COLLECTIVE BARGAINING AGREEMENT

Between

WALASHEK INDUSTRIAL AND MARINE

And the

INTERNATIONAL BROTHERHOOD OF BOILERMAKERS
IRON SHIPBUILDERS, BLACKSMITHS, FORGERS,
WELDERS AND HELPERS OF AMERICA LOCAL 104

Expires July 31, 2018

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ARTICLE 1 SCOPE OF AGREEMENT

1.1 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, platforms and all component parts, plant equipment, and all auxiliary equipment used in conjunction therewith.

ARTICLE 2 NON-DISCRIMINATION

2.1 Nondiscrimination: The Employer and Unions agree that there will be no discrimination in employment because of race, creed, color, national origin, age, sex, or handicap, as defined by Federal and State Laws. Nor shall there be any discrimination of disabled veterans or veterans of the Viet Nam era. In referring to employees in this Agreement, the masculine gender is used for convenience only and shall refer both to males and females. Compliance with State and/or Federal laws shall not be considered discrimination under this sub-section.

ARTICLE 3 RECOGNITION

3.1 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."

ARTICLE 4 MANAGEMENT FUNCTIONS

4.1 Subject only to the specific provisions of this Agreement, the management of the plant and the directing of the work force shall be the exclusive function of the employer; provided however, this shall not be construed as limiting the Union's right under Article 23 Grievance Procedure.

ARTICLE 5 UNION SECURITY

5.1 Employees included in the Bargaining Unit covered by this Agreement who are members of the respective Union as of the effective date of this Agreement shall, as a condition of employment, maintain their membership in the Union.

5.2 Employees included in the Bargaining Unit covered by this Agreement who are not members of the respective Union as of the effective date of this Agreement, shall apply for membership in said Union on the thirty-first (31st) day after such effective date; and all employees who are accepted into membership into the Union shall maintain their membership in the Union as a condition of their employment.

5.3 Employees hired after the effective date of this Agreement shall apply for membership in the respective Union on the thirty-first (31st) day following the beginning of such employment, and all employees who are accepted into membership in the Union shall maintain their membership in the Union as a condition of their employment.

5.4 The Employer, upon written request of the Local Union, shall discharge any employee within two (2) working days after receipt of such notice, who fails to tender the periodic dues and initiation fees uniformly required by the Union as a condition of acquiring or retaining membership in good standing in the Union.

ARTICLE 6 HIRING ADDITIONAL UNION PERSONNEL

6.1 The employer shall have the right to determine the competency and qualification of its employees and the right to discharge any employee for just and sufficient cause; provided, however, that no employee shall be discriminated against or suffer any loss of employment on account of union membership or union activity so long as such activities are not carried on during working hours so as to interfere with production at said job site.

6.2 When the employer requests employees in addition to its regular employees from the Union, the following applies:

(a) The Union will be given as much advance notice as possible, but not less than twenty-four hours. The period of notice for hiring additional personnel will commence when the Union received such notice by FAX or Email from the Employer. Such notice, including the number and qualifications of the employees required, shall be given by the designated representatives of the Employer. The Union agrees that it will, upon request from the Employer, refer experienced workers, when available, to the Employer for the classifications covered by this agreement.

(b) Selection of applicants for referral to jobs shall not be based on or in any way affected by, union membership, by-laws, regulations, constitutional provisions or any other obligation of union membership, policies or requirements

(c) The Employer reserves the right to reject any applicant referred by the Union.

(d) The Union agrees that it will not discriminate against non-union workers in referring workers to the Employer, and the Employer agrees not to discriminate against union members in selecting job applicants referred by the union.

(e) A copy of this Article of Agreement shall be posted at the employment office of the Employer, and at the place where the Union conducts the operation of referring persons for employment under this Agreement.

(f) The Employer may request any unemployed former employee by name and the Union shall refer such person after compliance with the provisions set forth in this Article. The Employer will provide proof of former employment of such person if requested by the Union.

(g) All employees referred to the Employer by the Unions 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.

6.3 If the Employer hires persons other than those referred by the Unions:

(a) The Employer shall advise the Unions within two (2) working days after such person/s is hired, as to the name, address, social security number, date of hire, classification, and rate of pay of such employee.

(b) The same information shall be furnished, in writing, by the Employer to the Union within forty-eight hours after the termination of such employees unless that employee has become a union member, in good standing.

6.4 The Unions and the Employer agree to hold each of the other parties signatory hereto 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 act was proximately or solely caused by the Union or the Employer.

6.5 The Employer agrees to deduct the set monthly amount of Union dues from the wages of each employee who completes a standard form provided by the Union. The Employer will remit those deductions to the Secretary-Treasurer of the Union on or before the 15th day of the following month with a list of the names of employees, whose dues are being remitted. The Union and the employee agree to indemnify and hold harmless the Employer from any and all actions, claims, and/or proceedings arising from the deduction of dues.

ARTICLE 7 SENIORITY

7.1 For the purpose of layoff and recall, the principle of seniority is hereby established for employees in the bargaining unit, excluding I.B.E.W.

