

AGREEMENT

Between

SAUDER CUSTOM FABRICATION, INC.

and

**INTERNATIONAL BROTHERHOOD OF BOILERMAKERS,
IRON SHIPBUILDERS, BLACKSMITHS, FORGERS
AND HELPERS, LOCAL NO. 83**

I N D E X

PREAMBLE 1

ARTICLE I - PURPOSE2

ARTICLE II - RECOGNITION2

ARTICLE III - MANAGEMENT RIGHTS3

ARTICLE IV - DISCIPLINE AND DISCHARGE4

ARTICLE V - GRIEVANCES5

ARTICLE VI - ARBITRATION8

ARTICLE VII - LAYOFFS, RECALLS AND TRANSFERS10

ARTICLE VIII - HOURS OF WORK11

ARTICLE IX - OVERTIME.....12

ARTICLE X - SENIORITY.....13

ARTICLE XI - VACATIONS.....15

ARTICLE XII - HOLIDAYS.....17

ARTICLE XIII - LEAVE OF ABSENCE..... 17

ARTICLE XIV - JURY DUTY.....18

ARTICLE XV - NO STRIKE-NO LOCKOUT.....19

ARTICLE XVI - WAGES19

ARTICLE XVII - COST OF LIVING ADJUSTMENTS21

ARTICLE XVIII - GENERAL PROVISIONS21

ARTICLE XIX - INSURANCE PROGRAM24

ARTICLE XX - PROFIT SHARING26

I N D E X (Cont'd)

ARTICLE XXI - PART-TIME EMPLOYEES' BENEFITS28

ARTICLE XXII - AUTHORIZATION TO VISIT PLANT28

ARTICLE XXIII - FUNERAL LEAVE.....28

ARTICLE XXIV - LEGALITY OF CONTRACT28

ARTICLE XXV - CHECK-OFF SYSTEM28

ARTICLE XXVI - DURATION OF AGREEMENT.....29

SCHEDULE A - GROUP CLASSIFICATIONS.....30

SCHEDULE B - AUTHORIZATION FOR CHECK-OFF FROM WAGES.....31

SCHEDULE C - JOB CLASSIFICATIONS32

SCHEDULE D - SUBSTANCE ABUSE POLICIES AND PROCEDURES 35

AGREEMENT

THIS AGREEMENT made and entered into by and between Sauder Custom Fabrication, Inc. of Emporia, Kansas, hereinafter referred to as the Company, and the INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIPBUILDERS, BLACKSMITHS, FORGERS AND HELPERS, LOCAL NO. 83, hereinafter referred to as the Union.

FOR THE PURPOSES SET FORTH, and in consideration of the mutual promises of the parties contained herein, the parties do hereby covenant and agree as follows:

ARTICLE I - PURPOSE

Section 1. It is the intent and purpose of this Agreement to promote the friendly industrial and economic relationship between the employees of the Company and to set forth herein the rates of pay, hours of work and conditions of employment to be observed between the parties hereto.

Section 2. The Union, therefore, agrees that it will cooperate with the Company and support its efforts to assure a full day's work on the part of its members; that it will actively combat any practices which restrict production. The Union further agrees that it will support the Company in its efforts to eliminate waste in production; conserve materials and supplies; improve the quality of workmanship; prevent accidents; and strengthen good will between the Company, the employees and customers and the public.

ARTICLE II - RECOGNITION

Section 1. The Company hereby recognizes the Union as the sole and exclusive collective bargaining representative for that unit certified in the National Labor Relations Board Case No. 17-RC-4630, and covering the Company's employees at its plant located at 220 Weaver Street, Emporia, Kansas. The principal offices of the Company are located at 220 Weaver Street, Emporia, Kansas.

Section 2. The Union's representation is limited to the employees in the bargaining unit, and does not pertain to the work they perform.

Section 3. The Company agrees not to sublet any of its work to any other concern to be conducted on Company plant facilities for the sole and primary purpose of discrimination against the Union. However, this section shall not be construed to prohibit the Company from exercising any of its rights and prerogatives as provided in Article III of this Agreement.

Section 4. The employees represented by the Union and covered by this Agreement are sometimes herein collectively referred to as employees or individually as the employee.

Section 5. The term he shall be deemed and construed to mean he or she and the term man shall be deemed to mean male and female.

Section 6. The Company agrees to abide by all valid applicable non-discrimination laws.

