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**COLLECTIVE BARGAINING
AGREEMENT**

ASC MACHINE TOOLS, INC.

and

**INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS, AFL-CIO
DISTRICT LODGE 751, LOCAL LODGE 86**

January 01, 2020 – December 31, 2023
~~**January 01, 2017 – December 31, 2019**~~

COLLECTIVE BARGAINING AGREEMENT

of January 01, ~~2017~~ 2020

BETWEEN

ASC MACHINE TOOLS, INC.

and

**INTERNATIONAL ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS, AFL-CIO
DISTRICT LODGE 751, LOCAL LODGE 86**

THIS AGREEMENT is entered into this 1st day of January ~~2017~~ 2020, by and between ASC Machine Tools, Inc., hereinafter referred to as the "Company," and District Lodge No. 751, acting for and on behalf of Local Lodge No. 86 of the International Association of Machinists and Aerospace Workers, hereinafter referred to as the "Union."

ARTICLE 1: RECOGNITION

The Company recognizes the Union as the sole and exclusive collective bargaining agency for all Production Employees, excluding only clerical and office employees, administrative employees, professional employees, guards, facility maintenance personnel and supervisors as defined in the N.L.R. Act as amended.

ARTICLE 2: BARGAINING UNIT

The bargaining unit above described includes all employees engaged in making, assembling, erecting, and dismantling of Company manufactured equipment at the Company's facility, and repairing of Customer's machinery and equipment and/or parts thereof of all descriptions by the Company at the Company's facility. The Company shall designate such personnel of its choice for inspecting, testing and troubleshooting the equipment it manufactures whether said personnel are within or not a part of this particular bargaining unit of the Union. Salaried supervisors for the designated departments shall be allowed to do whatever work necessary for the successful completion of the work in their departments, but not to include production work.

ARTICLE 3: UNION SECURITY AND DUES

- A. All employees covered by this Agreement shall become members of the Union within thirty-one (31) days from date of their employment, or from the effective date of this contract, whichever is later, and shall remain members in good standing as a condition of continued employment as interpreted by the NLRB and relevant courts. Employees on a lay-off status shall be subject to this paragraph.

- B. The Company shall, within five (5) calendar days after receipt of written notice from the Union, discharge any employee who is not in good standing in the Union as required by the preceding paragraph. It is further understood that the five (5) day period allowable in this section is not to be construed as an extension of time to comply with Section A of this Article.

- C. When a new employee is hired, the Company agrees to give written notice via regular mail or email of the employee's name, address, classification and skill level, date of hire and rate of pay to the Union, within five (5) working days of date of hire.

ARTICLE 4: HOURS OF WORK

The Company will determine which areas require shifts and the number of employees on each shift.

- A. Eight (8) hours shall constitute a day's work, to be worked within eight and one-half (8 1/2) consecutive hours. Five (5) days, Monday to Friday inclusive, shall constitute one week's work of forty (40) hours. Shift starting times may be changed by mutual agreement of the Union and the Company, provided written request from the Company for the change in starting time is approved. If no agreement is reached, the grievance procedure set forth herein shall be utilized.

4-10's: Ten (10) hours shall constitute a day's work, to be worked within ten and one-half (10 1/2) consecutive hours. Four (4) days, Monday to Friday inclusive, shall constitute one week's work of forty (40) hours. Shift starting times may be changed by mutual agreement of the Union and the Company, provided written request from the Company or the Union for the change in starting time is approved.

- B. First Shift: The work of the day shift shall consist of eight (8) working hours within eight and one-half (8 1/2) consecutive hours between the time of not earlier than 5:00 a.m. nor later than 5:30 p.m., with a lunch period of thirty (30) minutes.

4-10's: First Shift: The work of the day shift shall consist of ten (10) working hours within ten and one-half (10 1/2) consecutive hours between the time of 5:00 a.m. and 5:30 p.m. Monday through Friday, with a lunch period of thirty (30) minutes.

- C. Second Shift: The work of the second shift shall consist of eight (8) working hours within eight and one-half (8 1/2) consecutive hours between the time of

not earlier than 1:30 p.m. nor later than 4:00 a.m., with a lunch period of thirty (30) minutes. Pay shall be the regular day shift hourly rate, plus one dollar (\$1.00) per hour. 4-10's: Second Shift: The work of the second shift shall consist of ten (10) working hours within ten and one-half (10 1/2) consecutive hours between the time of 3:30 p.m. and 4:00 a.m. Monday through Friday, with a lunch period of thirty (30) minutes. Pay shall be the regular day shift hourly rate, plus one dollar (\$1.00) per hour.

- D. Third Shift: The work of the third shift shall consist of seven and one-half (7 1/2) working hours within eight (8) consecutive hours between the time of not earlier than 10:00 p.m. nor later than 8:30 a.m., with a lunch period of thirty (30) minutes, provided therein, on the Company's time. Pay shall be the regular day shift hourly rate, plus one dollar (\$1.00) per hour.
- E. Fourth Shift: The work of the fourth shift shall consist of eleven and one-half (11 1/2) working hours within twelve (12) consecutive hours between the time of 5:00 a.m. and 7:00 p.m. Friday through Sunday, with a lunch period of thirty (30) minutes. Pay shall be the regular day shift hourly rate, plus two dollars twenty-five cents (\$2.25) per hour.
- F. Fifth Shift: The work of the fifth shift shall consist of eleven and one-half (11 1/2) working hours within twelve (12) consecutive hours between the time of 5:00 p.m. and 7:00 a.m. Friday through Sunday, with a lunch period of thirty (30) minutes. Pay shall be the regular day shift hourly rate, plus two dollars twenty-five cents (\$2.25) per hour.