7.2 Seniority shall be established after an employee has worked in an established represented classification a period of 1300 hours. Any employee who acquired seniority prior to this Agreement will retain the seniority date currently assigned. Any employee hired or rehired after the date of this Agreement will acquire seniority in accordance with the above.

7.3 An employee's seniority under this Article shall be terminated under the following conditions:

1. If the employee is discharged for cause.

2. If the employee quits. An employee is considered to have quit if he/she walks off an assigned job and does not return to it.

3. If the employee fails to report to work at the time specified by the Employer or within forty-eight (48) hours (Saturday, Sunday, and holidays excluded). In the case of emergency voyage repairs, when the employee has agreed to report to work a specific day and time, the employee must report to work at that time. Unforeseen problems will be dealt with on case by case basis.

(a) The Employer will place his recall order with the Union, naming employees eligible to be recalled for such order by Seniority List. The Employer shall at the time of placing such order send the "Official Notice of Recall" to such eligible employees in the manner covered below. Upon receipt of such Notice of Official Recall" the employee must report for work within forty-eight (48) hours or suffer loss of seniority.

(b) The Union shall make every reasonable effort to notify the employee by telephone of his recall and time to report to the Employer.

(c) Employees contacted by the Union shall make every reasonable attempt to report for work at the time specified by the Employer.

(d) A list of those employees not contacted by the Union, and those contacted who inform the union they are not answering the recall, shall be given to the Employer within twenty-four (24) hours after the Union receives the recall order. The Employer shall then notify the employee unless "Notice of Recall" is sent by telegram, Certified or Registered letter to the employee's last address on record. The Employer shall notify the Union, in writing, within two (2) working days, of receipt of an unacknowledged letter. It is the employee's personal responsibility to maintain a current address and telephone with the Employer and the Union. Upon receipt of such "Notice of Recall" the employee must report for work within forty-eight (48) hours or suffer loss of seniority. Individual problem cases shall be handled on their merit by the Employer and the Union.

7.4. Any employee absent for three (3) consecutive work days 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. Employees on Employer-approved leave of absence or industrial injury shall not be subject to this provision.

7.5. If the employee is laid off for lack of work from the Employer's active payroll for a period of one (1) year. An employee on Employer-approved sick leave or industrial injury at the time of lay off for lack of work shall be recalled according to his respective seniority recall eligibility and if still unable to return to work shall be returned to the Employer's sick leave or industrial injury status.

(a) The Employer has the responsibility to call the Union Hall for employees with seniority for jobs regardless of duration. Seniority personnel have the right to refuse jobs of less than 10 working days scheduled duration.

(b) The provisions under 7.5 (c) & (d) are only to give the right to the employee with seniority to reject a job offer of less than ten (10) days. Further, there is no guarantee of pay for days not worked.

(c) The Employer can call employees for more than one (1) job in the ten (10) day period or less.

(d) If the job is not completed in the ten (10) working days' duration and needs to be extended beyond the ten (10) day duration, the Employer is not required to call seniority employees who originally rejected the ten (10) day call back for that period of time.

(e) The Employer shall be entitled to retain Leading men and classifications above the Leading men paid on an hourly rate without regard to seniority.

(f) Seniority shall apply to classification of the Craft or Union as set forth in this Agreement, and by such classifications as may be agreed upon by the Employer and the appropriate Union.

(g) On layoffs and recalls in any classification or agreed classification, the following factors shall apply:

1. Demonstrated skill and ability to perform the work within the classification or agreed classification. Where factor (1) is equal as between employees to be laid off and recalled, ~~then~~ factor (2) shall prevail.

2. Length of continuous seniority with the Employer in the classification or agreed classification.

(h) Employees who are laid off in accordance with sub-section (g) shall be recalled to work in inverse order of layoff, provided the employee is qualified to perform the work within the classification or agreed classification.

(I) Employees promoted to any higher classification or to leading men 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. 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 the promotion. There will be no retroactive adjustments, but prospectively these employees shall not continue to accrue seniority while out of the bargaining unit.

(j) The Employer will furnish a current Seniority List on a monthly basis to each appropriate Union, designating foreman or the immediate classification above leading man. Such Seniority List will be posted in the office of the Unions and the Employers, and it shall be the responsibility of the employee to review such list as to his individual seniority status.

ARTICLE 8 LEADING MEN

8.1 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 journeymen 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, shall be selected, as far as practicable, from the crafts they are supervising and with a view to their mechanical ability and shall be journeymen and/or mechanics and shall be members of their respective Union. Apprentices, trainees, and helpers will not be promoted directly to lead positions. While on overtime, leadmen supervising a crew of more than four journeymen, shall not work with the tools.

8.2 The Compensation for leading men shall be in accordance with established local practice but in no case less than one dollar and fifty cents ($1.50) per hour 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 basis, shall be in accordance with established local practice but in no case less than two dollars and fifty cents ($2.50) per hour over the wage of the craft they are supervising as set forth in Schedule "A". The activities and assignments of supervisors mentioned hereinabove shall not be restricted, nor shall they be extended during overtime periods to the end that they be used to replace employees in the performance of overtime work.

