Company shall be entitled to retain Leadmen and classifications above Leadmen paid on an hourly rate without regard to seniority.

(e) (1) Seniority shall apply by classification of the craft or union as set forth in this Agreement, and by such subclassification as may be agreed upon by the Company and the appropriate Union.

(2) On layoffs and recalls in any classification or agreed subclassification, the rule of seniority shall prevail where ability, competency, qualifications and other factors relating to job performance are equal.

(f) (1) Employees promoted to any higher classification or to Leadman or classifications above Leadman paid on an hourly basis shall continue to accrue seniority in the classification from which they are promoted during the time they serve in such capacity.

(2) Employees promoted to jobs outside the bargaining unit shall retain such seniority as they had in the classification from which they were promoted as of the day of promotion.

(g) The Employer will furnish a current seniority listing upon a request, no more than quarterly, to each appropriate Union properly identifying employees by craft classification under this Agreement.

(h) Seniority shall be applicable to IBEW #46 effective the date of ratification of the 2004 Agreement.

ARTICLE 4 Leading Men

(a) Leading men in all departments shall be selected, as far as practicable, from the crafts they are supervising and with a view to their mechanical ability, and shall be journey and/or mechanics and shall be members of their respective Union. In addition, the immediate supervisory classification above that of Leading men when paid on an hourly wage rate basis, in all departments, shall be selected, as far as practicable, from the crafts they are supervising and with a view to their mechanical ability, and shall be journey and/or mechanics and shall be members of their respective Union.

(b) The compensation for Leading men shall be in accordance with established local practice but in no case less than five percent (5%) over the wage of the craft they are supervising as set forth in Schedule "A". The compensation for the immediate supervisory classification above that of Leading men, when paid on an hourly wage rate basis shall be in accordance with established

local practice. The activities and assignments of Leading men and supervisors mentioned herein above shall not be restricted, nor shall they be extended during overtime periods to the end that they are used to replace workmen in the performance of overtime work.

(c) The intention of the parties signatory to this Agreement is to continue to use Leading men and mechanics already assigned in the completion of work which extends into overtime periods except in emergency situations.

It is the intention of the Employer not to eliminate the classifications of Leading men or the immediate classification above Leading men paid on an hourly basis and to substitute salaried personnel for such classifications.

ARTICLE 5

Standard Day Shift Hours

(a) Forty (40) hours shall constitute a work week, eight (8) hours per day, five (5) days per week, Monday to Friday, inclusive, between the hours of 6:00 A.M. and 5:30 P.M., except that where as to any locality or as to any plant of any Employer existing conditions render it desirable to start the day shift at an earlier hour, such starting time may be made earlier by agreement between the Employer and the Union. Drydocking crews may start as early as 5:00 a.m.; the Employer will provide as much advance notice of starting time change as feasibly possible.

(b) Optional Workweek (4/10's)

(1) By mutual agreement between the Company and affected Local Union(s) on a case-by-case (job-by-job) basis:

(2) A four (4) day, forty (40) hour workweek may be established or special work schedules arranged for a portion of, or the entire crew, to accommodate specific needs of the company or employees. In administering the four-day, forty-hour workweek, the following conditions shall prevail:

(a) The normal workday shall be ten (10) consecutive hours, exclusive of a meal period on the employee's time. The normal workweek shall be four (4) consecutive days: Monday thru Thursday, and/or Tuesday thru Friday.

(b) Overtime shall be paid for any hours worked in excess of ten (10) hours per day or forty (40) hours per week.

(c) Vacation benefits shall be accrued and expended on an hourly basis.

(d) During observed holiday weeks, the workweek shall revert to a 5 X 8 workweek. Holidays shall be granted in accordance with Article 9 and overtime shall be paid in accordance with Article 8 of the Agreement for such holiday week(s)."

ARTICLE 6

Shifts

Shift work shall be permitted in all classifications, without restrictions, on the following basis:

(a) Regular starting times of the day shift shall be between 6:00 A.M. and 9:00 A.M. An employee's regular starting time shall remain in effect for the duration of the workweek; however, once during the workweek the employer may temporarily change the starting time within the 6:00 A.M. to 9:00 A.M. range. Temporary starting times shall apply to all shifts. Shift hour changes other than provided within this provision shall be made only with the approval of the Union. Drydocking crews may start as early as 5:00 a.m.; the Employer will provide as much advance notice of starting time change as feasibly possible.

(b) Employees transferred from one shift to another, unless relieved from work at least a full shift as set forth herein, before starting their new shift, shall be paid the overtime rates for the first such shift worked. No employee shall be transferred from his regular assigned shift to another shift more than once a work week, except however, he may be returned to his regular assigned shift, except in extreme emergency or shortage of manpower.

(c) Employees required to work overtime, unless relieved from work at least a full shift as set forth herein, before starting to work on their next regular shift, shall be paid the overtime rate for the next such shift. However, in event an employee is advised to report to work later than his normal starting time for the purpose of allowing him at least a full shift relief, he shall be guaranteed a minimum of eight (8) hours straight time pay for that shift.

(d) **FIRST OR REGULAR DAYLIGHT SHIFT:**

An eight and one-half (8-1/2) hour period less thirty (30) minutes for meals on the employee's time. Pay for a full shift period shall be a sum equivalent to eight (8) times the regular hourly rate with no premium.

(e) **SECOND SHIFT:**

An eight and one-half (8-1/2) hour period less thirty (30) minutes for meals on employee's time. Pay for a full second shift period shall be a sum equivalent to eight (8) times the regular hourly rate as set forth in Schedule "A", plus forty-five cents (45¢) per hour.

(f) **THIRD SHIFT:**

An eight (8) hour period less thirty (30) minutes for meals on employee's time. Pay for a full third shift period shall be a sum equivalent to eight (8) times the regular hourly rate as set forth in Schedule "A", plus sixty cents (60¢) per hour.