ARTICLE 5: BASE RATES OF PAY

	Current Rate	1/1/2017 1/1/2020	1/1/2018 1/1/2021	1/1/2019 1/1/2022	1/1/2023
Tradesman	\$26.93 \$28.85	\$27.60 \$30.00	\$28.15 \$31.00	\$28.85 \$32.00	\$33.00
Machinist					
Machinist	\$21.01 \$22.52	\$21.54 \$23.50	\$21.97 \$24.00	\$22.52 \$24.50	\$25.00
Journeyman	\$23.82 \$25.53	\$24.42 \$26.50	\$24.91 \$27.50	\$25.53 \$28.25	\$29.00
Fabrication					
Specialist	\$20.72 \$22.20	\$21.24 \$23.00	\$21.66 \$23.50	\$22.20 \$24.00	\$24.50
Journeyman	\$23.82 \$25.53	\$24.42 \$26.50	\$24.91 \$27.50	\$25.53 \$28.25	\$29.00
Mechanical Assembly					
Specialist	\$20.72 \$22.20	\$21.24 \$23.00	\$21.66 \$23.50	\$22.20 \$24.00	\$24.50
Journeyman	\$23.82 \$25.53	\$24.42 \$26.50	\$24.91 \$27.50	\$25.53 \$28.25	\$29.00
Electrical Assembly					
Specialist	\$20.72 \$22.20	\$21.24 \$23.00	\$21.66 \$23.50	\$22.20 \$24.00	\$24.50
Journeyman	\$23.82 \$25.53	\$24.42 \$26.50	\$24.91 \$27.50	\$25.53 \$28.25	\$29.00
Manufacturing Support					
Specialist	\$20.72 22.20	\$21.24 \$23.00	\$21.66 \$23.50	\$22.20 \$24.00	\$24.50
Helper 2	\$16.45 \$17.63	\$16.86 \$18.00	\$17.20 \$18.25	\$17.63 \$18.50	\$18.75
Helper 1	\$13.36 \$14.31	\$13.69 15.00	\$13.96 \$15.15	\$14.31 \$15.25	\$15.50

Differentials:

Working Foreman: ~~Two~~ **Four** dollars (~~\$2.00~~) (**\$4.00**) per hour

Crew Leader: ~~One~~ **Two** dollar (~~\$1.00~~) (**\$2.00**) per hour

Base Rate Adjustments:

All future new hires and promotions between classifications and skill levels will start at the entry rate. **If the company transfers an employee back to a Classification they have held prior, the employee will resume their place in the progression when they left that classification.**

The entry level base rate **for new hires** will be at 90% of the maximum. In increments of one thousand (1,000) hours worked in their classification, but no sooner than six (6) months, the personnel affected will be adjusted to 92 1/2%, 95%, 97 1/2% and 100% respectively of the classification maximum. **Helper 1 not subject to progression, starts at 100%. For employees promoted to a higher classification, the entry level base rate will be 95% of the maximum. In increments of one thousand (1,000) hours worked in their classification, but no sooner than six (6) months, the personnel affected will be adjusted to 97.5% and 100%, respectively of the classification maximum.**

Employees who have recently been promoted to a higher classification and are currently working through the progression will be given credit for the months served and hours worked in their new classification through 12/31/19. Based on that, they will be adjusted into the new progression for promotions, as stated above, on 1/1/20. This will not, in any way, result in back pay and will apply only to hours worked after 1/1/20.

ARTICLE 6: OVERTIME

- A. Overtime worked during the regular work week shall be paid for at time and one-half (1 1/2) the regular shift rate for hours paid in excess of forty (40) per week. Paid sick leave will not be considered when calculating the forty-hour base for overtime and will be paid at the regular shift rate.

On an eight (8) hour or ten (10) hour shift basis, hours worked in excess of ten (10) hours on Monday through Friday shall be paid for at double time (2 for 1) the shift rate pay in lieu of time and one half (1 1/2).

- B. Daily overtime will normally be offered to the employee performing the operation on that shift. The company will attempt to administer overtime on a voluntary basis; however, if enough qualified employees refuse to volunteer for necessary overtime work, reverse seniority will be used to satisfy the requirement.

There shall be no mandatory overtime unless forty-eight (48) hours notification is given prior to requirement.

There shall be no mandatory overtime on Saturday or Sunday.

~~Employees will not be required to work mandatory overtime on back-to-back weekends.~~

There shall be no periods of mandatory overtime in excess of **four** ~~three (3)~~ **(4)** consecutive weeks. **Any periods of four (4) consecutive mandatory weeks, will result in two (2) weeks without mandatory overtime.** ~~and any period of mandatory overtime will be followed by an equal or greater period of time without mandatory overtime.~~

There shall be no mandatory overtime on fourth and fifth shifts. All time worked on fourth and fifth shifts in excess of twelve (12) hours shall be at the rate of double time (2 for 1).

- C. All work performed on Saturday (excluding fourth and fifth shifts) shall be at the rate of time and one-half (1 1/2) for the first eight (8) hours and double time (2 for 1) thereafter.
- D. All work performed on a holiday shall be compensated for at the rate of double time (2 for 1) plus holiday pay.
- E. Should overtime work continue into the next regularly assigned shift, pay shall continue at the double (2 for 1) time rate.
- F. All work performed on Sunday (excluding fourth and fifth shifts) shall be paid for at double (2 for 1) time.

ARTICLE 7: HOLIDAYS

The following shall be observed and recognized as paid holidays:

1. New Year's Day
2. Memorial Day
3. Fourth of July
4. Labor Day
5. Thanksgiving Day
6. Day after Thanksgiving Day
7. Christmas Eve Day
8. Christmas Day

4-10's: All weeks with holidays will be worked as eight (8) hour shifts unless overtime is required.

4th & 5th Shifts: If a recognized paid holiday falls on a regularly scheduled work day, employees shall be paid the regular base rate of pay for eleven and one-half (11 1/2) hours plus shift premium if applicable. If a recognized paid holiday does not fall on a regularly scheduled work day, employees shall work their regular shift and shall be paid the regular base rate of pay for eight (8) hours plus shift premium if applicable.

- A. Employees shall be paid the regular base rate of pay for these eight (8) holidays plus shift premium if applicable although no work is performed regardless of the day of the week on which they fall, provided:
1. The employee worked his/her last regularly scheduled work day prior to, and his/her first regularly scheduled work day following the holiday except where the absence is due to:
 - a. Industrial injury where absence is not for a total period in excess of ten (10) working days.
 - b. Bona-fide illness covered by a doctor's certificate where absence is not for a total period in excess of ten (10) working days.