ARTICLE III - MANAGEMENT RIGHTS

Section 1. The Company retains sole and exclusive responsibility for the management of the business and the direction of the working force and complete authority to exercise those rights and powers incidental thereto, including the right to make unilateral changes, except as specifically modified by this Agreement, including by way of general example and not by limitation, exclusive authority to determine the nature and location of operations; the sole right to hire, discipline, discharge for just cause, layoff, recall, assign shifts, assign work or make job assignments, promote and transfer employees; to determine the source and essential character of components, parts and pre-assemblies to be produced, contracted or subcontracted and the type of products and components to be manufactured; the methods, processes, standards of production and the continuance, discontinuance, establishment, or re-establishment or modification of such methods; installation of new equipment, establishment of new departments and discontinuance of existing departments and the right to sub-contract work; subject only to the restrictions and regulations governing the exercise of these rights as are expressly provided in the express provisions of this contract, all without liability to the Union or its employees, except as may be required by law or an express provision elsewhere in this Agreement as that provision expressly sets forth and applies.

Section 2. The Company shall retain the right to determine the location at which its operations shall be conducted and may, in its discretion, discontinue, resume or relocate any operation without liability to the Union or the employees, except as may be required by law or an express provision elsewhere in this Agreement as that provision expressly sets forth and applies. However, the Company agrees that it will not change the location of operations, in whole or in part, for the sole and primary purpose of discrimination against the Union, however, this section shall not be construed to prohibit the Company from exercising any of its rights and prerogatives as provided above and elsewhere herein.

Section 3. The foregoing enumeration of the rights of Management is not intended to exclude other management rights not specifically enumerated. The only limitation on any management right, power, privilege, prerogative or authority which the employer had or possessed prior to its having recognized the Union shall be such express limitation by a specific provision of this Agreement as that provision expressly sets forth.

Section 4. The Company shall specifically retain the right to establish new departments within the bargaining unit, and employees assigned to such departments shall be paid in accordance with the provisions of Article XVI of this Agreement.

Section 5. Provisions of this Article shall not be subject to the grievance procedure or arbitration unless a specific Article of this Agreement applies to the specific situation and so provides.

Section 6. It is understood and agreed by the parties that the exercise by the Company of any of the rights and prerogatives set forth or provided herein shall not constitute a lockout.

ARTICLE IV - DISCIPLINE AND DISCHARGE

Section 1. Employees are entitled to retain their job on the basis of good behavior, efficiency, honesty and the availability of work to be performed. The Company shall have the right to discipline or discharge any employee who fails to meet the foregoing conditions, and particularly, but without limitation, the following will be considered just cause sufficient grounds for discharge of an employee:

1. Stealing.
2. Unjustified refusal to follow instructions of a supervisor; provided, only a bona fide reason based entirely on a bona fide question of health or safety for the employee shall constitute a justified refusal.
3. Gambling, in any form, on Company property, or on the premises of any Company project.
4. Violation of the company's Substance Abuse Policies and Procedures, attached as Schedule D.
5. Willful neglect or carelessness resulting in damage to Company property or equipment, or deliberate destruction or damage of property or equipment of the Company, of a customer or of another employee of the Company.
6. The Company will follow applicable law regulating their discipline of an employee for excessive garnishments.
7. Absent from work or tardy in violation of the Company's Attendance Policy.
8. Absent from work for three (3) consecutive working days without notification to the Company.
9. Failure to return as scheduled from a leave of absence authorized by the Company in writing.

10. Failure to return to work from a layoff within the time limits provided in Article VII, Section 7.
11. Working for another employer when the Company has available work during a scheduled work period. Sundays and holidays are not scheduled work days unless an employee is working a staggered work week.
12. Unreasonable or unjustified repeated tardiness within a six (6) month period.
13. Willfully punching, altering, making unavailable or destroying another employee's time card or falsifying a timekeeping or production record.
14. Refusal to accept an overtime assignment if the employee has not worked ten (10) hours per day or sixty (60) hours per week, subject to the provisions of Article IX, Section 1.
15. Violation of safety rules including failure to wear safety equipment specified and provided directly or indirectly by the Company.
16. Recklessness or horseplay.
17. Possessing a prohibited weapon (by law) on the person on Company property.
18. Submitting or having submitted false information or omitting required information when applying for employment with the Company where such matter pertains directly or indirectly to the business or the operation thereof.
19. Intimidating, coercing, threatening or interfering with an employee or a customer of the Company on or off the Company premises.
20. Removing, destroying or defacing a Company-posted bulletin or property.
21. Deliberately testifying or reporting falsely concerning a matter pertaining directly or indirectly to the business or to the operation thereof, a matter pertaining to the application or the observance of this Agreement or to any incident, situation or circumstance involved directly or indirectly in the application or the observance of this Agreement.
22. It is also agreed that there are other conditions which will justify discharge and the Company reserves the right to judge any offense in light of the actual happening. The foregoing enumeration is merely by general example and not by way of limitation.