ARTICLE 7

Wage Scales

(a) Employer agrees to pay to its employees and the Union agrees that its members employed by Employer will accept the wage scales for the various classifications set forth and contained in Schedule "A" of this Agreement.

(b) The wage scales herein established shall be considered as minimum wage scales and shall not prevent the Employer from paying higher wages to premium men.

ARTICLE 8

Overtime

(a) All time worked over forty (40) hours per week or eight (8) hours per day, Monday through Saturday, shall be paid at the rate of time and one half (1-1/2) the straight time regular day shift

rate. All time worked on Saturday shall be paid at the rate of time and one-half (1-1/2), provided Saturday is the sixth consecutive day worked. All time worked on Sunday shall be paid for at double time (2T) the regular day shift rate. Employees on active payroll or who have been laid off for less than ten (10) days who are absent from work during the workweek at the direction of the Company, shall be considered to have worked such absences directed by the Company for purposes of determining the rate of pay for Saturday work.

(b) Employees required to work around the clock (three shifts) and required to continue work through their regular assigned shift, shall continue to receive pay at the overtime rate.

(c) **SALVAGE AND DYNAMITE:**

All salvage work at site, unless the site is in Employer's yard or dock, shall be paid for at established overtime rates, regardless of the hour or day; also powder and dynamite boats when anchored at powder anchorage. Any area designated by recognized authority as a powder, dynamite, or explosive site is understood to be a powder anchorage referred to above.

(d) **LUNCH PERIODS:**

(1) Mid-shift meal period, non-overtime situation:

An employee required to work during his regular mid-shift meal period shall be given an earlier or later meal period no more than one (1) hour earlier or later on the employee's time. In the event the altered meal period exceeds one hour earlier or later, a meal period of 30 minutes shall be given no more than two (2) hours beyond the normal time and be paid at the straight time rate. This provision shall not apply to employees engaged in vessel handling or shifting, or activities in the drydock which directly affect docking and undocking schedules.

(2) The above procedure shall apply to the mid-shift meal period on Saturday, Sunday and Holidays.

(3) Meal periods for daily overtime situations:

In the event an employee works more than two (2) hours of continuous daily overtime, he shall be given an additional meal period of 30 minutes on the employee's time. If the meal period is not given by the end of the third (3rd) hour of continuous overtime, the employee shall be provided a 30 minute meal period at the straight time rate. Employees who continue to work overtime shall be allowed a meal period of 30 minutes on the employee's time for each additional four (4) hours continuously worked following the aforementioned meal period.

ARTICLE 9
Holidays

(a) Each employee shall receive eight (8) times his regular straight-time hourly shift rate of pay for the following holidays, provided:

(1) The employee worked his last regularly scheduled work day prior to and his first scheduled work day following the holiday.

Exception will be made in cases where absence on the work day prior to or the work day following was due to industrial injury, bona fide illness covered by a doctor's certificate,

approved leave of absence, or temporary layoff, provided the employee's absence from work for the purpose of this exception by reason of any of the above causes is not for a total period in excess of two weeks. For purposes of this Section, temporary layoff shall be considered as one of two weeks or less in duration.

It is understood that any employee off work due to industrial injury or bona fide illness who is receiving time loss payments shall receive compensation under this Article in the appropriate amount to insure that the employee's compensation for the holiday does not exceed the amount he would have received if he had been working.

(2) A seniority employee has been in the active employ of the Employer for fourteen (14) calendar days immediately preceding the holiday. A non-senior employee has been in the active employ of the Employer for thirty (30) calendar days immediately preceding the holiday.

(b) The following shall be recognized as paid holidays: NEW YEAR'S DAY, PRESIDENTS' DAY, MEMORIAL DAY, INDEPENDENCE DAY, LABOR DAY, THANKSGIVING DAY, FRIDAY AFTER THANKSGIVING, CHRISTMAS DAY. In cases where the above listed holidays fall on Saturday, the Employer shall have the option of specifying by the Wednesday preceding the holiday whether Friday shall be a regular workday or regarded as the paid holiday. Personal Floater 2016, and Personal Floater 2017 to be mutually agreed to by the Company and Employee, December 24, 2018.

(c) All time worked on the aforesaid holidays shall be compensated for at two (2) times the regular straight-time hourly rate, plus additional compensation pursuant to paragraph (a) above shall be paid for such time. It shall be optional with the employees of any company as to whether or not they work on any of the specified holidays at the request of the Employer with the exception of work required for the preservation of life and property.

(1) All time worked on a holiday weekend shall be compensated at double time (2T). A holiday weekend is defined as a weekend when either the preceding Friday or following Monday is observed as a holiday under Section 9 (b), with the exception of floating holidays.

(d) Should any of the above holidays fall on Sunday, the day observed by the Nation shall be considered a holiday and compensated for as required under the foregoing paragraphs of this Section.

(e) Should any of the above holidays fall within the vacation period of an employee, he shall be paid as set forth above for such holiday, provided he works his last scheduled work day prior to and his first scheduled work day following his vacation period. It is understood that employees may be allowed to add an additional day contiguous to his/her vacation period if arranged in advance with the employer.

ARTICLE 10

Vacations

All seniority employees covered by this Agreement shall receive vacations with pay as follows:

(a) Computation of vacation pay. Vacation pay shall be computed at the following percentages of the actual hours worked except as to third shifts - see footnote (a) multiplied by the

employee's established straight time hourly wage (exclusive of shift premiums) being received by the employee at the time the vacation is taken:

First year period - Two percent	Fifteenth year period – Seven percent
Third year period - Four percent	Twentieth year period – Eight percent
Seventh year period – Five percent	Twenty fifth year period – Eight and one half percent
Tenth year period - Six percent	

(Footnote: For the third full shift worked, an employee shall be credited with eight (8) hours in computing his vacation allowance.)

(b) To advance from the one percentage vacation benefit to the next higher percentage, an employee is required to work 1200 hours or more in the employ of the Employer in each anniversary year. (For example, an employee must work 1200 hours in three (3) anniversary years to receive the four percent benefit; upon attaining the 1200 hours in the third year, the vacation benefit for that year will be four percent).