8.3 Foremen, or the immediate supervisor above leading men, leading men and mechanics from other crews cannot be used to complete a job or work assignment which continues into or requires overtime work. The intention of the Parties signatory to this Agreement is to continue to use foreman or immediate supervisor above Leading men, 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 classifications above leadmen paid on an hourly basis and to substitute salaried personnel for such classification.

8.4 In the interest of safety, it is agreed that the Company and the Unions shall work together to insure that leadmen will not have crews of unmanageable size.

ARTICLE 9 SHIFTS

9.1 Forty (40) hours shall constitute a work week: (a) 8 hours per day 5 days a week Monday through Friday. (b) 10 hours per day between Monday and Friday inclusive. (c) 12 hours per day between Monday and Friday inclusive. The starting times of the First or Regular Daylight Shift shall be between 6:00 AM and 8:00 AM.

9.2 First Shift 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 applicable hourly rate of pay or, (b) a ten and one-half (10 ½) hour period less thirty minutes for lunch on the employee's time. Pay for a full shift period shall be the sum of ten (10) times the applicable hourly rate of pay or, (c) a twelve and one-half (12 ½) hour period less thirty minutes for lunch on the employee's time. Pay for a full shift period shall be the sum of twelve (12) times the applicable hourly rate of pay.

9.3 Second Shift: An 8 ½ hour, 10 ½ hour or 12 ½ hour period less thirty (30) minutes for lunch on the employee's time to begin no later than 6:00PM except by mutual agreement between the Employer and the Union. Pay for the Second Shift shall include the hourly premium set forth in Schedule "A".

9.4 Third Shift: As applies to an eight (8) hour shift schedule only: A seven (7) hour period less thirty minutes for lunch on the employee's time. Pay for a full Third Shift shall be the sum of

eight (8) times the applicable rate of pay to include the hourly premium set forth in Schedule "A".

ARTICLE 10 WAGE SCALES

10.1 The Employer agrees to pay to its employees and the Unions agree that their members employed by the Employer will accept the wage scales for the various classifications set forth and contained in Schedule "A" of this Agreement.

10.2 The wage rates herein established are minimum rates only, and shall not prohibit the Employer from paying a premium wage rate to any of his employees. Where an employee is receiving a premium wage rate at the time a general increase in wages becomes effective, such employee shall receive such general increase.

10.3 The granting of a premium wage rate to any employee and the elimination of such premium wage rate, shall remain the sole prerogative of the Employer. However, this section shall not be used to avoid payment of a negotiated wage increase to premium men.

10.4 All paychecks containing overtime pay shall specify on the check stub the number of overtime hours worked.

ARTICLE 11 OVERTIME

11.1 Overtime at the rate of one and one-half (1 1/2) times an employee's established hourly rate as set forth in Schedule "A" shall be paid for all work performed outside or in excess of eight (8) hours, but less than twelve (12) hours, on Monday through Friday and less than twelve (12) hours on Saturday. Overtime at the rate of two (2) times an employee's established hourly rate shall be paid for all work performed on Sunday, a holiday or in excess of twelve (12) hours on Monday through Saturday. Overtime payment for hours outside of an employee's established shift hours will be subject to Section 9.

11.2 If an employee working on the "first" or regular daylight shift is required to return to work on the third shift within the same twenty-four (24) hour work day period, he shall receive one and one half (1 1/2) times his established rate for the first such "third" shift worked. The twenty-four (24) hour work day period mentioned herein shall be the twenty-four (24) hour period commencing with the starting time of the day shift.

11.3 Work after 1:00 A.M.: Day shift required to work after 1:00 A.M. and laid off before 6:00 A.M. shall be paid to 6:00 A.M. at overtime rates.

11.4 Employees required to work overtime past the quitting time of their regular shift, unless relieved from work at least seven and one-half (7 1/2) hours before starting to work on their next regular shift, shall be paid the overtime rate for such shift.

11.5 Salvage and Dynamite: All salvage work at site, unless the site is in Employer's yard or dock, shall be paid for at the established overtime rate, regardless of the hour or day; also Powder and Dynamite Boats when anchored at Powder Anchorage. Any area designated by the U.S. Coast Guard as a powder, dynamite or explosive site is understood to be a Powder Anchorage referred to above. The applicable rate applies to any craft while on the job at the site.

11.6 Lunch Periods: A lunch period shall be allowed on the Employer's time at the end of a regular shift if employees are required to work overtime in excess of two (2) hours. A meal period shall be allowed on the Employer's time when an employee is required to work more than two (2) hours before his regular shift and continues working into his regular shift thereafter. On an extended workday, breaks may be eliminated and rolled into a one hour lunch, at the employer's

discretion.

11.7 Employees working overtime shall receive a lunch period of thirty (30) minutes on Employer's time every four (4) hours.