Section 2. Any employee who has been disciplined or discharged may appeal through the grievance procedure as provided in Article V and Article VI, Section 3(g).

Section 3. The right and responsibility of the Company to determine and establish and to maintain and enforce reasonable standards of production and standards of quality is fully recognized. Continued failure of an employee to meet the standards as established will be considered as due cause for discipline or discharge. The Company shall not be required to retain in its employment any employee who, by himself or in concert with others, engages in an attempt or participates in any plan to control or limit the amount or speed of production or adversely affect the quality of production items.

In the event the Company decides to establish an Incentive Plan during the term of this Agreement, the Union shall be notified and given an opportunity to discuss the Incentive Plan rates before the plan is placed into effect by the Company.

Section 4. The Company shall retain the right to establish and enforce reasonable work rules.

ARTICLE V - GRIEVANCES

Section 1. Definition of Grievance. For the purposes of this Agreement, a grievance shall be limited to a written specific complaint or allegation by an employee that the Company has not complied with the express terms of a cited provision or provisions of this Agreement as such provision or provisions apply to such employee. Should any grievance arise, an earnest effort shall be made to promptly resolve such dispute, claim or complaint in accordance with the grievance procedure set forth herein.

Section 2. A grievance committee of not more than four (4) members may be established by the Union for the purposes of representing employees in the plant for purposes of grievance procedure. The selection of the committee and its chairman shall be left to the Union.

Section 3. It is understood that an employee may present an oral complaint to his immediate supervisor at any time. A grievance shall be first presented in writing signed by the employee to his immediate supervisor within three (3) work days after the grievance becomes known or should have become known to the employee. The employee and a committeeman, if the employee so desires, may meet with the employee's immediate supervisor after working hours to discuss a grievance, if a satisfactory solution is not reached at the time of filing the grievance. In no event shall the employee or a grievance committeeman leave his area of employment to discuss a grievance during working hours. The supervisor shall give his written reply, within three (3) workdays following the presentation of the grievance.

Step 1. If the grievance, following such discussion, has not been resolved, the employee may request a committeeman to initiate a written notice to grievance within

three (3) work days on a form provided. If the grievance is not settled at this point, it shall be handled in the following manner.

Step 2. A grievance not settled in Step 1 may be appealed by the committeeman presenting the written grievance with notice of appeal to the immediate supervisor within three (3) work days from the supervisor's answer to Step 1. A meeting shall be held within three (3) work days after notice of appeal is given between the immediate supervisor and the Plant Superintendent or his designated representative, the employee, the committeeman and the chairman of the committee. Such meeting shall be held at the time designated by the Company. The Plant Superintendent or his designated representative shall give his written answer within three (3) work days after the meeting with a copy to the chairman of the committee.

Step 3. A grievance not settled in Step 2 may be appealed by the committee presenting the written grievance with notice of appeal by a member of the committee to the Plant Manager within five (5) work days from the receipt of the Step 2 answer. A meeting shall be held at a time designated by the Company within ten (10) work days between the Plant Manager, or a delegate selected by the Company and any members of Management, and a Representative of the Union and the Committee. Both the Company and the Union may call in participants in previous steps in the grievance procedure. The Plant Manager, or his designee, shall give his answer within ten (10) work days after the date of such meeting.

Section 4. Rules Governing Grievances.