- c. Approved leave of absence granted by the respective supervisor or an Authorized Representative of the Company where absence is not for a total period in excess of ten (10) working days.
 - d. Temporary lay off for a period of ten (10) working days or less prior to the holiday.
- B. The Company shall regard a holiday that occurs while an employee is on vacation as a holiday, not a vacation day.
- C. Should any of the holidays fall on Sunday, the day observed by the State and/or the Nation shall be considered the holiday.
- D. Any holiday which falls on a Saturday shall be observed on the preceding Friday.
- E. Overtime worked on holidays shall be paid according to the overtime clause, Article 6.

ARTICLE 8: WORK OUTSIDE THE SPOKANE AREA

All work outside the general Spokane area: The rate shall be negotiated with the Company and the individual concerned. Whenever an employee reports to the shop, and is sent out of the shop to work and reports back on a daily basis, it is not considered outside the general Spokane area.

ARTICLE 9: VACATIONS

- A. All employees covered by this Agreement with one (1) year's continuous service with the Company shall be entitled to forty (40) hours vacation with pay.
- B. All employees with two (2) years' continuous service with the Company shall be entitled to eighty (80) hours vacation with pay.
- C. All employees who have completed seven (7) years of continuous service shall receive one hundred twenty (120) hours vacation with pay.
- D. All employees who have completed twenty (20) years of continuous service shall receive one hundred sixty (160) hours vacation with pay.
- E. Fifteen hundred (1,500) working hours, or more, in the employment of the Company, during a twelve (12) month period, from the date of hire, shall constitute one year's continuous service and qualify an employee for a vacation. An employee may not take his/her vacation until after the twelfth (12th) calendar month of his/her employment, or the satisfaction of the year's continuous service, whichever is later. If an employee with one fifteen hundred (1,500) hours worked is on leave of absence, sick, or on layoff on the anniversary date of his/her employment, and thereafter returns, he/she will be entitled to his/her vacation.

For the purpose of calculating working hours in a year, fourth (4th) and fifth (5th) shifts will be calculated at hours worked times one hundred sixteen percent (116%).

If an employee fails to work one fifteen hundred (1,500) hours in any year after his/her first qualifying continuous year of employment, he/she will be entitled to pro-rated vacation as follows:

First Year: After completion of one fifteen hundred (1,500) working hours or more in a twelve (12) month period from their anniversary date, the

employee shall be entitled to forty (40) hours vacation.

After the employee's second anniversary date:

500 working hours	20 hours
900 working hours	32 hours
1,000 working hours	40 hours
1,100 working hours	48 hours
1,200 working hours	56 hours
1,300 working hours	64 hours
1,400 working hours	72 hours
1,500 working hours	80 hours

The above schedule will apply proportionately to those employees who qualify for three (3) or four (4) weeks' vacation. No employee will be entitled to more than one earned vacation per year.

- F . Vacations must be taken within the twelve (12) month period following the day from which the employee became eligible thereto.

- G . If an employee has any unused earned vacation hours at his/her anniversary date, such vacation hours will be paid at his/her regular straight time rate on the payroll following the employee's anniversary date.

- H . Any employee who is terminated for any reason shall receive all earned (but not used) and accrued vacation. Employees laid off may request all earned (but not used) vacation. Employees on layoff, after sixty (60) days, may, in addition, request pay for all accrued vacation through the date of lay-off.

- I . Vacation schedules will be posted on January 2 through May 1 during which time employees may sign up for their vacation. In case of conflict, seniority shall prevail. Vacations may be taken at the convenience of employee provided forty-

eight (48) hours' notice is given and the day is agreeable with the Company.

1. Unless agreed on with the respective salaried supervisor, vacations must be taken in no less than forty (40) hour intervals. Vacation will be granted in no less than increments of eight (8) hour blocks.

4-10's: Unless agreed on with the respective salaried supervisor, vacations must be taken in no less than forty (40) hour intervals. Vacation will be granted in no less than increments of ten (10) hour blocks.

4th & 5th Shifts: Vacation shall be used in no less than forty (40) hour intervals, paid at the regular day shift hourly rate plus the applicable shift premium.

2. The Company will have the right to schedule and reschedule vacations as the work load and deliveries demand. Approved vacations of forty (40) hours or more scheduled sixty (60) days in advance cannot be revoked by the Company.

- J . All pay and time off will be computed at forty (40) hours per week at the rate effective at the time vacation is taken. This includes pay differentials and shift premiums if applicable.

ARTICLE 10: APPRENTICES

In the event the Company chooses an in-house or State Apprenticeship Program, both the Company and the Union will work together to mutually establish such programs. Any such program will be subject to all contract provisions.

The same Company benefits and the same shift differential shall be paid for Apprentice as for Journeyman.

It shall be further understood in the best interests of the Apprentice, he/she shall not be allowed to work any overtime or work a shift that conflicts with attending school classes.

Apprentices shall accumulate seniority for the classification in which they are training and be subject to workforce reductions on a seniority basis.

ARTICLE 11: REPORTING PAY

Full-time employees coming under this Agreement who are required to report for straight time work shall receive not less than four (4) hours' pay or work. Any full-time employee who is not specifically instructed at least twelve (12) hours before his/her regular starting time not to report to work shall be considered as having been ordered to report and is, therefore, entitled to four (4) hours' pay. If any employee is required to remain on the premises more than four (4) hours, he/she shall receive a full day's pay.

In the event of an emergency such as fire, flood, power failure, etc., beyond the control of the Company (alleged lack of work cannot be construed as emergency) or where the employee voluntarily quits or is discharged for just cause, the foregoing requirements shall not be applicable and the employee shall be paid for actual time worked.

ARTICLE 12: CALL-BACKS

- A. Employees called to work after having left the Company's premises shall be allowed a minimum of four (4) hours straight time pay or the applicable overtime rate for hours worked whichever is greater and shall be required to do only such emergency work as originally called for.

- B. Call-backs are construed to mean those calls issued by telephone or messenger for return more than three (3) hours after normal shift hours, in which event it shall be considered a call-back.