An employee working less than 1200 hours in an anniversary year will remain at the vacation benefit percentage at which he began that year.

(c) The vacation year for vacation pay, time and hours worked, shall be defined as the employee's anniversary date of employment. For anyone hired after July 1, 1998 for the purposes of this article an anniversary date will be defined as being whichever is earlier of six (6) months prior to, or one hundred and five (105) days worked (including days on standby) prior to the date the employee attained seniority.

(d) Vacation periods or vacation pay are not cumulative from year to year and the vacation shall be taken at a time mutually agreeable between the Employer and the employee.

(e) There shall be no vacation pay in lieu of a vacation without the approval of the Local Union. Vacation pay accruing to an employee within his vacation year as described above shall be credited to said employee upon completion of his vacation year. Credited vacation pay shall be paid at the time vacation is taken, unless said employee is leaving the area or upon termination, in which event he shall be paid in full such vacation pay as may have accrued to him under the terms of this Article.

(f) Vacation pay will not be combined with pay for time worked on a single paycheck, thereby resulting in increased withholding tax being deducted; that is, where separate vacation paychecks are not provided, the withholding tax will be adjusted to account for the vacation payment.

ARTICLE 11 No Limits on Production

There shall be no contract, bonus, piece or task work, nor shall there be a limit on, or curtailment of production or any self-imposed restrictions placed or imposed by any Union.

ARTICLE 12 Dirty Work

(a) The parties recognize the nature of work within the shipyard industry requires working in conditions more dirty, disagreeable, and unpleasant than in other industries in the trades. Therefore, it is the intent of the parties to limit the applicability of dirty pay to mechanics and helpers in situations that are exceptionally dirty, disagreeable, or unpleasant relative to shipyard

work. The company shall determine in advance what areas warrant dirty pay, but shall not exercise this prerogative arbitrarily. It is not the intent of this provision to discontinue the use of tank cleaning and other cleaning services. The dirty pay penalty will be an additional half-time (0.5T) the straight time rate in addition to the employee's appropriate rate for the day/hours the dirty pay work is performed. When cleaning or working in septic tanks containing human waste, an additional straight-time (1.0T) shall be paid to all classifications in addition to the employee's appropriate rate of pay for the day/hours such work is performed.

(b) When an employee's clothing or body becomes soaked or contaminated with human waste, water or oil due to circumstances beyond his (her) control, and when the incident is properly reported, the employee shall be given a reasonable opportunity, on the Company's time, to clean up and/or change clothing. When circumstances require the employee to leave the yard or job site (outside job), he (she) shall be compensated (not to exceed two (2) hours) before the end of the shift, he (she) shall be paid at the straight-time rate until the end of the shift.

ARTICLE 13 Maintenance Work

(a) Maintenance work shall be performed at the wage rates and conditions herein established. Maintenance work shall consist of maintenance of all yard and plant facilities.

(b) Incidental construction work may be performed by the bargaining unit at the shipyard rate. This understanding is intended as a means to help in retaining bargaining unit employees on the active payroll, such as during periods of low production work levels.

ARTICLE 14 Reporting Pay and Minimum Pay

(a) Employees starting a shift or called and starting to work after the starting time of a shift shall receive not less than four (4) hours pay. Shift hours shall not be reduced arbitrarily.

(b) Employees required to report for work not continuous with their regular assigned shift hours, or on Saturday, Sundays and holidays shall receive not less than four (4) hours pay at the straight time rate.

(c) Employees required to report for work and not used, shall receive four (4) hours straight time pay.

(d) The foregoing rules (a), (b), and (c) shall not apply where an employee is not put to work because of bad weather, breakdown of machinery, acts of God, or other circumstances beyond the control of the Company which prevent the performance of work, except that this shall not be construed to cover failure to have work or vessel available.

(e) Employees who voluntarily quit, layoff, or are suspended for cause or discharged for cause shall be paid only for actual hours worked.

(f) Employees not at work on the day a shutdown or layoff occurs, shall be considered to have received notification of such shutdown or layoff that they would have received if they had been working.

(g) In the event the Foreman requests the employee who has reported for work at his regular starting time and in unworkable weather to remain on the premises with the expectancy of

starting work later if the weather clears, such employee shall be paid for such waiting time, which in no case shall be less than four (4) hours pay at his regular rate of pay.

ARTICLE 15

Health and Safety

(a) The Employer shall comply with all safety, health and sanitation measures as required by the Washington Industrial Safety and Health Act and the Federal Occupational Safety and Health Act. The employees shall comply with safety, health and sanitation standards, rules and regulations which are applicable to his or her own actions in conduct.

(b) Prompt ambulance service and first aid to injured workers shall be provided on all shifts. A designated safety person(s) shall be employed and made responsible for the proper enforcement of safety rules. All first aid personnel shall be identified and signs indicating location of first aid stations shall be posted.

(c) An employee suffering an industrial injury who is advised not to resume work by a nurse, first aid attendant or by a physician to whom he has been referred, shall be paid on his usual basis, pursuant to the terms of this Agreement, to the end of the shift on which the injury occurred; if such employee had reported such injury immediately following its occurrence to the nurse, first aid attendant, or physician designated by the Employer and had completed working the shift during which he was so injured, and on the following day, after reporting for work is advised by the nurse, first aid attendant or physician to whom he has been referred by the Employer not to continue work because of said injury, he shall be paid to the end of said shift.

(d) The Employer shall notify the respective Union not later than the end of the next regular working day of lost time accidents to any of its members that necessitated confinement in any hospital or clinic, providing the Employer has knowledge of such confinement.

(e) It is understood that matters dealing with safety should be presented first to the Employer and/or the safety committee prior to the matter being referred to governmental agencies.