- (a) A written notice of grievance, submitted and replied to, may not be resolved between the aggrieved employee and any Company representative, unless the Union is represented by a committeeman at such hearing.
- (b) A grievance as provided above involving a dispute, claim or complaint between the Company and the Union over the interpretation or application of any provision of this Agreement, that affects all or a substantial number of employees, may be initiated by the Union at the third step of the grievance procedure.
- (c) Settlement of a written grievance shall be in writing with copies thereof retained by both parties, and the parties, and the participating representatives of the Company and of the Union in each step of the grievance procedure are hereby fully empowered to bind the parties in respect to the settlement of a grievance, but no such settlement shall operate as a change, modification or addition to this Agreement or constitute a precedent in future cases; provided, however, settlements reached at Step 3 of the grievance procedure shall be precedents only in the case of a repetition of the identical circumstances and cited contract provision exclusively as they both were involved in the previous case which is claimed as a precedent.

- (d) Retroactive adjustment of any grievance shall be limited to the date the grievance becomes known or should have become known to the employee in accordance with Section 3 of this Article.
- (e) Failure of the Company to answer any grievance within the time limits specified herein shall automatically move the grievance to the next step. Any of the foregoing time limitations may be extended by mutual consent of the parties.
- (f) For the purpose of this Article, Saturdays, Sundays and holidays will not be considered working days.
- (g) When two or more employees have the same grievance, it shall be filed as one grievance. Regardless of the number of employees affected, the Union may select no more than four (4) employees to represent the group.

Section 5. A monthly meeting of the grievance committee and the Plant Superintendent and/or his delegate shall be held on the second Wednesday of each month. These meetings will be held before the committee's regular work shift starts or after the shift ends.

Section 6. Notwithstanding any other provision contained in this Article, at any meeting involving an employee and concerning a grievance, at the request of supervision, away from the employee's work area, the employee shall have the right to have a committeeman present upon request of the employee.

ARTICLE VI - ARBITRATION

Section 1. Arbitrability of Grievance.

(a) The arbitration procedure hereinafter provided for shall extend only to those issues which are arbitrable under this Agreement. For a grievance to be arbitrable, it shall meet the following conditions:

1. It must have been properly and timely processed through the complete grievance procedure, unless the time limitations have been extended by mutual agreement.
2. It must specifically allege the violation of a cited provision or provisions of this Agreement as such provision or provisions are expressly set forth.
3. It must not require the Arbitrator, in order to rule on the grievance, to add to, subtract, modify or to extend the express meaning to any extent of any terms of this Agreement or to exceed the scope of this jurisdiction as specified in the express terms of this Agreement.

(b) In the event that a question of arbitrability is placed before an Arbitrator, he shall decide the question of arbitrability prior to hearing of the case on its merits, if such is necessary; however, the Arbitrator has authority to determine both issues simultaneously if he desires.

Section 2. Request for Arbitration.

(a) The Union may elect to seek arbitration of any arbitrable issue as such may be specifically provided for above and in that event, a written request to arbitrate shall be made within fifteen (15) calendar days following the date of reply in the third step of the grievance procedure and such request shall state the issue proposed to be submitted to arbitration, the provision or provisions of the Agreement on which the claim rests or out of which dispute arises, and the relief or remedy sought.

Section 3. Selection of Arbitrator.

(a) Within ten (10) days after written notification to arbitrate has been submitted, the Company and the Union shall meet for the purpose of selecting the arbitrator.

(b) If the Company and the Union are unable to select an arbitrator, they shall jointly request the Federal Mediation and Conciliation Service to furnish a panel of five (5). The parties shall alternately strike a name from the panel until one (1) name remains, which shall be the arbitrator. As to the first matter arbitrated, the Union shall strike first, and in subsequent arbitrations, the parties shall alternately strike first.

(c) The arbitrator's jurisdiction to make an award shall be limited and confined to the interpretation or application of the express provisions of this Agreement as they are expressly set forth.

(d) The arbitrator shall not have jurisdiction to make an award which has the effect of amending, altering, enlarging or ignoring the express provisions of this Agreement, nor shall he have jurisdiction to determine that the Company or the Union by practice or implication have amended or supplemented this Agreement, unless the Company and the Union shall expressly submit to him the issue as to whether such an agreement by practice or implication was made. The arbitrator's award so made shall be final and binding. In addition, it is understood that any past practices engaged in by management prior to the execution of this Agreement shall not be considered as an amendment or supplement.

(e) Any claim for wages whether retroactive or not shall be limited to actual over-all net losses incurred by the employee, his wages being computed at forty (40) hours per week, and deducting such other compensation as he may have received or which may be due him for the award period. In no case shall the arbitrator have authority to award punitive damages.