ARTICLE 13: NO STRIKE/NO LOCKOUT

- A. The Union agrees that neither it nor any of the employees in the bargaining unit covered by this Agreement will collectively, concertedly, or individually engage in or participate in any strike, including sympathy strikes, slow-down, work stoppage, refusal to work, picketing, sit-down, stay-in, boycotts, or other interference with or restriction of work or production for any reason whatsoever during the term of this Agreement.

- B. Should a strike or concerted stoppage of work by employees of the Company occur during the term of this Agreement, the Union, within eight (8) hours after receipt of written notice from the Company, shall be obligated to do the following things:
 - 1. Advise the Company in writing that the strike or stoppage has not been called or sanctioned by the Union, and

 - 2. Advise the workers that, inasmuch as no such strike or stoppage has been called by the Union, they are engaged in an illegal strike or stoppage and will instruct the workers to return to work immediately.

- C. The Company will not lock out any or all of its employees during the term of this Agreement.

- D. Both parties understand that this Article contains specific prohibitions, the violation of which will result in immediate and continuing damages and irreparable injury, justifying injunctive relief, and it is agreed that either party may obtain injunctive relief against any violations, or the continuation thereof of any threats of violation, in an appropriate court having jurisdiction.

ARTICLE 14: SHOP STEWARDS AND GRIEVANCE PROCEDURE

- A. There shall be a shop steward for each shift in each building employing ten (10) or more bargaining unit employees. Stewards shall be appointed by the Business Representative or elected by the bargaining unit members to work jointly with management in settling of all disputes that may arise. Shop stewards shall have super seniority. Elections shall be held January ~~2017~~ 2020, or as needed.

Each shop steward shall perform his/her duties in a manner which will not affect production.

The Company will keep the Union Office informed of all new hires, lay offs, bumps, discipline and job postings within a timely manner.

- B. The Company hereby retains and reserves unto itself all right and authority except to the extent those rights that are clearly and explicitly limited by the express terms of this Agreement. All complaints, disputes, grievances, or differences that may arise over the interpretation or application of any part or portion of this Agreement shall be handled in the following manner:

Step 1: The individual or individuals having a grievance must present same to his/her respective supervisor and his/her shop steward within five (5) working days after the employee first should have become aware of the occurrence or it will be deemed to have been waived by the aggrieved party. The supervisor shall have five (5) working days to satisfy the grievant or the grievance will be taken to Step 2.

Step 2: If the grievant is not satisfied, his/her Shop Steward shall then present this grievance in writing to the supervisor of the individual concerned within five (5) working days from Step 1 response date; if not done within this time limit the grievance shall be deemed to have been waived. If no satisfaction or agreement is reached within five (5)

working days from written submission (this time may be extended by mutual agreement), the grievance will be taken to Step 3.

Step 3: The grievance shall then be presented to the authorized representative of the Company by the Shop Steward. If no satisfaction or agreement is reached within five (5) working days of presentation (this time may be extended by mutual agreement), the grievance will be taken to Step 4.

Step 4: The grievance shall be referred to the Business Representative of the Union and the Chief Executive Officer of the Company, who shall attempt to reach a satisfactory agreement. If no satisfaction or agreement is reached within ten (10) working days (this time may be extended by mutual agreement), this dispute shall be taken to Step 5.

Step 5: The Federal Mediation & Conciliation Service shall be requested to submit a list of seven (7) qualified and approved arbitrators, from which list the arbitrator shall be selected by alternately striking one name from the list until only one name shall remain. That person shall be the arbitrator.

The decision of the Arbitrator shall be final and binding upon the parties hereto. Any decision rendered shall be solely within the scope of this Agreement, shall not expand or change any of this Agreement's terms or conditions, and shall, in his/her decision, specify whether or not the decision is retroactive and the effective date thereof.

Any mutual expense incurred in the process of arbitration shall be borne equally between the Company and the Union.

ARTICLE 15: SAFETY

- A. The Company and employees shall comply with all State and Federal safety laws. If a conflicting opinion develops between the Company and the bargaining unit members as to a condition being hazardous, the Company and the bargaining unit members shall agree to abide by the decision of the Safety Committee. If corrective action is necessary, it shall be done in a manner to be acceptable to all State and Federal safety laws.

- B. The Safety Committee will consist of equal representation by employees and management. Said Committee will hold monthly meetings and maintain appropriate records of such meetings.

- C. The Company agrees to pay one hundred ~~twenty-five~~ **fifty** dollars (~~\$125.00~~) **(\$150.00)** towards the purchase of prescription ground safety glasses once each calendar year.

- D. The Company will advance up to ~~five~~ **seven** hundred ~~fifty~~ dollars (~~\$500.00~~) **(\$750.00)** towards the purchase of tools and work wear upon submission of written request and supervisor approval. This advance will be deducted from payroll in no more than ten (10) equal payments.

- E. Drug Screening

The Company and the Union jointly recognize that the use of drugs and alcohol, which adversely affects job performance, constitutes a serious threat to efficient operations and to the safety of fellow workers.

It is, therefore, agreed that the Company's Substance Abuse Policy (implementation date: December 15, 1995) is an integral part of this Contract.

ARTICLE 16: SENIORITY

- A. With a view to maintaining the most harmonious relations possible and the utmost teamwork between employees, work shall be distributed as evenly as possible among employees in their various classifications. In all layoffs and re-employment, the rule of class seniority shall prevail, where seniors are qualified and capable of doing the available work. Classification seniority for the purpose of this Article will be based upon plant hire date. All skill levels within a classification will be placed on the same seniority list.

These classifications are:

Skill Level:

Requirements:

Helper 1

Entry level for plant support.
Exercises common sense and good judgment.
Works with immediate supervision.

Helper 2

Can perform support job requirements within the assigned classification.
Demonstrates initiative and ability to learn job requirements.
Works with immediate supervision.

Machinist

Able to operate basic manual equipment; bridgeports, lathes, drill press, hand tools, etc.
Able to run repetitive parts or like parts with minimal direction from supervisors.
Selects, aligns, and secures holding fixtures, cutting tools, attachments, etc.
Possesses basic machine shop knowledge, basic math skills, and the ability to read drawings.
Able to measure and verify part to print.
Able to clean, lubricate and maintain machine tools.
Demonstrates initiative and ability to identify potential problems. Owns basic tools of the trade.
Works with immediate supervision.

