

**ORIGINAL
FILE COPY**

Terminates: July 1, 2009

AGREEMENT

By and between

FISHING VESSEL OWNERS MARINE WAYS

And

PACIFIC COAST METAL TRADES DISTRICT COUNCIL

And the

PUGET SOUND METAL TRADES COUNCIL

PREAMBLE

This Agreement, made and entered into July 1, 2006. By and between FISHING VESSEL OWNERS MARINE WAYS, hereinafter called the "EMPLOYER" and the PACIFIC COAST METAL TRADES DISTRICT COUNCIL and the PUGET SOUND METAL TRADES COUNCIL representing UNIONS signatory hereto, hereinafter collectively called the "UNIONS".

ARTICLE I

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

(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 Unions 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 not 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. An employee requested by name shall be classified as a Journeyman.
- (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) Each of the Unions and Employer agree to hold each of the other Unions 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 practice or act was proximately or solely caused by any one of the individual Unions or Employer.

ARTICLE 3 Layoff and Recall

- (a) In the event it becomes necessary to reduce the number of employees in the working force, the Employer will layoff and recall employees on the basis of ability, competency, qualifications, and other factors relating to job performance. The employer will not layoff or avoid recalling red circle rate employees for the sole purpose of employing lower paid employees who are paid in accordance with Appendix "A" of the Labor Agreement.
- (b) The Company agrees that it will not layoff or terminate red circle rate employees due to work performance without first discussing the matter with the respective Union; this paragraph does not apply to layoffs for lack of work.

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 journeyman 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 journeymen 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

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 6:45 am. 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(s) involved.

NOTE: See the attached Letter of Understanding affixed to the back of this agreement.

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 6:45 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 6:45 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.
- (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 working 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:**

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:**

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 thirty-five cents (\$.35) per hour.

(1) **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 fifty cents (\$.50) per hour.

ARTICLE 7
Wage Scales

- (a) Employer agrees to pay to its employees and the Unions agree 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 dry-dock 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 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) An employee who has completed at least one hundred and five (105) cumulative working days in a seven (7) month period and who subsequently has not been off the active employer payroll for more than nine (9) months for any reason whatsoever and has been in the active employ of the employer for fourteen (14) calendar days immediately preceding the holiday. Otherwise, an 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, and one (1) floating holiday each year. Effective July 1, 2006 it is agreed that future floating Holidays will be decided by the Bargaining Committee at the beginning of each contract year. 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 work day or regarded as the paid holiday.
 - (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.
 - (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 employees covered by this Agreement who have completed at least one hundred and five (105) cumulative working days in a seven (7) month period and who subsequently have not been off the active employer payroll for more than nine (9) months for any reason whatsoever 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 employees established straight time hourly wage (exclusive of shift premiums) being received by the employee at the time the vacation is taken:

First (1st) year period -	Two (2) percent
Third (3rd) year period -	Four (4) percent
Seventh (7th) year period -	Six (6) percent
Fourteenth (14th) year period -	Seven (7) percent
Eighteenth (18th) year period -	Eight (8) percent

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

(Employees actively employed or holding seniority on December 19, 1983 shall receive the vacation percentage benefit of the 1983-1986 Agreement or the benefit listed above, whichever is greater; thereafter, the above schedule shall apply to such "red circled" employees.)

(Employees receiving the six percent (6%) benefit as of December 6, 1986 shall remain at six percent (6%) until they advance to the next percentage level.)

- (b) To advance from the one percentage vacation benefit to the next higher percentage, an employee is required to work 1350 hours or more in the employ of the Employer in each anniversary year. (For example, an employee must work 1350 hours in three (3) anniversary years to receive the four percent benefit; upon attaining the 1350 hours in the third year, the vacation benefit for that year will be four percent).

An employee working less than 1350 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.

- (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 there a limit on, oil curtailment of production or any self-imposed restrictions placed or imposed by any Union.