(f) A grievance as provided above, alleging the violation of this Agreement and pertaining to any disciplinary action, including discharge, taken by the Company and which was

based upon a violation of a provision, work rule or regulation in/or provided for in this Agreement shall be subject to arbitration; provided, in case of discharge or suspension and in such case in which the employee denies his guilt and presents a grievance as provided herein above and in so doing and at or prior to the Union's and/or employee's filing in Step 2 of the grievance procedure presents the full evidence of his innocence which he would have an arbitrator review, then in such case only, the sole question of whether the employee did commit the violation on which the disciplinary action was based may be submitted to arbitrator. In such case, should the Arbitrator, reviewing only such evidence as the claimant had timely submitted to the Company and the evidence the Company had submitted in arbitration, rule that the employee has not committed the alleged violation the grievant may be restored to his former position or at the Company's option, a position of substantially equal compensation basis, together with such compensation as he would have received based upon his wage rate at the time of his termination for forty (40) hours per week, for the elapsed period dating from and including the first workday following the work day on which the Company received from him and had available during business hours, such complete and full evidence of his innocence as required above in this Section, and less any amount received by him or due him for such award period in wages, commissions or other compensation from any sources.

(g) In any matter presented to him for arbitration, should the arbitrator find that the Company had substantial or dominant reason for its decision and/or action in the matter presented, the decision and/or action of the Company shall stand.

Section 4. Arbitrator Expenses.

(a) The expense of the arbitrator shall be borne equally by the parties.

ARTICLE VII - LAYOFFS, RECALLS AND TRANSFERS

Section 1. The parties recognize the right and need of the Company to have and maintain a qualified work force at all times. In the event of layoffs which shall not exceed five (5) days, said layoffs shall be by plant-wide seniority, subject to the right of the Company to maintain at all times employees with greater ability, qualifications, and efficiency.

Section 2. In the event of layoffs of more than five (5) days, the following factors will be considered as to employees and when factor (a) is determined by the Company to be substantially equal as among two or more employees, factor (b) will be controlling:

Factor (a): Ability, qualifications, and efficiency in performing the available and required work.

Factor (b): Seniority.

Section 3. Employees will be retained or recalled under this Article only where such employees, in the opinion of the Company, are competent and able to do the available work and are willing to accept such work at the then prevailing wage rate for such work.

Section 4. While an employee shall not have a vested interest in a particular job assignment, in the case of permanent transfers of employees from one group classification to another group classification (as described in Schedule A), the Company will endeavor to give due regard to seniority when, in the judgment of the Company, more than one employee in the group classification is substantially equally qualified (including ability, qualifications, and efficiency) to perform the work that must be filled.

Under the provisions of this section, a transfer shall be deemed temporary where an employee is transferred to another group classification to fill a vacancy created by the absence of another employee or where the transfer is for a period of less than five (5) work days.

Section 5. The employees will be notified five (5) days prior to a layoff, and a list of employees to be laid off will be furnished promptly to the Steward(s) advising of the date of the layoff.

Section 6. Employees with seniority who meet the above listed qualifications and who are willing and qualified to perform the work to be done shall be recalled in reverse order to that in which they are laid off and shall return to their previous assignment and the wage rate for such work (including any annual contract changes as set forth in Article XVI, Section 1, occurring during the employee's layoff) as conditions permit subject to the provisions of Sections 1, 2 and 3 of this Article.

Section 7. Notice of recall may be given by telephone. If the Company is not able to contact the employee by telephone, it will notify him by Registered or Certified Mail at his last known address. Employees will have seven (7) calendar days from receipt or thirty (30) days from mailing of such Notice, whichever occurs first, to report for work, unless special permission is obtained from the Company. In no event shall an employee be entitled to back pay pursuant to this clause, but shall be entitled to the work he would have been assigned if he reports to work within the time limits set forth herein.

Section 8. Employees will be notified at the time of recall of the expected duration of the recall. If such recall is expected to be of short duration (2 weeks or less), then employees may refuse such recall with no loss of seniority or recall rights.

ARTICLE VIII - HOURS OF WORK

Section 1. An employee's work day shall be defined as a consecutive twenty-four (24) hour period beginning with the regular starting time of his shift.