Journeyman Machinist Able to understand, read and write NC codes and make program adjustments on the floor.
Able to train others and share knowledge.
Demonstrates leadership characteristics.
Able to proficiently operate most machine shop equipment.
Able to fabricate and modify tooling such as jigs, fixtures, and templates to produce parts.
Possesses advanced machine shop math skills.
Able to travel in support of customer field service.
Owns all of the necessary tools of the trade.
Can work efficiently with minimal supervision.
Can establish work procedures for machining new parts.
Possesses a minimum of two (2) years experience with the company, or
an equivalent experience within the industry.
Demonstrates the ability to troubleshoot and problem solve.

**Fabrication Specialist
(Weld, Sheet Metal,
Paint/Deburr, Saw)** Can perform repetitive or like jobs within the classification.
Has education or on the job training that is sufficient to meet job requirements.
Shows initiative and ability to identify problems.
Owns all basic tools of the trade.
Works with immediate supervision.

Fabrication Journeyman Possesses an understanding of all areas of fabrication.
Possesses an understanding of equipment assembly procedures.
Able to train others and share knowledge.
Demonstrates leadership characteristics.
Can work efficiently with minimal supervision.
Able to travel in support of customer field service.
Owns all of the necessary tools of the trade.
Possesses a minimum of two (2) years experience with the company, or
an equivalent experience within the industry.
Demonstrates the ability to troubleshoot and problem solve.

**Mechanical Assembly
Specialist** Can perform repetitive or like jobs within the classification.
Has education or on the job training that is sufficient to meet job requirements.
Shows initiative and ability to identify problems.
Owns basic tools of the trade.
Works with immediate supervision.

Mechanical Assembly Journeyman Possesses an understanding of equipment functionality.
Can perform full line, startups with minimal assistance.
Basic understanding of machining tolerances.
Able to train others and share knowledge.
Demonstrates leadership characteristics.
Can work efficiently with minimal supervision.
Capable of performing all job requirements within the classification.
Able to travel in support of customer field service.
Owns all of the necessary tools of the trade.
Possesses a minimum of two (2) years experience with the company, or
an equivalent experience within the industry.
Demonstrates the ability to trouble shoot and problem solve.

Electrical Assembly Specialist Can perform repetitive or like jobs within the classification.
Has education or on the job training that is sufficient to meet job requirements.
Shows initiative and ability to identify problems.
Owns basic tools of the trade.
Works with immediate supervision.

Electrical Assembly Journeyman Possesses an understanding of equipment functionality.
Can perform complex, full line, startups with minimal assistance.
Capable of modifying programs in PLC and drives.
Able to train others and share knowledge.
Demonstrates leadership characteristics.
Can work efficiently with minimal supervision.
Capable of performing all job requirements within the classification.
Able to travel in support of customer field service.
Owns all of the necessary tools of the trade.
Possesses a minimum of two (2) years experience with the company, or
an equivalent experience within the industry.
Demonstrates the ability to trouble shoot and problem solve.

Manufacturing Support Specialist (Maintenance, Shipping and Warehouse) Can perform all job requirements within the classification.
Has education or on the job training that is sufficient to meet job requirements.
Works with immediate supervision.

Tradesman

Plantwide **Position:** ~~a minimum of 10% of bargaining unit workers will be assigned to this level on or before 12/31/2013.~~
Possesses a minimum of four (4) years Journeyman experience with the Company.
Displays expertise in multiple Classifications.
Possesses a complete understanding of manufacturing capabilities.
Able to travel in support of customer field service.
Can perform complex, full line, startups with minimal assistance.
Able to train others and share knowledge.
Demonstrates leadership characteristics.

The Company agrees not to establish any new classifications or skill levels for the life of this contract without the agreement of the Union.

- B. Seniority shall be determined from the records of the Company, based upon plant seniority. For current people, with the same date of hire, use their current placement on the list. For new hires with the same hire date, use the date they completed their probationary period for placement (not date). If there is still a tie, the order of placement will be at Company discretion.
- C. No employee shall be entitled to seniority rights in a classification until completion of a probationary period [eight hundred (800) working hours or a six (6) month period of time, whichever is longer], whereupon seniority rights shall be retroactive to the date of hiring (new employees) or date work started in classification (promotions, transfers and/or demotions).
- D. In the event of a layoff, employees who have reached their first anniversary date shall retain their seniority for twelve (12) months from their layoff date. Employees who have not reached their first anniversary date shall retain their seniority for six (6) months. In the event of an absence caused by illness or a leave of absence granted by the Company, the employee shall retain seniority for twelve (12) months following the first day of the absence unless said seniority is extended by mutual agreement between the employee and the Company. In the

event of an industrial accident, the employee shall retain seniority until such time that the employee is released by a physician to return to work.

- E. In all layoffs, the last person in the classification shall be the first person laid off providing seniors are qualified and capable of doing the work that is available. In a layoff due to a reduction in work force, the employee (providing seniority has been established) shall be given a minimum of three (3) working days notice. All employees will have the right to bump provided the employee is qualified, willing and capable of doing the available work.

If a senior employee chooses to not exercise his/her right to bump and takes a lay-off, the senior employee relinquishes all rights to recall by seniority in the lower skill levels in other classifications. The employee will be recalled when a position opens in the classification and skill level from which he/she was laid-off. In the event an employee chooses to bump, but no positions are available, the employee will be recalled to the first qualified position available if senior to others in a similar situation.

1. Seniority in all classifications will be determined by plant seniority, plant seniority being date of hire.
2. Qualified to bump means:
 - a. If lower skill level bumping to is in the same classification, or;
 - b. If employee has completed eight hundred (800) working hours or a six (6) month period of time, whichever is longer in the classification bumping to, or;
 - c. If none of the above apply the Company will decide whether the employee will be allowed to bump.

d. Higher skill levels from any classification can displace Helper 1's.