ARTICLE 12
Dirty Work

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 paid at the rate of time and one-half (1 ½). However, when cleaning or working in septic tanks containing human waste, double time (2T) shall be paid for all classifications.

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 or breakdown of machinery, except that this shall not be construed to cover failure at have work or vessel available.
- (e) Employees who voluntarily quit, layoff or are 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 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.

- 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. Reemployment 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 workplace 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 and 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.
- (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.
- (d) The Employer will inform the employee at least once a calendar month in writing of his accrued vacation monies. The Employer will be given adequate time (60 to 90 days) from the effective date of the agreement to develop the procedure.

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 the appropriate rate.
- (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.
- (e) If employees are required to travel on overtime days, they shall be paid travel pay at the established overtime rate.
- (f) Not more than eight (8) hours pay shall be paid for travel time in any one day of twenty-four (24) hours computed from the starting time of the employee's regularly assigned shift.
- (g) 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.
- h Exclusive of other provisions of Article 18, employees assigned to work in the Bremerton area shall receive an eighteen dollar (\$18.00) per day travel allowance.

ARTICLE 19

Welding

- (a) It is recognized that the autogenously process of welding and burning are tools of the trade's 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, or 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.

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 to arbitrate.

The parties may mutually agree to extend the time limits.

STEP 4

- (a) 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

- (a) 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 jurisdictional

dispute there shall be no stoppage of work.

- (b) It is agreed that the Unions involved in such jurisdictional disputes shall be primarily responsible for the prevention of a stoppage of work because of jurisdictional disputes.
- c The employer retains the right to assign work among the various crafts. 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 to and are not desired by either party, and are to be eliminated whenever possible. In the event a Union should desire to discuss a jurisdiction issue, the employer agrees to discuss the matter with the crafts involved. Alleged abuse of this provision shall be subject to the Grievance Procedure.

ARTICLE 25

Health, Welfare, Dental and Pension Plans

- (a) Effective July 1, 2006 and for the full duration of the agreement the Employer shall contribute \$6.76 per hour into the jointly administered Health, Welfare, Dental, and Pension Trust Funds as allocated by the local unions' signatory to this agreement. Should any individual union's hourly contributions to fund their Health, Welfare, Dental or Pension Trust Fund exceed the Employer contribution rate of \$6.76 per hour the employees of the affected craft shall reduce their Schedule A hourly rate by the amount that is needed to cover the difference in the Employer contribution and their actual fringe benefit contribution rate.
- (b) 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.

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 (\$.08) per hour for tools furnished by employees.

ARTICLE 27
Miscellaneous

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

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, he shall receive one day off with pay. The immediate family shall be defined as wife, husband, son, daughter, mother and father who are residing within the United States.

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.

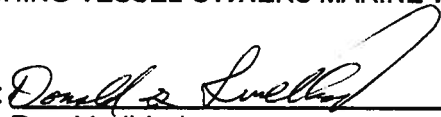
- (b) Any traffic demand management constraints or penalties imposed upon the Company shall be considered to fall within the scope of this Article; therefore, waiving any requirements under Article 5, "Standard Dayshift Hours", or Article 6, "Shifts", regarding hours within which work must be performed.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

ARTICLE 32
Effective Date and Duration of Agreement

This Agreement will become effective on July 1, 2006, unless otherwise provided herein, and shall remain in full force and effect through June 30, 2009, and from year-to-year thereafter, unless either party shall at least sixty (60) days, but not more than seventy (70) days, prior to July 1, 2009, or any subsequent anniversary date, notify the other party in writing of any proposed changes or modifications of this Agreement.

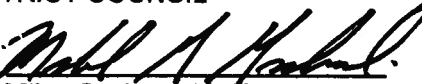
IN WITNESS WHEREOF the parties hereto have executed this Agreement this ____ day of September 2006 at Seattle, Washington.