(f) No employee shall be unlawfully discriminated against in employment as a result of a physical exam. When an employee is directed by the Company to undergo a physical exam, the exam shall be paid in full by the Company and the employee shall be paid for his/her time. Pre-employment physicals shall be paid in full by the Company but the applicant shall not be paid for the time.

(g) The parties agree on the objective of maintaining a safe working environment, including maintaining a work place that is alcohol and drug free. It is agreed that the use, sale, distribution or possession of illegal drugs or alcohol on Company premises shall be grounds for disciplinary action up to and including termination. It is agreed there shall be no random testing of employees covered by this Agreement unless required by law or physician recommendation as part of a specific individual's rehabilitation program; however, this shall not be construed as limiting the Union's rights under Article 22, Grievances and Complaints.

ARTICLE 16

Union Representatives

The Business Representatives of the various crafts shall have access to the Employer's shipyard and shipyard shops by applying for permission through the designated office, provided they do not interfere or cause workmen to neglect their work.

(a) **SHOP STEWARDS**

It is recognized by the Employer that shop stewards are desirable for the proper administration of the terms of this Agreement. Employers also recognize that it is desirable that the person designated as steward shall receive his fair share of the work that he is qualified to perform. In no event shall an Employer discriminate against a steward in the matter of layoffs or rehires or discharge him on account of the proper performance of his duties. When the Employer has advance knowledge of an impending layoff, twelve (12) hours advance notice will be given the shop steward if he is to be laid off.

(b) There may be designated by each Union one Chief Shop Steward on each shift who will be granted Super Seniority during his respective term of office. Such Chief Shop Steward shall have at least three (3) years of seniority, and be qualified to perform the work available.

(c) The Employer will not in any way discriminate against any shop steward or committeeman for presenting any complaint, dispute or grievance to their foreman or department head or to the Personnel Department in the manner provided for in this Agreement.

(d) The Union shall advise the Employer of the name or names of shop steward, currently elected or appointed. The full grievance procedure as set forth herein shall be available to any Union which feels that its shop stewards have been discriminated against.

ARTICLE 17

Pay Day

(a) Pay days shall be weekly and in no case shall more than seven (7) calendar days pay be held back. Employees shall be paid prior to the end of their assigned shift, exclusive of the lunch period.

(b) In case an employee is laid off, quits, or discharged by the Employer, he shall receive his pay in compliance with State Law.

(c) Second shift employees are to be paid on Thursday each week and third shift employees no later than Friday morning.

ARTICLE 18

Travel Time and Out of Yard Work

(a) When employees are sent to work away from the yard or regular place of employment, such travel shall be considered as time worked and paid at the appropriate rate. For work assignments requiring air travel, employees are paid for travel time at the Seattle rate of pay commencing upon arrival to the airport to arrival at the next airport, "airport to airport".

(b) The Employer shall provide covered transportation or pay mileage allowance in accordance with the maximum cents per mile allowed by the Internal Revenue Service plus bridge tolls if the employee is required to furnish his own transportation from the Employer's place of business to the job site.

(c) On out of yard jobs within a thirty-five (35) mile radius from 4th & Pike Streets intersection in Seattle lasting longer than one (1) working day, the location of the job shall be considered the place of employment and the employees may be required to report direct to such job at the regular starting time of their established shift without travel time. The Employer shall pay all tolls not ordinarily paid by the employee.

(d) If employees are sent to work out of town, they shall receive suitable board, lodging, and transportation. Per Diem for meals shall be calculated and paid at the allowed IRS rate designated for the town nearest the work to be performed.

(e) If employees are required to travel on overtime days, they shall be paid travel pay at the established overtime rate.

(f) When employees are required to work at sea or are assigned to vessels on trial trips, they shall receive regular shift pay, meals, and room accommodations when necessary. If employees are required to work outside of their regular assigned shift hours, or on Saturdays, Sundays or holidays, they shall receive the established overtime pay for such time worked.

(g) Exclusive of other provisions of Article 18, employees assigned to work in the Bremerton area shall receive an \$18.00 per day travel allowance.

(h) Bargaining unit employees who are sent by the Company to work in Alaska shall receive a premium of fifteen percent (15%) in addition to the employees' regular rate of pay for all hours worked.

ARTICLE 19

Welding

(a) It is recognized that the autogenous process of welding and burning are tools of the trades signatory to this Agreement, and the rates of pay shall be the same as the trades affected. Active employees, when required by the Company to take a test, shall be paid for reasonable time taken to perform the test. Whenever an employee is required to take a welding test the company shall notify the employee's Local Union the results of such test in writing. Said letter will specify the agency and type of test, date of test, and the name of the inspector or the individual supervising the test. This letter will be signed by an authorized Company representative. An up-to-date record of such tests shall be maintained by the Employer and furnished to the employee on termination.

ARTICLE 20

Apprentice Program

In order that an adequate supply of competent, skilled craftsmen shall be available at all times, it is agreed between the parties hereto that an apprentice program shall be established by mutual consent of a craft union and the Employer, the terms of such apprentice program to be mutually agreed upon. Such an apprentice program shall not conflict with Federal or State apprenticeship laws.

ARTICLE 21

Strikes and Lockouts Barred

There shall be no lockouts on the part of the Employer, nor suspensions of work on the part of the employees. This Agreement is a guaranty that for its duration there will be neither strikes nor lockouts, and that all complaints, grievances or disputes arising under its provisions will be settled pursuant to its grievance machinery, Article 22, "Grievances and Complaints" and Article 23, "Arbitration of Disputes". Any action of the employees in refusing to go through a picket line for their own protection in case of an officially declared strike by some Union directly working on the job, if said strike is sanctioned and approved by the Metal Trades Council, shall not constitute a violation of this clause of the Agreement.