Section 2. The work week payroll period shall be from 12:01 AM Sunday morning through 12:00 midnight the following Saturday. The regular schedule shifts shall consist of five (5) consecutive eight (8) hour days, Monday through Friday, inclusive. However, by mutual agreement between the Company and the Union, a four (4) day, ten (10) hours per day work week may be established without paying overtime in excess of eight (8) hours in any one day. Any work in excess of ten (10) hours in any one day during this schedule shall be paid at the overtime rate in Accordance with Article IX, Section 2.

Section 3. Scheduling.

(a) The work shifts specified in this Article shall not restrict the Company's right to schedule work hours to begin and end at other times. Nothing in this Agreement shall be interpreted as guaranteeing a definite number of hours per day or days per week.

(b) The Company may change or establish work schedules or shifts, and may increase or decrease the number of scheduled workdays per week for an operation, department, or entire plant.

(c) The Company shall endeavor to give at least forty-eight (48) hours advanced written notification of employee shift assignments or work schedules, except in cases of emergency.

Section 4. Employees shall have a ten (10) minute break period for every four (4) hours worked. The time for the break period will be posted on the bulletin board. Smoking will be limited to those areas where smoking is permitted by Company policy.

Section 5. Employees shall be paid normally on Friday, during working hours for all work performed during the previous work week. Errors in paychecks of less than two (2) hours straight time pay or equivalent shall be corrected and adjusted on the following paycheck. Employees who are discharged shall receive their wages and personal property in full immediately when practicable, but within five (5) work days thereafter. Employees who quit shall receive their wages and personal property in full on the regular pay day for their last employment. An employee being laid off shall be paid in full at the close of his last work day.

ARTICLE IX - OVERTIME

Section 1. The Union recognizes the right of the Company to require overtime work. The Union pledges on behalf of its members and itself that employees shall accept overtime assignments occurring before and after their regularly scheduled working days or on days when work is not regularly scheduled; however, consideration shall be given by the Company when overtime would work a hardship on an employee. Overtime work shall be assigned equitably over a quarterly period, insofar as reasonably practicable, provided that in the judgment of the Company, the employee is qualified and capable of doing the work available.

Section 2. Time and one-half the regular straight time rate will be paid for all hours worked in excess of eight (8) hours in a day or forty (40) hours in a work week, except as provided in Article VIII, Section 2, or on Saturday shift unless the employee has taken time off during the preceding week other than at the direction of the Company. All hours worked on Sunday shift will be paid at the double-time rate.

Section 3. For purposes of calculating weekly overtime, work week is defined as from 12:01 AM Sunday through midnight Saturday.

Section 4. There shall be no pyramiding of overtime and/or premium pay for the same hours worked.

Section 5. Hours paid but not worked shall not be counted in the computation of overtime, except hours paid but not worked on Company paid holidays, regularly scheduled vacations, funeral leave, jury duty, and paid lost time due to work related accidents. (A regularly scheduled vacation is one scheduled fifteen (15) days prior to the vacation).

ARTICLE X - SENIORITY

Section 1. After an employee has completed his/her probationary period by working one hundred twenty (120) calendar days, he/she shall obtain plant seniority from the first day of employment following his/her last date of hire except as may be provided elsewhere in this Agreement.

Section 2. Plant seniority and regular employee status shall terminate when an employee:

- (a) Quits for any reason.
- (b) Is discharged for just cause.
- (c) Fails to report for work as scheduled for three (3) consecutive days without notification to the Company.
- (d) Is laid off for a period exceeding twelve (12) months up to five (5) years service and one (1) additional month for each full year of service thereafter.
- (e) Fails to return to work from a layoff within the time limits provided in Article VII, Section 7.
- (f) Is absent from work for any reason, other than military service or authorized leave of absence including an on-the-job injury, for a period exceeding six (6) months, except as provided for layoffs in Item (d) of this section.

- (g) Fails to return to work when scheduled to do so at the end of an authorized leave of absence.

Section 3.

(a) For the purpose of determining seniority for an employee being returned to the bargaining unit, any employee who as a result of promotion or transfer by the Company, becomes classified outside of the bargaining unit immediately after having served within the bargaining unit as described in Article II, Section 1, and who remains within the employ of the Company, shall have his seniority frozen during the period that he is classified outside the bargaining unit.

(b) For the purpose of determining seniority, an employee being promoted or transferred into a classification within the bargaining unit as described in Article II, Section 1, but who, during his continuous uninterrupted service for the Company, did not previously serve in a classification within the bargaining unit, shall accumulate seniority from the first day he serves as an employee within the bargaining unit.