11.8 An employee required to work during his regular lunch period shall receive the established overtime rate for such lunch period and shall thereafter be allowed a reasonable opportunity to eat his lunch on the Employer's time, in accordance with Washington State OSHA and WISHA laws.

ARTICLE 12 VACATIONS

12.1 Computation of vacation pay: Vacation pay shall be computed at the following percentages of the actual hours worked (except as to second and third shifts) multiplied by the employee's established straight time hourly wage (exclusive of shift premiums) being received by the employee calculated on a daily basis and accumulated until the vacation is paid. Vacation pay will be treated separate from other types of pay and wages for the purpose of withholding taxes except in the case of termination.

Employees with seniority attained before October 16, 1997:

(a) First year period: Three (3) percent as computed above.

(b) Second year period: Three and one-half (3 1/2) percent as computed above.

(c) Third year period: Four (4) percent as computed above.

(d) Fourth year period: Four and one-half (4 1/2) percent as computed above.

(e) Fifth year period: Five (5) percent as computed above.

(f) Sixth through fifteenth year period: Five and one-half (5-1/2) percent as computed above.

(g) Sixteenth through nineteenth year period: Seven and one-half (7-1/2) percent as computed above.

(h) Twentieth year period and thereafter: Eight (8) percent as computed above.

12.2 The following schedule determines time off earned as provided under Article 12.3 for vacation leave. Additional time off may be granted as an employer approved leave of absence.

(a) First and Second Year	1 week Off
(b) Third through Fourth Year	2 weeks Off
(c) Fifth through Fifteenth Year	3 weeks Off
(d) Sixteenth & Thereafter	4 weeks Off

12.3 To advance from one (1) year period percentage to the next higher, as above provided, an employee is required to accumulate one thousand (1,000) hours or more in the employ of the Employer in any vacation year. Time lost due to an industrial accident in any vacation year not to exceed six (6) months shall be credited at the rate of forty (40) hours per week toward the minimum one thousand (1,000) hours required to advance to the next year's period percentage.

Years of service need not be consecutive regardless of method of termination.

12.4 The vacation year for vacation pay, time and hours worked shall start as follows:

(a) New Employees: Anniversary date of employment.

(b) Employees on payroll at effective date existing anniversary date.

(c) Rehired Employees hired within one (1) year of anniversary date anniversary date of first employment.

12.5 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.

12.6 Accrued vacation is paid each pay period.

12.7 Employees hired on or after October 16, 1997:

(a) First and Second Year: 3% as computed above.

(b) Third through Fifth Year: 4% as computed above.

(c) Sixth through Fourteenth Year: 5% as computed above.

(d) Fifteenth Year and Thereafter: 6% as computed above.

ARTICLE 13 HOLIDAYS

13.1. Each employee shall receive eight (8) times his regular straight-time hourly shift rate of pay for the following holidays: New Year's Day, the day after or before New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving Day, Christmas Day, and the day after or before Christmas Day provided:

(a) The employee worked his last regularly scheduled workday prior to and his first scheduled workday following the holiday. Exceptions will be made in cases where absence on the workday prior to or the workday following was due to industrial injury, bona-fide illness covered by a doctor's certificate, approved leave of absence. A leave of absence must be requested one week in advance of a holiday.

(b) The employee has been employed by the employer for thirty (30) calendar days.

13.2. All time worked on aforesaid holidays shall be compensated for at applicable rates.

13.3. If a holiday set forth falls on Saturday, the preceding Friday shall be observed as the holiday. If a holiday falls on a Sunday and is observed by the state or nation on Monday, said holiday will be paid for under the conditions contained in this article. Existing holidays whose dates are changed by congressional law shall also be changed in this Article.

13.4. Should any of the above holidays fall within the vacation period of an employee, he shall be paid as set forth above for such a holiday, provided he works his last scheduled workday prior to and his first scheduled workday following his vacation period.

ARTICLE 14 FUNERAL LEAVE

14.1 In event a death occurs in the immediate family of the employee, he shall receive two (2) days off with pay. The immediate family shall be defined as wife, husband, son, daughter, mother, and father, step parent, step children, brother, sister.

ARTICLE 15 NO LIMIT OF PRODUCTION

15.1 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 16 HUMAN WASTE

16.1 Employees covered by this Agreement who are required to work in tanks or break into the tanks or systems containing human waste shall receive double (2t) times their applicable rate of pay. (example: If work is performed during straight time hours Human Waste pay would be Double the applicable straight time rate of pay. If performed during hours that would normally be paid at the Overtime rate, the Human Waste pay would be double the applicable Overtime rate of pay that is provided for in Article 11.) However if the system has been cleaned and certified clean by a "Certified Marine Chemist/hygienist", Human Waste Pay will not be Paid.

ARTICLE 17 DIRTY WORK

17.1 The employer shall provide, at no cost to the employee(s), protective clothing for all employees assigned unusually dirty work.

ARTICLE 18 JURY DUTY

18.1 An employee having seniority and on the active payroll, having been regularly employed and required by law to serve as a juryman 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-juryman 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 (8) hours in a standard work day, nor more than five (5) days in a standard work week.