ARTICLE 22
Grievances and Complaints

(a) Any complaint arising among the employees over the interpretation or application of any specific provision of this Agreement shall be processed as follows:

STEP 1

The shop steward, committeeman or business representative shall call any complaint, dispute, or grievance to the attention of the foreman or department head within five (5) working days from the time it arises. If the complaint, dispute, or grievance is not adjusted within two (2) working days after it is presented to the foreman or department head, the shop steward or committeeman shall report such complaint, dispute, or grievance in writing over the signature of the complainant to his respective business representative. Such written complaint, dispute, or grievance shall describe the incident involved, the provision of the Agreement alleged to be violated, and the remedy requested, and shall be submitted to the general manager or other official designated by the Employer over the signature of the business representative within twelve (12) working days from the date the complaint, dispute, or grievance arose.

Within five (5) working days after the general manager or other official designated by the Employer receives a communication in writing from the respective Union alleging violations of this collective bargaining agreement, the Employer shall reply to the communication in writing. If the Employer does not respond within five (5) days, the Union has the right to proceed to Step 3.

STEP 2

Within five (5) working days after the Employer replies to the communication from the respective Union of a violation or violations of the collective bargaining agreement, a business representative of the Union and the general manager of the Company, or other official designated by the Company, shall meet for the purpose of adjusting such complaint, dispute, or grievance. Any final decision reached by the Employer representative and the Union business representative shall be reduced to writing.

STEP 3

If no satisfactory solution eventuates from Step 2 within two (2) working days, then either party may within five (5) days thereafter request in writing a meeting to be held with representatives of the Washington State Boat Builders & Associates, Inc. and representatives of the International Union involved in the dispute. Any settlement reached shall be final and binding.

(a) If no agreement is reached in Step 3 within ten (10) working days, the parties may by mutual agreement submit the grievance in writing to a grievance panel composed of two members from Labor to be selected by the Union, and two members from Management to be selected by the Employer. The committee members shall not be from the Union or Company involved. Any complaint, dispute, or grievance not submitted in writing requesting a Grievance Committee hearing, or not referred to the next step of this grievance procedure within ten (10) working days, shall be regarded as waived unless the parties otherwise agree in writing.

The Grievance Committee shall meet within ten (10) working days of receipt of such request. A decision by a majority of the Grievance Committee shall be final and binding on both parties. This decision shall be reached by secret ballot. In

the event that the Grievance Committee fails to render a decision within ten (10) working days from their first meeting date, either party may within ten (10) working days give written notice to the other party or arbitration.

The parties may mutually agree to extend the time limits.

STEP 4

If no satisfactory solution eventuates from Step 3 within ten (10) working days, then either party may within ten (10) days thereafter give written notice of arbitration to the other party.

(b) Any complaint, dispute, or grievance not brought up or carried forward to adjustment or arbitration as provided for in this Article shall, unless the parties otherwise agree in writing, be regarded as waived.

(c) No employee shall refuse to work or otherwise curtail production or engage in any slowdown or interfere with company operations because of any complaint, dispute, or grievance which he may have.

(d) If the Employer has any complaint, dispute, or grievance with any union or any employee covered by this Agreement, the Employer shall likewise avail itself to any or all of the foregoing grievance procedure steps.

(e) The Employer will not in any way discriminate against any shop steward or committeeman for presenting any complaint, dispute, or grievance to their foreman or department head or to company management in the manner provided in this Agreement.

(f) The Union shall advise the Employer of the names of shop stewards currently elected or appointed. The full grievance procedure as set forth herein shall be available to any union which feels its shop stewards have been discriminated against.

ARTICLE 23 **Arbitration of Disputes**

In the event the parties shall be unable to adjust any complaint, grievance, or dispute involving the express terms of this Agreement, such complaint, grievance, or dispute shall be referred to an Arbitration Committee. This Committee shall consist of one representative chosen by the Employer, one representative chosen by the Union involved, and a third member to be chosen by these two. In the event the two arbiters designated by the parties shall be unable to agree upon the third arbiter within five (5) days, the party desiring to arbitrate shall send a request by mail to the Director of the Federal Mediation and Conciliation Service requesting the Director to furnish a list of five (5) arbiters. Each party shall have the right to strike a total of two (2) names from the list, and the right to strike first shall be determined by lot, or as otherwise agreed by the parties, and each party shall alternately strike one name. The name remaining on the list after each party has stricken two (2) names shall be the third member of the Arbitration Committee. The cost of the third arbitrator shall be borne by the party whose position is not upheld by the arbitration panel. In event of a split decision, the third arbitrator shall determine the allocation of his fees. All other expenses shall be paid by the party incurring them. The decision of a majority of the Arbitration Committee shall be final and binding upon the parties. Such decision shall be limited to interpretation and application of the express terms of this Agreement, and shall not change or add to any of its terms or conditions. In their decision, the arbiters shall specify whether or not the decision is retroactive and the effective date thereof.

ARTICLE 24
Jurisdictional Disputes

The Employer retains the right to assign work among the various crafts. It is recognized and understood that inefficiencies and standby time are detrimental to and are not desired by either party and are to be eliminated whenever possible. To this end, it is the intent of the Employer to use the following factors to determine work assignments:

- (a) Safety
- (b) Skill level requirements
- (c) Efficiency/productivity
- (d) Maximum utilization of available manpower

It is not the intent of the Employer to eliminate any craft presently being utilized; however, it is recognized that work assignments may overlap among crafts. In the event a Union should desire to discuss a jurisdiction issue, the Employer agrees to meet with the crafts involved. Abuses of this provision shall be subject to the grievance procedure.

ARTICLE 25
Health, Welfare, Dental and Pension Plans

(a) The following shall be considered the Article 25 allocation amounts for purposes of any wage deduction amount(s) for Article 25 benefit payments:

July 1, 2016

Boilermakers #104	\$6.16
IBEW #46	\$6.11
Laborers #252	\$5.91
Machinist #160	\$5.56

Effective July 1, 2016 hours, the respective union will notify the Company of the union's allocation regarding the July 1, 2016 wage/fringe increase.

Effective July 1, 2017 hours, the respective union will notify the Company of the union's allocation regarding the July 1, 2017 wage/fringe increase.