Section 4. A new seniority list shall be posted on the Company bulletin board after the end of each three (3) months, wherein after being posted for five (5) consecutive workdays without being challenged, the list shall become official and binding upon the Company and employees for the current posting period.

Section 5. Shift preference will be determined by the following factors:

Factor (a): Ability, qualifications, and efficiency in performing the available and required work.

Factor (b): Seniority.

Any senior employee who wishes to transfer from one shift to the other may do so if a qualified replacement is available from the shift he or she wishes to transfer to.

Section 6. The Company shall post for two consecutive days any openings on any shift. Qualified employees may apply for such openings with the qualified senior employee being awarded the opening. An applicant's qualifications will be determined based upon the following factors:

Factor (a): Ability, qualifications, and efficiency in performing the available and required work.

Factor (b): Seniority.

If no employee applies for the opening, or **none** of those applying are qualified for the position, then the Company may fill that position **however** they choose, either by training a current employee or hiring a new employee.

ARTICLE XI - VACATIONS

Section 1. Except as provided in Article XIII of this Agreement, an employee's vacation time will be computed as of the anniversary date of his last date of hire, and he shall be entitled to the following number of hours of **straight-time** pay as set forth below for vacation purposes:

- (a) After completion of their **probationary** period, employees receive .8 hours vacation per full week of **service**, retroactive to the date of hire.
- (b) After two (2) years from **their** date of hire, employees receive 1.6 hours vacation for each full week of **service**.
- (c) After seven (7) years from **their** date of hire, employees receive 2.4 hours vacation for each full week of **service**.
- (d) After fifteen (15) years from **their** date of hire, employees receive 3.1 hours vacation for each full week of **service**.

An employee who takes one (1) **day** of vacation from work will be recognized as taking eight (8) hours of vacation time.

Section 2. Eligibility for vacation pay **will** be based upon continuous employment commencing with the employee's last date of hire. Therefore, when an employee has completed his first year of employment, he shall be paid his **vacation** pay by a separate vacation paycheck in accordance with Section 1(a); after completing his second year of employment, he shall be paid his vacation pay in accordance with Section 1(b); **after** completing his tenth year of employment, he shall be paid his vacation pay in accordance **with** Section 1(c); and after completing his twentieth year of employment, he shall be paid his **vacation** pay in accordance with Section 1(d).

An employee who has completed his **first year** of employment and has worked a portion of the second year shall be entitled to a pro rata **portion** of his vacation (based upon one-twelfth (1/12) per each month worked since the anniversary date of the previous year) should he quit, be laid off or terminated; provided, however, that **such** employee who quits the Company has given the required one -week notice on a form **furnished by** the Company.

Section 3. Except as provided in Article XIII of this Agreement, eligibility for vacation pay will be based upon continuous employment commencing with the employee's last date of hire. Continuous employment will require **at least** sixteen hundred (1,600) hours worked during his qualifying employment year. To be **eligible** for vacation pay, an employee must have

worked sixteen hundred (1,600) hours during the employee's preceding employment year. However, regular employees who have successfully completed their probationary period, and have worked for the Company for less than one year, shall be eligible for twenty-four (24) hours of vacation pay after having worked eight hundred (800) hours. Employees then shall be eligible for their additional vacation pay of sixteen (16) hours after completing one year of service as provided elsewhere in this Article.

Section 4. An employee is eligible for vacation pay who is requested by the Company to work rather than take his vacation and shall receive the pay whether a vacation is taken or not.

Section 5. Vacation days will be arranged at the mutual convenience of the employee and the Company insofar as possible. The employee's request for vacation days should be made to the employee's immediate supervisor so that the request can be processed to the convenience of both employee and the Company. However, the Company reserves the right to close the plant for one (1) or more weeks each year for the purposes of allowing vacation time to employees.

Section 6. The Company may require an employee or employees to work during a vacation period accomplished by a plant closing where production or maintenance demands require it; however, the Company shall endeavor to permit as many employees as possible to be absent during their vacation; provided, further, employees required to work at such times shall be entitled to a vacation arranged at the mutual convenience of the employee and the Company.