F. In all recalls, the last person laid off in a classification shall be the first person hired back in that classification providing seniors are qualified and capable of doing the work that is available.

If the person being recalled has been away from work due to layoff, leave of absence, or industrial accident for more than sixty (60) days, they will be subject to a drug screening subject to Article 15 as a condition of reinstatement.

In the case of lay-offs out of seniority where a senior employee volunteers to be laid-off in place of a less senior employee, the last person laid off will be the first person hired back. In the case of lay-off out of seniority where the senior employee is not qualified or capable of doing the available work, the senior employee will be the first employee hired back providing he/she is qualified and capable of doing the available work.

G. Employees shall only lose their seniority rights for one of the following reasons:

1. Voluntary termination
2. Discharge for proper cause
3. Failure to report from layoff within five (5) working days after receiving notification to return to work
4. Failure to keep the Company informed of current address and phone number where he/she can be reached when on layoff

H. A seniority list shall be posted in the shop and kept current, no less often than

once a quarter.

- I. Senior employees shall have shift preference within their classifications and shall be able to exercise this right no more often than once every six (6) months, providing seniors are qualified and capable and the Company's production requirements are met. Company must honor preference within thirty (30) calendar days.

4th & 5th Shifts: These two shifts will be strictly voluntary for all employees with a plant seniority date prior to July 01, 2006.

The Company will determine the number of employees on each shift and will notify employees of a shift change at least five (5) working days prior to the shift change.

- J. When an employee is promoted to a salaried position, said employee shall be kept on the seniority list for one (1) year. Seniority time in their classification will accrue and the employee would be allowed to withdraw from the Union. If the employee returns to the bargaining unit prior to the expiration of the one (1) year period, his/her seniority will not be affected.

When an employee changes classifications, said employee shall be kept on the seniority list in his/her previous classification until he/she has established seniority in the new classification.

- K. All classification openings will be posted plant-wide with description of qualifications for a period of three (3) working days. For current employees applying for openings, seniority shall prevail providing applicants are qualified and qualifications are equal. A classification opening is defined as a position that is to be filled with an anticipated duration exceeding thirty (30) calendar days. All posted openings if not filled within fifteen (15) working days after being

posted will require re-posting of position to be filled if Company intends to fill the position.

Skill level openings will be posted within classifications.

- L. Any employee promoted to a higher skill level or transferred to a different classification shall complete an eight hundred (800) hour probationary period. If the employee is not suited for the skill level or transfer, the employee may be returned to the previous classification and skill level and rate of pay.

ARTICLE 17: HEALTH AND WELFARE

- A. MEDICAL: The Company will provide medical insurance and will provide written definition of eligibility rules (Exhibit A). The Company retains the right to select insurance carriers and/or self insure this medical coverage. Summary plan descriptions for medical coverage will be provided to all eligible employees.

The Company agrees to allow employee representation in medical insurance renewal discussions and/or selection of plans.

For the plan year beginning January 1, 2020 employees/employer portion of the Core Plan of the 6-tier of medical premium rate structure will be what was outlined and communicated during open enrollment meetings. For those employees in the Buy-Up Plan the Company will pay the same corresponding amount as the Core Plan Company contributions with the employee making up the difference of the premium.

Starting January 01, 2017 ~~2021 to 2023~~, employees ~~will continue to pay the current 2016~~ the employer will pay 80% of health and welfare contributions toward the Core Plan of the 6-tier medical premium rate structure. For those employees in the Buy-Up Plan the Company will pay the same corresponding amount as the Core Plan Company contribution with the employee making up the difference in the premium.

~~Starting January 1, 2018 and for the duration of the contract, any future premium increases in the core plan will be split equally between the Company and the employee. For the Buy Up Plan, the Company will pay the same corresponding amount as the Core Plan Company contribution with the employee making up the difference.~~

Based on the migration of employees from the Company sponsored plan into the State or Federally sponsored exchange programs and the associated penalties and fees, the Company reserves the right to discontinue offering medical insurance if it becomes economically unfeasible.

- B. DENTAL: The Company will provide dental insurance and will provide written definition of eligibility rules (Exhibit A). The Company retains the right to select insurance carriers and/or self insure this dental coverage. Summary plan descriptions for dental coverage will be provided to all eligible employees.

The Company agrees to allow employee representation in dental insurance renewal discussions and/or selection of plan. The Company will pay a flat rate of one hundred dollars (\$100.00) per month per employee toward a composite rate premium for the dental plan mutually agreed upon between the Company and employees. Any amount over one hundred dollars (\$100.00) will be paid by the employee.

- C. LIFE AND DISABILITY INSURANCES: The Company will provide group insurance for employees as summarized in paragraphs 1 through 3 and will provide written definition of eligibility rules (Exhibit A). These summaries describe levels of coverage. Details including exclusions, standard provisions, additional benefits and termination are contained in the actual policies. Summary plan descriptions will be provided to all employees. The Company retains the right to select insurance carriers and/or self insure any of these coverages provided the benefits are similar to those outlined in paragraphs 1 through 3.

- 1. LIFE INSURANCE: The Company will provide group life insurance coverage of \$10,000 per eligible employee and \$4,000 for spouse and \$2,000 for children birth to 21, or 25 if still in school.

2. ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE: The Company will provide accidental death and dismemberment insurance coverage of \$35,000 per eligible employee, \$10,000 per spouse, and \$2,500 per dependent child.

3. SHORT TERM DISABILITY: The Company will provide an accident and sickness benefit of two hundred fifty dollars (\$250.00) per week if the employee is disabled and under the care of a licensed medical doctor. Benefits will be payable only if the employee is unable to work because of an off-the-job accident or sickness not covered by a Workers' Compensation Act.

Benefits are payable on the first day of disability due to an accident and from the first day of hospitalization for illness. Benefits are payable on the eighth day for a non-hospitalized illness. Payments will continue as long as the employee is disabled, up to a maximum of twenty-six (26) weeks for each period of disability.

It shall be at the option of the employee to use or not use accrued vacation to cover some or all of the leave.