Effective July 1, 2018 hours, the respective union will notify the Company of the union's allocation regarding the July 1, 2018 wage/fringe increase.

(b) In the event the Employer or a Craft receives a notice from a Pension Plan of a possible adjustment to contributions/remittances or a surcharge to the Craft's respective pension trust fund under this Article 25, the Company and the representative of the respective individual craft(s) shall meet to discuss and attempt to reach a mutual agreement upon whether and how the wage rates of such affected employees and craft(s) will be diverted accordingly under Schedule "A". Any agreement reached will be proposed to the Trust. Notwithstanding the agreement of the Employer and the Craft, if the Trustees require adjusted contributions/remittances or a surcharge in a specific amount not expressly provided for by the written agreement of the parties, the wage rates of such employees of the Craft(s) will be diverted from Schedule "A" in an equal amount.

(c) The Employer agrees to be bound by the terms and conditions of the Pension Plan Document and any amendments made to the Plan Document by its Board of Trustees.

(d) Upon failure of the Employer to make any of the payments required by Article 25, the Union may refer the matter immediately to Step 3 of the grievance procedure, and such meeting shall be held within five (5) days of notification. Upon failure of the parties to resolve the matter in Step 3, the Union may undertake economic action against such defaulting Employer to enforce prompt payment, and such action shall not be deemed a violation of this Agreement, or any of the provisions thereof.

(e) The Company shall continue a Plan 125 POP (Premium only Payment) for the purpose of tax sheltering wage deductions for health insurance premiums.

(f) The 2010 negotiations confirmed the parties' intent to emphasize settlement monies to be allocated to "wage".

ARTICLE 26

Tools

Employees will be furnished tools. The employees shall be responsible for and take all reasonable care and precaution to protect these tools from damage, loss, or theft. The Unions agree to cooperate with the Employer in exercising the intent of this Article toward employees who are negligent with property supplied to them by the Employer.

Employees shall have sufficient time prior to the end of such shift to put away tools on the Employer's time. Determination of sufficient time shall be at the Employer's discretion.

If the Employer fails to furnish tools, then the Employer shall pay each employee eight cents (8¢) per hour for tools furnished by employees.

ARTICLE 27

Jury Service

(a) An employee having been regularly employed for a period of ninety (90) days or more and required by law to serve as a juror shall, upon satisfactory proof to the Employer of such service rendered, be reimbursed by the Employer for his work time lost on the basis of the difference between his straight time day shift hourly job classification rate and his jury pay (excluding travel allowance), provided, however, such Employer reimbursement shall not be applicable to any period of time during which said employee-juror did not perform work for the Employer other than when prevented from doing so solely because of said jury service; and further provided that such Employer reimbursement is, in no event, to be applicable for a period of more than eight hours in a standard workday, nor more than five days in a standard workweek.

(b) In applying the foregoing, it is understood that if an employee is called for jury service, responds to the call, and loses time, but is not accepted for service or serves and is relieved therefrom by the middle of his work shift, the employee will be reimbursed by the Employer for his work time lost on the basis of the difference between his straight time day shift hourly job classification rate and his jury pay (excluding travel allowance), provided he returns to his job immediately and promptly reports these facts to the Employer; provided further that if an employee works his regular shift in addition to performing jury duty, he shall not be paid by the Employer under the provision of this Article.

(c) There shall be a maximum jury service benefit of eighty (80) hours for any one jury term.

(d) Employees must advise the Company of the employee's notification from the judicial authority within five (5) working days from the date of the employee's receipt/knowledge of the notification; failure to do so will result in docking of one day's compensation.

ARTICLE 28
Funeral Leave

In the event a death occurs in the immediate family of any employee having been regularly employed for a period of ninety (90) days, the employee shall receive three (3) days off with pay. The immediate family shall be defined as wife, husband, son, daughter, mother, father, employee's mother-in-law or father-in-law, brothers, sisters, grandparents and stepparents. The intent of this benefit is for employees to attend or to make arrangements for the service of the deceased.

ARTICLE 29
Warranty of Authority

The officials executing this Agreement in behalf of the Employer and the Unions signatory hereto hereby warrant and guarantee that they have the authority to act for, bind, and collectively bargain in behalf of the organizations which they represent.

ARTICLE 30
Management Functions

Subject only to the specific provisions of this Agreement, the management of the plant and the direction of the working force and the assignment of work shall be the exclusive function of the Employer; provided, however, this shall not be construed as limiting the Union's rights under Article 22, Grievances and Complaints.

ARTICLE 31
Saving Clause

(a) Should any part hereof or any provision herein contained be rendered or declared invalid by reason of any existing or subsequently enacted legislation, or by any decree of a court of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions hereof; provided, however, upon such invalidation the parties agree immediately to meet and negotiate such parts or provisions affected. The remaining parts or provisions shall remain in full force and effect.

(b) Any traffic demand management constraints or penalties imposed upon the Company shall be considered to fall within the scope of this Article; therefore, waiving any requirements under Article 5, "Standard Day Shift Hours," or Article 6, "Shifts," regarding hours within which work must be performed. The Company shall meet and discuss with the affected Union(s) any work schedule changes.

ARTICLE 32
Management Rights

The Employer retains full and exclusive authority for the management of its operations. Except as expressly limited by the specific provisions of this Agreement, the Employer retains the right to direct the working force; including the hiring, promotion, transfer, discipline or discharge of

its employees for just cause; the adoption of reasonable regulations for the conduct and work procedures of its employees; the utilization of work methods, procedures or techniques; and the assignment and scheduling of work. This provision, however, shall not be construed as limiting the Union's rights under Article 22, Grievances and Complaints.

The foregoing enumeration of management's rights should not be deemed to exclude other rights of management not specifically set forth. The management, therefore retains all rights not otherwise specifically limited by this agreement.