18.2 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 there from 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.

ARTICLE 19 MAINTENANCE WORK

19.1 The Employer may use its own employees to perform repair, alteration, new construction, and maintenance construction at its facilities and such employees will receive the wages and conditions contained in this agreement. Employees will receive such wages and conditions for all maintenance construction work of five days or less on a specific project. If it were known by the company that the project would exceed five days prior to the commencement of the work, then construction rates will be paid on all work hours performed.

ARTICLE 20 REPORTING PAY AND MINIMUM PAY

20.1 Employees starting a shift or called to start work after the start time of a shift shall receive not less than four (4) hours pay. If required to work past four (4) hours, they shall be paid for all actual hours worked.

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

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

20.4 The foregoing (20.1, 20.2 and 20.3) shall not apply where an employee is not put to work because of bad weather or breakdown on machinery, except that this shall not be construed to cover failure to have work or vessel available.

20.5 Employees who voluntarily quit lay off or are discharged for cause shall be paid only for actual hours worked.

20.6 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.

20.7 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 21 SAFETY, SANITATION, VENTILATION AND PHYSICAL EXAMINATION

21.1 The Employer will exert every reasonable effort to provide and maintain safe working conditions and shall comply with all federal and state Safety and Health Laws and Regulations. The Unions will cooperate to that end and encourage their members to work in a safe manner. It should be understood, that while the Union will cooperate and participate with the Company in providing a safe work environment, it is Management's exclusive responsibility to carry out the administration of the Safety Program.

21.2 Safety: All staging, walks, ladders, gangplanks and safety appliances shall be constructed and removed in a safe and proper manner by competent mechanics. On vessels that are moored alone or abreast where the combined total of persons is 200 or more, no less than two (2) gangplanks will be provided; any combined totals of less than 200, at least one gangplank will be used when practicable.

21.3 The Employer shall provide covered transportation with sufficient seating accommodations for employees to be transported to and from jobs away from the yard or shop. No material or equipment not safely secured shall be transported in the same compartment of the truck with employees. Trucks shall not be overloaded.

21.4 The Employer shall furnish suitable guards around welders for the protection of employees' eyes.

21.5 Prompt ambulance service and first aid to injured employees shall be provided on all shifts and a safety man 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.

21.6 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 and had completed working during 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 not to continue work because of said injury, he shall be paid to the end of said shift.

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

21.8 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.

21.9 Suitable gang boxes with locks, wash areas, and drinking water shall be furnished by the Employer.

21.10 All toilets and washrooms shall be kept in a clean and sanitary condition, properly heated and ventilated, and adequate quarters with heat and hot water shall be provided for employees to change and dry their clothes. Lunch areas shall be provided and shall be separate from toilet facilities.

21.11 Where noxious or poisonous gases may accumulate, the Employer shall provide proper protection and ventilation. Proper lighting and ventilation shall be provided for all enclosed working spaces. No unsafe spray painting shall be performed in confined or restricted spaces. Before work is performed in the fire, steam or water spaces of a boiler where employees may be subject to injury from the direct or indirect escape of a high temperature medium, the employer will comply with all safety precautions required of OSHA Standards 1915.162. This precaution will apply to all industrial and ships' boilers alike.

21.12 Physical Examination: There shall be no Doctor's physical examination nor age limit, except as required by law. Unless required by law, no employee shall be compelled to pay hospital or examination fees in the course of employment or as a condition to secure employment. No applicant shall be unlawfully discriminated against in employment as a result of a physical exam. Pre-employment physicals shall be paid in full by the company, but the applicant shall not be paid for his time. Breath alcohol and urine tests shall not be part of the pre-employment physical.

21.13 Where employees are assigned to work in confined spaces as described by OSHA for shipbuilding, ship repairing and ship scrapping as published in the Bureau of Labor Standards, frequent checks for the employee's safety shall be made. If and as required by OSHA, a breath alcohol and urine test will be provided by the Employer at no cost to the employee.

21.14 Existing practices with respect to providing special protective devices and equipment in order to protect employees from injury will continue in effect during the term of this Agreement. Where conditions of work are such as to require special protective devices and equipment in order to protect employees from injury, such devices and equipment will be supplied by the

Employer at its expense. Protective devices and equipment so furnished shall not be taken from the property of the Employer except with specific authorization for use while at work for the Employer. The employer will provide a $100.00 prescription safety glasses allowance to all seniority employees who provide a recent eye glasses prescription every two calendar years.

21.15 When an Occupational Hygienist is used, the Employer will make available the person's name and address to the Union, upon their request.

21.16 The Company and the Union 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 the grounds for immediate discharge. It is understood, however, that there shall be no random testing on employees covered under this Agreement. All employees are subject to the Walashek Industrial and Marine Drug and Alcohol Policy (effective 1/2/92) and any disciplinary action taken would be subject to Article 23, Grievance Procedure.

ARTICLE 22 UNION REPRESENTATIVES

22.1 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 employees to neglect their work.