FISHING VESSEL OWNERS MARINE WAYS

By: 

Don Lindblad

PACIFIC COASTS METAL TRADES
DISTRICT COUNCIL

By: 

Mike Grabowski, Exec. Sec.

PUGET SOUND METAL TRADES
COUNCIL

By: 

Al Tremlett, Exec. Secretary

SCHEDULE "A"

1. **Classifications and Minimum Rates of Pay:**

	<u>7/1/06</u>	<u>7/1/07</u>	<u>7/1/08</u>
Journeyman: 100%	\$20.60	\$21.55	\$22.55
Journeyman New Hire: 90%	\$18.54	\$19.40	\$20.30
Laborer/Scaler:	\$19.60	\$20.55	\$21.55
Helper/Cleanup: 70%	70% of Journeyman Rate		

2. The following hourly increases shall apply to the Journeyman and Laborer/Scaler classifications. Journeyman New Hires shall receive 90% of the Journeyman wage rate & Helpers shall receive 70% of the Journeyman pay rate. Each individual union shall have the ability to divert up to 100% of each year's increase to Health, Welfare, Dental, Pension or Training upon notification to the Employer prior to each July 1 effective date. Each craft must notify the Employer within 2 weeks of ratification as to how they would like to allocate their 7/1/06 increase.

<u>Effective 7/1/06</u>	<u>Effective 7/1/07</u>	<u>Effective 7/1/08</u>
\$.35 increase	\$.95 increase	\$1.00 increase

3. Employees hired under the 90% New Hire classification shall automatically advance to the Journeyman 100% classification once they have worked 2,000 hours for Fishing Vessel Owners. New Hires that provide proof of 2,000 hours of Journeyman work experience in the craft in which they are being hired shall hire in at the Journeyman 100% classification.
4. Employees hired as Helpers shall perform duties such as:
- (1) Assist higher classified employees.

- (2) May use simple hand tools (hammer, pliers, etc.).
 - (3) May perform work of a routine, repetitive nature where tolerances and precision are not a factor.
 - (4) May use power tools such as grinders, sanders, washers.
 - (5) May use forklifts and other material handling/moving equipment.
 - (6) Parts and tool chaser.
 - (7) Parts cleaner.
 - (8) Fire Watch.
5. 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.
6. Employees who are graduate apprentices from a formal Washington State approved JATC apprenticeship program shall be classified as Journeymen.

January 8, 1987

Seattle Metal Trades Council
2700 1st Avenue
Seattle, Washington 98121

Gentlemen:

This will confirm that the following understandings which were reached during the 1983 negotiations shall continue in effect:

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. 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.

Fishing Vessel Owners/Metal Trades
Letter of Understanding
Page 2

C. Standby lime

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 Unions agree upon the principle of minimizing standby time.

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

Very truly yours,

By: Tim Wettack
WASHINGTON STATE BOAT
BUILDERS & ASSOCIATES, INC.

TGW: ksr

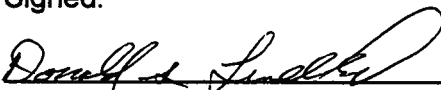
CONFIRMED:

By: W.D. Carbine
SEATTLE METAL TRADES COUNCIL

Date: September 20, 2006

This will confirm that this Letter will continue during the term of the 2006 – 2009 Agreement.

Signed:



Don Lindblad
Fishing Vessel Owners

Signed:



Al Tremlett
Puget Sound Metal Trades Council

February 17, 2004

Puget Sound Metal Trades Council
553 John Street
Seattle, Washington 98109

Attn: Tim Carr

Re: Fishing Vessel Owners Marine Ways

Gentlemen:

Pursuant to the understandings reached in the 1986, 1995 and 2000 negotiations, the following locals are to be considered party to the newly executed Agreement between the Company and the Seattle Metal Trades Council:

Boilermakers #104	
Laborers Union #252	(1986 Negotiations)
Machinists #160	(2000 Negotiations)
Shipwrights Union #1184	(1995 Negotiations)

The discontinuance of a separate Labor Agreement document for Shipwrights Local #1184 and the inclusion of Local #1184 under the Metal Trades Labor Agreement is not intended to be a substantive change. It is a change made for administrative ease and to consolidate Labor Agreements into fewer documents.