ARTICLE 33
Effective Date and Duration of Agreement

This Agreement will become effective on July 1, 2016, unless otherwise provided herein, and shall remain in full force and effect until July 1, 2019 and from year to year thereafter, unless either party shall at least sixty (60) days, but not more than ninety (90) days prior to July 1, 2019 or any subsequent anniversary date, notify the other party in writing of a desire to change, modify, or terminate the Agreement.

ARTICLE 34
Waiver of Seattle Sick Leave Ordinance

The parties acknowledge that the Seattle City Council passed an Ordinance resulting in a new Chapter 14.16 of the Seattle Municipal Code requiring employers to provide paid sick and safe time to their employees working within the City of Seattle. The parties hereby agree that any requirements or provisions to provide any leave or other rights required by said Ordinance, either in its current or amended form, or by a substitute bill, are hereby expressly and explicitly waived. This clear and unambiguous waiver is made and accepted knowingly and voluntarily by the undersigned Unions and the Employer.

PACIFIC FISHERMEN SHIPYARD &
ELECTRIC, LLC

PUGET SOUND METAL TRADES COUNCIL

By: 
Name: Doug Dixon
Title: GM

By: 
Name: HARRY THOMPSON
Title: EXECUTIVE SECRETARY

COMPANY REPRESENTATIVE
ARCHBRIGHT

By: 
Name: Kelli's Borak
Title: Attorney Employer Rep

**PACIFIC FISHERMEN SHIPYARD & ELECTRIC, LLC and
PUGET SOUND METAL TRADES**

SCHEDULE "A"

1. Classifications and Minimum Rates of Total Compensation:

The following sums are the total package of Article 25 Health and Welfare (H&W) benefits (including surcharges and additional contributions required beyond those scheduled in the Agreement) plus hourly wages:

<u>Journey: 100%</u>	<u>July 1, 2016</u>
Boilermakers #104	\$42.06
IBEW #46	\$42.06
Laborers #252	\$42.06
Machinist #160	\$42.06
Mechanic: 90% of Journey	
Mechanic in Training: 80% of Journey	
Helper/Cleanup: 70% of Journey	

Effective July 1, 2016 hours, the respective union will notify the Company of the union's allocation regarding the total July 1, 2016 wage/fringe \$1.50 per hour increase.

Effective July 1, 2017 hours, the respective union will notify the Company of the union's allocation regarding the total July 1, 2017 wage/fringe \$1.50 per hour increase.

Effective July 1, 2018 hours, the respective union will notify the Company of the union's allocation regarding the total July 1, 2018 wage/fringe \$1.50 per hour increase

2. All employees employed on November 20, 1986 shall be paid at their rate in effect on November 20, 1986 or the above contract rate, whichever is greater. New employees (not including Helper/Cleanup) shall be hired at the Mechanic classification. After no more than 45 working days the employee will be evaluated by the Company to determine whether or not the employee is a Journey. Employees who remain classified as Mechanic will be evaluated by the Company no less than every six (6) months to determine whether the employee is a Journey. In the event a Mechanic employee is not advanced by the Company to Journey at the time of evaluation, such employee may elect layoff in lieu of remaining at Mechanic. In the event an employee believes he is improperly classified, he may utilize the following appeal procedure:

1st Appeal	Foreman
2nd Stage Appeal	Superintendent
3rd Stage Appeal	General Manager

3. The cleanup rate shall be applicable to non-skilled work which requires no formal training, nor special tools or expertise, other than familiarization with basic safety procedures. Included within this category of work are sweeping, shoveling, wiping down, washing, manually loading or unloading refuse, material, or equipment, fire watch, and other work of a similar non-skilled nature.
4. Employees who are graduate apprentices from a formal Washington State approved JATC apprenticeship program shall be classified as Journey.
5. The July 2016, 2017, 2018 Journey classification rate increases shall be applied to all Journey employees employed on those dates.

MEMORANDUMS OF UNDERSTANDING

PACIFIC FISHERMEN SHIPYARD / PFI MARINE ELECTRIC PUGET SOUND METAL TRADES

I. 1983 Negotiations

A. Management Trainees

For the purpose of management training, and specifically to gain practical experience and a better understanding of the work performed by bargaining unit employees, the company may assign non-bargaining unit employees to work with the trades. The trainee shall use tools as required in order to obtain the necessary experience and to gain complete understanding of ship construction and repair. Such training is designed and intended to improve the working relationship between the management and the bargaining unit. Trainees shall not be utilized to erode the stature of the bargaining unit.

The number of trainees shall be limited to two (2) trainees per company at any one time without the permission of the Union; provided, however, that companies with employment levels of 200 bargaining unit employees or more may utilize no more than four (4) trainees at any one time without the permission of the Union.

It is expected the trainees will be rotated among the crafts in order to gain a total understanding of the work being performed. The training time shall not exceed a calendar period of four (4) months without the approval of the Union. It is understood the trainees will not be members of the bargaining unit and shall have no voice regarding internal union matters.

B. Layoffs out of Seniority

The following procedure is designed with the intent and desire to promote harmonious relations and teamwork among the employees, the unions, and the companies. The procedure is intended to minimize or eliminate layoffs and/or recalls out of seniority for arbitrary or capricious reasons.

Prior to the implementation of a layoff or recall out of seniority, the company will meet with the shop steward and advise the steward of the impending layoff/recall. In the event the steward does not concur with the company's assessment of the employees, he/she may offer his/her assessment of the employee's qualifications.

This procedure is in no way intended to restrict or limit the Union's nor the employee's rights under Article 22, Grievances and Complaints. Neither is this procedure intended to restrict or limit the normal management functions of assessing the qualifications of the employees.

C. Off Site Crews

The lead trade of an off site crew for a specific job will be determined by the nature of the job to be performed (i.e., steel job, carpentry, etc.). Incidental work, such as removal of insulation on a steel job, shall be performed by the crew. It is expected that over the long run the overall distribution of work will be equal among the crafts as far as practical in accordance with their traditional jurisdictions.