22.2 Shop Stewards: It is recognized by the Employer that Shop Stewards are desirable for the proper administration of the terms of this Agreement. The Employer also recognizes 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 the Employer discriminate against a Steward in the matter of overtime, layoffs, or rehires or discharge him on account of the proper performance of his duties. Twelve (12) hours advance notice will be given individually to the Steward if he is to be laid off. Every effort shall be made to deliver such notice during regular shift hours. However, notice of lay off may be given during the off shift by telephone or telegram, for circumstances beyond the control of the employer. There may be designated by each Union one (1) Chief Shop Steward on each shift.

When more than one shift is worked on a job for an extended period of time, the union may appoint an additional shop steward for each shift. In this situation, one of the shop stewards may be appointed Chief Shop Steward with Super Seniority, provided the person designated is able to perform the available work.

22.3 The Employer will not in any way discriminate against any shop steward or committee man 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.

22.4 The Union shall advise the Employer of the name or names of Shop Stewards 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. It shall be the intention of the Employer not to allow the congregation, by assignment, of several Stewards in one designated work area, but to keep them, as reasonably as possible, spread out in a manner to cover all the work areas of their appropriate Union's jurisdiction.

ARTICLE 23 GRIEVANCE AND COMPLAINTS

23.1 THE GRIEVANCE PROCEDURE SHALL BE AS FOLLOWS:

STEP 1. The shop steward or committeeman 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 complaint, dispute or grievance shall be submitted to the personnel department's representative 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. However, this does not preclude the Business Representative from reporting such complaint, dispute or grievance directly to the personnel department's representative or other official designated by the Employer. Within five (5) working days after the personnel department's representative 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. Any settlement reached in Step 1 shall be final and binding.

STEP 2. Within five (5) working days after the Employer replies to the communication from the respective Union alleging a violation or violations of this collective bargaining agreement, a Business Representative of the Union and the Director or Assistant Director of Personnel and Labor Relations or other official designated by the Employer shall meet for the purpose of adjusting such complaint, dispute or grievance. Any final decisions reached by the Employer Representative and the Union Business Representative shall be reduced to writing. Any settlement reached in Step 2 shall be final and binding.

STEP 3. If no agreement is reached in Step 2 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, requesting a Grievance Committee hearing or they may proceed to Step 4 of this Article. .

STEP 4. In the event the grievance is not settled as above provided, either party may submit the grievance within five (5) working days following the expiration of the time limit provided in Step 2 to the International President of the Union, or his duly designated representative and a company representative duly selected by the Employer, for consideration and possible settlement. If a settlement is reached, it will be final and binding upon the Parties and shall be reduced to writing.

STEP 5. If no satisfactory solution eventuates from Step 4 within twenty (20) working days, then either Party may within ten (10) working days thereafter give written notice of arbitration to the other Party.

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.

No employee shall refuse to work or otherwise curtail production or engage in any slow down or interfere with the Employer's operation because of any complaint, dispute or grievance which he may have.

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 of any or all of the foregoing grievance procedural steps.

ARTICLE 24 JURISDICTIONAL DISPUTES

24.1 The Unions agree that in the event any jurisdictional dispute shall arise between the Unions signatory to this Agreement, with respect to the jurisdiction of work on any classification of employment, whether or not included in the schedule attached hereto, such dispute shall be settled by the Unions in accordance with the Jurisdictional Policy of the Metal Trades

Department, AFL-CIO as amended May 10, 1968, which provides that pending the adjustment of a jurisdictional dispute there will be no stoppage of work.

24.2 It is agreed that Unions involved in such jurisdictional disputes shall be primarily responsible for the prevention of a stoppage of work because of jurisdictional disputes.

24.3 It is the intent of the parties to maximize the productivity and competitive position of the employer in order to secure and stabilize the work force. To help in achieving this mutual goal, the parties agree to a program of craft assistance. It is the intent of the employer to maintain the traditional craft functions within the yard; however, it is recognized and understood that inefficiencies and standby time are detrimental and are not desired by either party, and are to be eliminated whenever possible. In the event a union should desire to discuss a jurisdictional issue, the employer agrees to discuss the matter with the crafts involved. Alleged abuse of this provision shall be subject to the grievance procedure.

24.4 The provisions of this section of the General Agreement shall be equally binding upon the Employer and the Unions.

ARTICLE 25 NO STRIKE OR LOCK-OUT

25.1 During the life of this agreement no strikes or work stoppages shall be caused or sanctioned by the Union, and no lockouts shall be entered upon by the company. Any action of the company in closing its plant during a general strike, riot or civil commotion for the protection of the plant and property shall not be deemed a lockout. 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 International Brotherhood of Boilermakers, AFL-CIO, shall not constitute a violation of this clause of the agreement or cause for discharge.

ARTICLE 26 PAY DAY

26.1 The Union and the employer agree that payday shall be bi-weekly on Fridays in accordance with the established practice of the employer. Employees shall be given their paychecks prior to the end of their regular shift on payday. Second shift employees are also to be paid on Friday each week and third shift employees no later than Friday morning barring circumstances beyond the Company's control. Should a pay day fall on a holiday, the day preceding the holiday shall be pay day.