Periods of disability due to the same cause will be considered the same period of disability unless they are separated by return to full-time work for at least two (2) weeks. Periods of disability due to different causes will be considered different periods of disability if they are separated by return to full-time work.

EXCLUSIONS: No accident and sickness insurance benefits shall be paid for disability resulting from or contributed to by any of the following:

- a. Intentional self-destruction or intentional self-inflicted injury.

- b. A period of disability during which the claimant is not regularly attended by a legally qualified physician or practitioner. Employees must provide Company with doctors' certifications regarding inability to work and/or limitations on work.
- c. Any act of war, declared or undeclared, or any unfriendly act of one nation against another or any act of armed aggression, if such act occurs while the individual is insured under the policy.
- d. Participation in a riot.
- e. Injury sustained in the course of any occupation or employment for profit for which benefits are payable under any Workers' Compensation Act.

D. ~~FAMILY AND MEDICAL LEAVE ACT: The Company will provide a family/medical leave of absence, without pay, in accordance with the Family and Medical Leave Act (FMLA) of 1993 and revised as of 11/25/2009. Eligibility, leave entitlement, maintenance of health benefits, and job restoration will be provided as defined and required by the Act. Employees requiring an FMLA leave will provide the Company with as much advance notice as is practicable, provide all medical certifications and periodic re-certifications as required by the Act and requested by the Company, and provide reports, not less frequently than monthly, regarding the employee's status and intent to return to work. Absences where benefits are paid under the Short Term Disability Plan will be construed as FMLA leave.~~

Eligible employees will be granted Family Medical Leave Act leave pursuant with the terms and conditions of that Act, applicable to federal regulations and state laws.

ARTICLE 18: ASC MACHINE TOOLS PROFIT SHARING AND RETIREMENT PLAN

The Company has established an Employees' Profit Sharing Plan and Trust qualified under Sections 401 and 501 of the Internal Revenue Code. Details of this plan are available for each of the employees.

For each plan year, the Company shall contribute to the Plan an amount to be determined in accordance with the Resolution of the Board of Directors of the Company. In no event shall the Company be required to contribute for any Plan Year any amount which is in excess of the amount the Company may lawfully deduct under the Provisions of Section 404 of the Internal Revenue Code.

The Board of Directors of ASC Machine Tools, Inc. has adopted a resolution guaranteeing union representation on the advisory committee managing the Plan. Such representative shall be elected by the bargaining unit.

The Company has added to its Profit Sharing Plan and Trust Agreement a 401(k) option. Details of this option, which is fully described in the Trust Agreement (incorporated by this reference and to which these provisions are subject), are available for each of the employees.

The Company agrees to provide matching funds of \$1.00 for \$1.00 (100%) of the participating employee's contribution up to the following limits:

~~Calendar year January 01, 2017 through December 31, 2017 \$2,500.00~~

~~Calendar year January 01, 2018 through December 31, 2018 \$2,600.00~~

~~Calendar year January 01, 2019 through December 31, 2019 \$2,700.00~~

Calendar year January 01, 2020 through December 31, 2020 \$3,000.00

Calendar year January 01, 2021 through December 31, 2021 \$3,100.00

Calendar year January 01, 2022 through December 31, 2022 \$3,200.00

Calendar year January 01, 2023 through December 31, 2023 \$3,300.00

Note: To receive the Company matching funds the plan requires the employee to work one thousand (1,000) hours and be a plan participant at year-end. (Any employee who retires at age sixty-five (65) or older or dies during a Plan year is considered a participant at that year-end.)

ARTICLE 19: SHOP ATTIRE

The Company shall furnish clean, laundered coveralls or a shop coat for those employees who commit to use them each week. There shall be no monetary recourse to the Company should any employee or employees not receive attire for any given week or weeks for reasons beyond the control of the Company.

This article may be amended and compliance made mandatory if the Company and Union mutually agree on appropriate and safe attire for individual work areas.

ARTICLE 20: JURY DUTY

Any employee with more than sixty (60) days service with the Company, required by law to serve as a juror, shall be reimbursed by the Company for work time lost on the basis of the difference between the employee's base rate and all premiums of pay and the jury allowance (excluding travel pay) on an hour-by-hour basis. The employee must provide a copy of check or check stub so the Company can calculate its obligation.

When called for jury duty, the employee must notify the Company as to dates when he/she must report for such service by providing a copy of the summons. If the employee is relieved of jury services for any days during their service period they will be expected to report for work. If the employee is relieved of jury services in the morning, he/she will report for work within a reasonable time. Employees serving on jury and working other than the normal day time shift shall be temporarily transferred to the day time shift and paid at the normal day shift rate of pay.

ARTICLE 21: GENERAL PROVISIONS

- A. Employees shall be paid every two (2) weeks on a Thursday. If the regular payday falls on a holiday, they shall be paid on the day preceding the holiday.
- B. Bulletin boards shall be maintained in the area of each time clock used by the bargaining unit for posting rules and regulations for the Union and other Union matters of interest to members of the Union.
- C. The Company shall be the judge of the competency of employees.
- D. Prior to any employee being discharged or disciplined, he/she shall be warned, except where in the judgment of the Employer the nature of the offense is sufficiently serious to warrant immediate discharge. Documented verbal warnings and written warning letters will be retained in the employee's file for twelve (12) months. Suspensions will be retained in the file for thirty-six (36) months.
- E. The Company shall maintain a suitable washroom and keep same in a sanitary condition.
- F. Customers' employees shall be allowed to follow and supervise work going through the shop and will be allowed to start-up and train on the customer's equipment.
- G. Should any provision or provisions of this Agreement or any application thereof become unlawful by virtue of any Federal or State Law or Executive Order of the President of the United States or Governor of the State of Washington pursuant to law, or final adjudication of any court of competent jurisdiction, the provisions or application of a provision of this Agreement shall be modified in compliance with the law, order or final adjudication, but in all other respects the provisions of the Agreement shall continue in full force and effect to the life thereof.