D. Standby Time

It is the intent of the parties to continue the practice of traditional jurisdictions that have been in effect in their respective yards. Further, it is the intent of the parties to achieve and sustain maximum productivity per employee during the term of

this Agreement. In return to the company for the wage rates and conditions provided herein, and consistent with the principle of a fair day's work for a fair day's pay, the Union(s) pledges its agreement with the objective of achieving a high level of employee performance and efficiency consistent with safety, good health, and sustained effort. In accordance with this understanding, the Employer and the Union agree upon the principle of minimizing standby time.

II. 1995 Negotiations (amended 1998, 2001, 2004)

- A. Pursuant to the understandings reached in the 1986, 1995, 1998 and 2004 negotiations, the following locals are to be considered party to the newly executed Agreement between the Company and the Puget Sound Metal Trades Council:

Boilermakers Local #104 (1998)

Laborers Union #252

Carpenters Local #1184 (1995)

Machinist District #160 (2001)

IBEW Local #46 (2004)

The discontinuance of a separate contract documents for Boilermakers #104, Carpenters #1184, and Machinists #160; and the inclusion of #104, #1184, and #160 into the Metal Trades contract is not intended to be a substantive change. It is a change made for administrative ease and to consolidate Labor Agreements into fewer documents.

- B. 1. In addition to the fringe benefit contribution rates specified under Article 25, within each Company the majority of an individual craft's employees participating in a particular trust may elect, or not to elect, to divert up to twenty cents (20¢) per hour once during each contract year (July 1 - June 30) of the 2001 - 2004 Agreement from the employees' wage rates and the classification wage rates under Schedule A in order to provide the necessary funds as determined by the Trustee to maintain existing health & welfare benefits, or to increase pension contributions.
2. Any authorization of diversion must be:
- In writing;
 - Effective on the first day of a month with a minimum of five (5) working days notice;
 - Prospective in nature (not retroactively applied).

III. 2007 Negotiations. Side-Bar issue to affect IBEW #46 only. The Company and IBEW #46 agree that Article 18 paragraph (c) shall be changed and administered as follows:

- (c) On out of yard jobs within either: (a) a thirty-five (35) mile radius from 4th & Pike Streets intersection in Seattle, or (b) a thirty-five (35) mile radius from the employee's home, the location of the job shall be considered the place of employment and the employees may be required to report direct to such job at the regular starting time of their established shift without travel time. (For example, if the job site is 40 miles from 4th & Pike, but 30 miles from the employee's home, travel time would not be applicable). The Employer shall pay all tolls not ordinarily paid by the employee.

IV. 2010 Negotiations. Understanding regarding the composition and scheduling of the Safety committee and its meetings.

- A. The Safety Committee is comprised of at least one representative from each craft in the bargaining unit. Each union representing a craft will conduct an election of the representatives when requested by the Company, and will certify the results to

the Company in writing. If a committee position is vacant, it may be filled by the craft's shop steward or an appointee on a temporary basis. The Company will appoint management representatives, provided that the number of management representatives will not exceed the number of employee representatives.

B. The Committee will determine its own meeting schedule, provided that the Company reserves the right to convene meetings of the committee more often at the Company's discretion, or to postpone meetings on the basis of workload, scheduling, or if a quorum is not available. The members of the committee may elect a chairperson. The Company reserves the right to modify the operation of the Safety Committee at its discretion to comply with State or federal law.

V. 2010 Negotiations. Adoption of recovery plans in accordance with the *Pension Protection Act*.

A. Machinists. With respect to continued participation in the Western Metal Industry Pension Fund, in which the employer participates to provide the Pension Plan for the Craft employees represented by the IAM&AW District 160, the parties agree to adopt the Rehabilitation Plan Preferred Schedule approved by the plans Trustees on May 28, 2010. The adoption will be completed within 180 days of July 1, 2010. (See implementing MOU between the Company and IAM District 160 dated December __, 2010.)

B. IBEW. With respect to continued participation in the IBEW Pacific Coast Pension Fund, in which the employer participates to provide the Pension Plan for the Craft employees represented by the International Brotherhood of Electrical Workers, Local #46, the parties agree to adopt the Rehabilitation Plan Alternative Schedule^{7/5}4 approved by the plans Trustees on July 22, 2009. The adoption will be completed within 180 days of July 1, 2010. (See implementing MOU between the Company and IBEW Local 46 dated September 21, 2010.)

Please confirm these understanding by signing in the space provided below.

Pacific Fishermen Shipyard & Electric, LLC

Puget Sound Metal Trades Council

By 
Date 7/19/16

By 
Date 7/25/16

1998-2001 Letter of Understanding
By and between

Pacific Fishermen Shipyard and Electric, LLC
and
International Brotherhood of Boilermakers #104

The Employer recognizes the International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers and Helpers as the exclusive collective bargaining representative of the employees included in the job classifications referenced in this addendum, separate and apart from the Pacific Coast Metal Trades Council, Puget Sound Metal Trades Council and the National Metal Trades Department, AFL-CIO.

Further, the parties expressly recognize that by signing this agreement and addendum, the International brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers and Helpers are not waiving their right to negotiate separate and apart from the Pacific Coast Metal Trades District Council, Puget Sound Metal Trades Council or the National Metal Trades Department, AFL-CIO.

Further, the parties expressly recognize that separate notification pursuant to Article 33 of the collective bargaining agreement must be given to or received from either the International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers and Helpers or subordinate Local 104, Seattle, Washington should Pacific Fishermen Shipyard and Electric, LLC or the International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers and Helpers or their subordinate Local 104 wish to modify or amend this agreement.

Job classifications covered by this Agreement shall be:

All job classification traditionally represented by Boilermakers Local 104.

Pacific Fishermen, Inc.;
Pacific Fishermen Shipyard and Electric, LLC

Boilermakers #104

By As Signed and Dated  By As Signed and Dated 
Date 8/19/16 Date 8-2-16