26.2 All regular pay checks shall have a detachable stub or equivalent, which will set forth the amount of the check, hours worked, and an itemized list of deductions. Any employee who is laid off shall receive all wages due him within forty-eight (48) hours of the termination of his employment; unless he is laid off during a pay week, in which case he shall be paid on the regularly scheduled pay day. Any employee who quits of his own volition shall receive all wages due him on the next regular pay period following his date of termination (Saturday and Sunday excluded in (48) hour pay-off).

ARTICLE 27 TRAVEL TIME, OUT OF YARD, OUT OF TOWN WORK, AND TRIAL TRIPS

27.1 Subsistence shall be paid at the amount of $50.00 per day. Lodging arrangements are to be provided by employer with consideration of comfort for the employee.
Coach seating will be provided for air travel, unless unavailable.

27.2 When employees are required to work on voyage trips, overtime shall be paid at two times (2X) their regular straight-time hourly rate of pay. No subsistence shall be paid when the customer provides meals and room accommodations. When on voyage trips, employees shall receive no less than twelve (12) hours pay for each day on the vessel.

27.2.1 When employees are required to work on sea trial trips they shall be paid at two times (2X) their regular straight-time hourly rate of pay for all hours worked on the sea trial trip.

27.3 All travel to and from job sites, on Sunday, is to be paid at one and one-half (1 1/2) times the employees' straight-time day shift rate.

27.4 There will not be any loss of holiday pay or holiday/overtime work premiums caused by crossing an International Dateline.

27.5 All travel to and from job sites on Holiday(s) referenced in Article 13, is to be paid at two (2) times the employees straight time day shift rate.

27.6 If an employee's surface travel time exceeds four (4) hours to the job and he is not given a full shift's break before work starts, he shall be paid from the time of his departure from the shop or home whichever is applicable. If the employee's work period exceeds fifteen (15) hours, he will be given a full shift's break at the end of such job to rest at lodging provided by the Company before being required to travel.

27.7 If an employee's air travel time exceeds five (5) hours to the job and he is not given a full shift's break before work starts, he shall be paid from the time of his departure from the shop or home, whichever is applicable. If the employee's work period exceeds fifteen (15) hours, he will be given a full shift's break at the end of such job to rest at lodging provided by the Company before being required to travel.

When a person is sent to a job to deliver tools/materials, the driver will be paid at the applicable Schedule "A" rate.

ARTICLE 28 WELDING

28.1 It is recognized the autogenous processes of welding, burning and brazing are tools of the trade signatory to this agreement.

28.2 Where US Certificate is required by the US Coast Guard or other recognized agency for welding on pressure vessels, boilers and Class I piping, as defined in the US Marine Engineering Regulations and Material Specifications, the rate of pay shall be an additional fifty cents ($0.50) per hour, over and above the, applicable Schedule "A" rate for all time assigned to such certified welding jobs.

28.3 When an applicant is required to take a test, he shall be paid for the time required to take the test, not to exceed four (4) hours per test, provided he passes the test successfully.

ARTICLE 29 APPRENTICE AND TRAINEE PROGRAM

29.1 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 and/or Trainee program including safety, shall be established by the craft Union and the Employer. Such an Apprentice and/or Trainee program shall not conflict with Federal or State Apprenticeship laws. All existing Apprentice and Training programs shall remain in effect until changed by mutual agreement of both parties.

ARTICLE 30 ARBITRATION OF DISPUTES

30.1 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 impartial arbiter selected from a panel, mutually agreed upon by the Parties, in each respective Port. The panel shall be utilized only in the Port selecting said panel. The panel will consist of no more than five (5) and no less than three (3) impartial arbiters. The panel may be modified from time to time by mutual agreement of the Parties in each respective Port. If the Parties are unable to agree on a specific arbiter from the panel, then 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 (1) name. The name remaining on the list after each Party has stricken two (2) names shall be the impartial arbiter. The Employer and the Union or Unions involved shall equally pay the arbiter's fee, the cost of any hearing room and the cost of a court reporter, if requested by the arbiter. All other expenses shall be paid by the Party incurring such expense. The decision of the arbiter 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 his decision, the arbiter shall specify whether or not the decision is retroactive and the effective date thereof.

30.2 Awards or settlements of grievances may or may not be retroactive as the equities of each case may demand, but in no event shall any arbitration award be retroactive beyond thirty (30) calendar days prior to the date on which the grievance was first presented to the Employer unless agreed to by both parties; provided however, that this provision shall not have any application to grievances pertaining to the payment of either the fringe benefits provided for in this Agreement or the wage scales for the various classifications set forth in Schedule "A" of this Agreement.

ARTICLE 31 HEALTH, WELFARE AND PENSIONS

31.1 Effective August 1, 2015, the Employer will pay **$11.91** on actual hours worked to the applicable jointly administered Trusts as allocated by the individual Unions. The allocation of monies among the various benefit trusts may be changed at any time by the individual unions. The change in allocation for the trust(s) involved will be made effective upon the next regularly scheduled payment date after receipt of notice.