- H. It shall be agreed by all employees covered under this Agreement and the Union that when this Agreement is signed and becomes effective, the terms and conditions of this Agreement will replace all wage rates, fringes, marginal benefits, terms, conditions, agreements, etc., that have previously been in effect.
- I. The Union recognizes the right of the Company to make such reasonable rules and regulations not in conflict with this Agreement as it may from time to time deem best for the purposes of maintaining order, safety or effective operation of its plants and, after advance notice thereof to the Union and the employees, to require compliance therewith by employees. The Union reserves the right to question the reasonableness of the Company's rules and regulations through the Grievance Procedure.
- J. The Company shall retain the sole right to manage its business, including the right to decide the number and location of plants, the machine and tool equipment, the products to be manufactured, the method of manufacturing, the schedules of production, the process of manufacturing or assembling, together with all designing, engineering and the control of raw materials, semi-manufactured and finished parts which may be incorporated into the products manufactured, to maintain order and efficiency in its plant(s) and operations, to hire, lay off, assign, transfer, and promote employees and to determine the number of hours to be worked, and all other rights and prerogatives subject only to such regulations and restrictions governing the exercise of these rights as are expressly provided in this Agreement.
- K. It is the continuing policy of the Company and the Union to promote affirmative action in order to implement the democratic principle that all individuals are entitled to equal employment, promotion, training, placement, and transfer opportunities as set out in all State, Federal and Municipal laws and codes.
- L. The Business Representative of the Union shall be permitted to enter Company

premises during working hours for the performance of official Union business, upon advising the office of the Company. The Business Representative shall not interfere with the normal work of any employees or operations of the plant.

ARTICLE 22: TOOL INSURANCE

The Company will reimburse employees for loss of employee-owned tools in case of proven theft or fire at the Company's premises with a maximum limit of five thousand dollars (\$5,000.00) on each loss less fifty dollars (\$50.00) on each loss. Claims will be honored only for tools which have been listed on an appropriate inventory form filed with the Company. Employees shall notify management whenever they remove their tools from the Company's premises. All theft losses must be reported to the police or proper authorities. The Company shall have the option of obtaining insurance for the payment of said claims. The Company shall have the right to verify the inventory form on file at any time.

ARTICLE 23: BEREAVEMENT LEAVE

Up to twenty-four (24) hours bereavement leave with pay will be granted to an employee on the active payroll who, because of death in his/her immediate family, takes time off from work during his/her normal work schedule. Such pay shall be at the straight time base rate; however, such pay will not be applicable if the employee receives pay for such time off under any other provision of this Agreement. Bereavement leave must be taken on consecutive workdays as selected by the employee within ten (10) calendar days following the death (or evidence of belated notification of death). For the purposes of this Article, the "immediate family" is defined as follows: spouse, mother, father, mother-in-law, father-in-law, children, stepchildren, brother, half-brother, sister, half-sister, son-in-law, daughter-in-law, great-grandparents, grandparents, grandchildren, and spouse's grandparents.

ARTICLE 24: SICK LEAVE

During the term of this contract all employees covered by this Agreement will receive one (1) hour of paid sick leave for every forty (40) hours worked.

All hours worked on fourth (4th) and fifth (5th) shifts will be multiplied by one hundred sixteen percent (116%) and applied to the above calculations.

Paid sick leave will be used in increments of **one fourth (1/4) of an hour** ~~not less than one (1) hour blocks~~ and not in excess of the regularly scheduled shift. Any unused paid sick leave shall accumulate into an individual's paid sick leave bank of not more than one hundred sixty hours (160).

ARTICLE 25: DURATION CLAUSE

This Agreement will become effective January 01, ~~2017~~ 2020, and shall continue in full force and effect through December 31, ~~2019~~ 2023, and from year to year thereafter provided, however, either party hereto may reopen or terminate the Agreement by giving the other party notice in writing at least sixty (60) days prior to the anniversary date of December 31, ~~2019~~ 2023, or December 31 of any year thereafter.

Signed this ____ day of _____, ~~2016~~ 2019 at Spokane, Washington.

By: _____
Ray McGriff, Jr.
Chief Executive Officer
ASC Machine Tools, Inc.

By: _____
Steve Warren
Business Representative
District 751, Local Lodge 86

EXHIBIT A

ARTICLE 17: HEALTH AND WELFARE DEFINITION OF ELIGIBILITY RULES

The eligibility for health and welfare benefits in Sections A through C.2 will commence the first day of the month following two (2) continuous months of full-time employment. Eligibility for C.3. Short Term Disability will commence the first day of the month following six (6) continuous months of full-time employment. Full time employees are those employees who are scheduled to work the Company's established normal workweek on a regular basis. Such eligibility will cease at the end of the month in which employment with the Company terminates.

When an employee covered by benefits is placed on layoff, the Company will continue to provide benefits described in Sections A through C.2. in the month of layoff and the following month. Employees will be responsible for any premium co-payment required under Sections A and B. If an employee on layoff has not been called back to work prior to the termination of benefits, coverage may be extended under the provisions of COBRA. Eligibility for Short Term Disability described in Section C.3. will terminate as of the date of layoff.

An employee returning from layoff whose seniority with the Company has not been terminated will be eligible for benefits beginning the month the employee returns back to work if he/she returns on or before the 15th of the month or the first of the month following return to work at the employee's discretion. If the employee returns after the 15th of the month, they will be eligible for benefits beginning the first of the month following return to work.

An employee who becomes disabled, whether occupational or non-occupational, shall have his or her eligibility continued by the Company during the term of the disability up to a maximum of six months, beginning with the month following the month of

disability. Disability shall be established by qualifying for weekly indemnity disability benefits under the Worker's Compensation Act or from the Company's Short Term Disability Plan.

If an employee is absent under an approved personal leave of absence, eligibility for health and welfare benefits described in Sections A through C.2. ceases at the end of the month that such leave commences. Coverage for Short Term Disability described in Section C.3. terminates as of the beginning date of the leave of absence. Coverage in subsequent months may be extended under the provisions of COBRA. An employee returning from an approved personal leave of absence whose seniority with the Company has not been terminated will be eligible for benefits beginning the month the employee returns back to work if he/she returns on or before the 15th of the month or the first of the month following return to work at the employee's discretion. If the employee returns after the 15th of the month, they will be eligible for benefits beginning the first of the month following return to work.