Very truly yours,

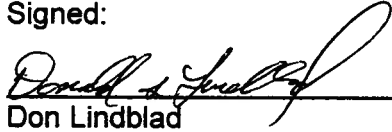
FISHING VESSEL OWNERS

CONFIRMED:

PUGET SOUND METAL TRADES COUNCIL

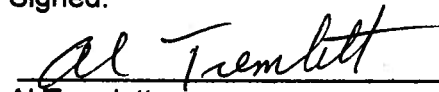
This Letter of Understanding is re-confirmed this _____ day of September 2006.

Signed:



Don Lindblad
Fishing Vessel Owners

Signed:



Al Tremlett
Puget Sound Metal Trades Council

Letter of Understanding

By and Between

Fishing Vessel Owners Marine Ways

And

Puget Sound Metal Trades Council

In Reference to Article 5 - Shifts

It is understood and agreed between the undersigned parties:

1. That First Shift work hours will occur from 7:00 a.m. until 3:30 p.m., Monday through Sunday with a 30 minute mid-shift (from 12:00 p.m. to 12:30 p.m.) lunch period on the employees' time.
2. These start and stop times will apply from Spring to Fall as follows: The first Monday in April and the first Monday in October. As agreed upon by Special Vote December 18, 2003.
3. All other contract terms to apply except as amended by this Letter of Understanding.

Signed this _____ day of September in Seattle, Washington.

By: Don Lindblad
Don Lindblad
Fishing Vessel Owners

By: Al Tremlett
Al Tremlett
Puget Sound Metal Trades Council

October 4, 2006

Don Lindblad, President
Fishing Vessel Owners Marine Ways, Inc.
1510 West Thurman
Seattle WA 98119

RE: REVISED Wage/Fringe Allocation for Boilermakers effective 7/1/06

Mr. Lindblad:

As a result of the newly ratified Agreement each employee shall receive a \$.35 per hour increase effective July 1, 2006. The employees have elected to have the entire \$.35 per hour increase allocated to each employee's hourly pension contribution. The Total Package shall be distributed as follows effective July 1, 2006.

NWMCTF (Health & Welfare Benefits)	\$5.00	(no change)
Puget Sound App/Training Fund	\$.10	(no change)
Boilermakers National Pension Trust	<u>\$2.59</u>	(\$.35 increase)
TOTAL BOILERMAKER FRINGE PACKAGE	\$7.69	(\$6.76 Employer & \$.93 Employee diversions)
TOTAL PACKAGE AS OF 7/1/06	\$27.36	(\$6.76 Co. Fringe & \$20.60 Schedule A Journeyman Rate)
Journeyman Time Card Rate after all diversions is:	<u>\$19.67</u>	(\$20.60 Schedule A - \$.93 Employee Fringe portion)
Journeyman New Hire 90% Rate after all diversions is:	<u>\$17.61</u>	(\$18.54 Schedule A - \$.93 Employee Fringe portion)
Helper Rate after all diversions is:	<u>\$13.49</u>	(\$14.42 Schedule A - \$.93 Employee Fringe portion)

NOTE: Each Core Employee's take home rate of pay shall remain unchanged because they are putting the \$.35 increase directly into their pension. However, their vacation rate of pay will increase by \$.35 per hour from each of their current vacation rate of pay.

When Boilermakers Local 104 dispatches additional employees they will be notified of how their Wage/Fringe Package breaks down based upon the above after diversion rates. We will also be sure to send a copy of each year's allocation letter to each employee.

If you have any questions feel free to give me a call at (206) 391-1876 or in the office at (206) 623-2876.

Sincerely,

Gary Powers, Business Manager
Boilermakers Local 104