31.2. The Employer will pay additional fringe monies with allocation of these fringe increases to be determined by International Unions.

August 1st 2015: $.55
August 1st 2016: $.55
August 1st 2017: $.55

31.3 Failure to Make Payments. Upon the failure of the Employer signatory to this Agreement to make any of the payments required by this Article, the Unions, or any of them, may undertake economic action against such defaulting Employer to enforce prompt payment,

31.4 It is the joint responsibility of Management and the Unions, signatory to this Agreement, to instruct the Trustees of the applicable Pension Plans to take appropriate action to eliminate any unfounded liability that currently exists or unfounded liability that develops during the term of this Agreement as soon as practical.

ARTICLE 32 TOOLS

32.1 Employees will be furnished tools. They shall use all reasonable care in the use of tools and return them to the custody of the Employer when no longer used. Employees shall have sufficient time prior to the end of each shift to put away tools on the Employer's time. Determination of sufficient time shall be at the Employer's discretion.

32.2 If the Employer fails to furnish tools, then the Employer shall pay each employee fifteen (15) cents per hour for tools furnished by employees.

32.3 The Employer has the right to take action against those employees who misuse property supplied to them by the Employer.

ARTICLE 33 WARRANTY OF AUTHORITY

33.1 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 34 SAVING CLAUSE

34.1 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.

ARTICLE 35 HELPERS

35.1 It is the intent of the parties signatory hereto to utilize helpers for unskilled/semi-skilled work. Along this line, a committee shall be formed to review any abuse of the helper's intended functions. Such committee will be comprised of two management representatives and two union representatives. Employees hired as helpers may assist journeymen employees by:

1. Using simple hand tools (hammer, pliers, etc.)
2. Performing work of a routine, repetitive nature where tolerances and precision are not a factor.
3. Using power tools such as grinders, sanders, washers.
4. Parts and tool chaser.
5. Parts cleaner.

35.2 This list is intended to be examples of the type of work that the parties agree is properly performed by helpers, it is not intended as an exclusive or exhaustive list of acceptable helper assignments.

35.3 It is understood and agreed that helpers shall work under the direct supervision of a journeyman or lead person assisting in the performance of the work of their trade. (This provision does not apply to helpers assigned to a composite crew.)

35.4 No helper shall be upgraded to journeyman without the mutual consent of management and the Union effected. Alleged abuse of this provision shall be subject to the grievance procedure.

ARTICLE 36 EFFECTIVE DATE AND DURATION OF AGREEMENT

36.1 This agreement shall become effective on ***August 01, 2015*** and shall continue in full force and effect until **July 31**, ***2018***, and from and for year to year thereafter, unless either party shall, at least sixty (60) days, but not more than ninety (90) days prior to any anniversary date, notify the other party in writing of any desire to make changes in or to terminate this Agreement.

36.2 If either Party gives notice to the other as herein provided, representatives of the

Employer and of the Unions shall negotiate such proposed changes without unnecessary delay.

36.3 Practices, customs, understandings, agreements of interpretation or agreements of any nature whatsoever, which have been previously mutually recognized at *Walashek Industrial and Marine* by the Employer and the Unions, whether expressly covered by this collective bargaining agreement or otherwise, will continue in effect unchanged until the expiration of this agreement, except as specifically modified as provided herein or by mutual agreement between the parties.

36.4 Yard Closure or Relocation: The Employer will give timely notification (normally not less than sixty (60) days) to the unions of any decision to close down the Walashek Industrial and Marine or relocate its operations, and will negotiate with the Unions to develop a course of action designed to minimize any adverse impact on the members of the bargaining unit of such events.

SIGNED THIS 10th DAY OF August, 2015, AT SEATTLE, WASHINGTON.

Gail Walashek PRES/CEO
WALASHEK REPRESENTATIVE

BOILERMAKERS LOCAL 104 REPRESENTATIVE

SCHEDULE "A"

August 1, 2015 $0.50 Increase
August 1, 2016 $0.50 Increase
August 1, 2017 $0.50 Increase

~~The above increase percentages are based on Seattle/Tacoma/Bremerton CPI. It shall be agreed upon the percentages above are a minimum increase. Should the CPI exceed the amounts listed above , percentage increases for years two and three, shall apply accordingly.~~

JOURNEYMAN (NEW HIRES)

STEP I	FIRST 500 HOURS	75% JOURNEYMAN SCALE
STEP 2	501 - 1,000 HOURS	85% JOURNEYMAN SCALE
STEP 3	OVER 1,000 HOURS	JOURNEYMAN SCALE

APPRENTICES

PER STANDARDS

HELPERS

65% OF JOURNEYMAN SCALE

SHIFT PREMIUMS

SECOND / THIRD SHIFT PREMIUMS $1.00 PER HOUR.

NO EMPLOYEE WILL SUFFER A REDUCTION IN PAY BY VIRTUE OF ANY CHANGE IN THE NEW LABOR AGREEMENT.