Section 7. Vacation pay may be accumulated, not to exceed 160 hours with the following schedule:

At least four (4) weeks prior to March 1 of each year, each employee shall notify the Company, in writing, of his or her first and second choice for vacation periods and insofar as practicable, his or her vacation will be granted at times most desired by the employee in question, with due regard for seniority; provided, however, that the final allocation of vacation periods shall rest with the Company in order to insure continuity of plant operation. At least two (2) weeks prior to March 1, the Company will inform employees of the vacation period allotted to them.

No vacation will normally be scheduled to exceed two (2) consecutive weeks.

Section 8. Personal Leave. All regular employees who have successfully completed their probationary period shall be eligible for forty (40) hours of paid personal leave time each year. This personal leave time may be taken in one hour increments for personal or other needs. This time may not be accumulated from year to year, and any unused leave will be paid to the employee the first full payroll period in January, provided the employee is still employed with the Company.

ARTICLE XII - HOLIDAYS

Section 1. Employees who have completed thirty (30) days of continuous employment shall be eligible to receive eight (8) hours straight time pay for the following holidays:

New Year's Day
Memorial Day
Independence Day
Labor Day
Veterans' Day

Thanksgiving
Friday after Thanksgiving
Christmas
Floating Holiday*

*A floating holiday will be selected by mutual consent of the Company representatives and the Union Stewards before March 1 of each year. Employees returning to work after having been absent for any reason and who still retain their seniority as provided in Article X shall be eligible to receive holiday pay.

Section 2. In order to qualify for such holiday pay, each employee meeting the requirements of Section 1 of this Article must also have worked their regularly scheduled work day immediately preceding and immediately following such holiday, unless such employee is on a scheduled vacation or unless prevented from doing so by illness, injury, or other unusual condition or beyond the control of the employee, and the burden of proof of such condition shall rest on the employee.

Section 3. Employees who qualify for such holiday pay shall receive such pay even though the holiday falls on Saturday or Sunday, unless Monday or Friday is designated by the Company as the holiday, in which case they shall receive holiday pay for such designated holiday.

Section 4. Employees who meet all of other requirements in this Article and who perform work on the above described holidays shall receive eight (8) hours pay for the holiday and also shall receive two (2) times their regular hourly rate for the time worked on a shift which begins on one of the above described holidays.

For the purpose of this Article, the holiday is agreed as starting at the beginning of the first shift on the designated holiday, and continuing through the succeeding second and third shifts.

ARTICLE XIII - LEAVE OF ABSENCE

Section 1. The Company agrees to consider employees' request for leaves of absence.

Section 2. Reasonable (as determined by the Company) leaves of absence, not to exceed six (6) months duration, may be granted where the Company determines that its operation

can continue in the employee's absence and where a temporary replacement to perform the employee's job assignment is available; provided, however, when the employee request is based upon temporary physical incapacity of the employee, availability of a replacement shall be considered. When leave of absence is due to sickness or injury of the employee, one (1) extension not to exceed an additional six (6) months duration can be requested by the employee.

Section 3. Working as a self-employed individual or working for another employer during the leave of absence without the prior written approval of the Company shall automatically terminate an employee's leave of absence if an employee is physically able to work for the Company.

Section 4. An employee on leave of absence which exceeds thirty (30) calendar days shall not accrue service credit during the leave except when the leave is due to a compensable occupational injury incurred while in the active service of the Company or as may be required by the Military Service Act.

Section 5. Employees will be granted time off for military service as required by law. If an employee takes time off for training duty in the Reserves and/or National Guard which is in addition to the employee's regular vacation, the Company will pay the difference between pay received from such duty and regular straight time pay which the employee would have received for not to exceed eighty (80) hours, provided the employee has completed one (1) year of active service with the Company prior to such training duty. In order to qualify for such payment, the employee must notify his supervisor promptly on receipt of military training orders and must submit a statement from the appropriate military unit verifying the dates of training and the total military pay not including reimbursed expenses received at the time the employee returns to work.

Section 6. The Company agrees to abide by the provisions of the Family and Medical Leave Act of 1993 (or as amended) and the Union agrees that the Company may implement employee policies to that effect.

ARTICLE XIV - JURY DUTY

Section 1. An employee who is called and reports for jury duty on a schedule workday shall be excused from work and paid for time (not to exceed eight (8) hours) while the employee is involved in such jury duty and reasonable time for travel to and from such jury duty. The employee will be required to present proof of jury service.

Section 2. No employee shall receive more than fifteen (15) eight (8) hour days pay under this Article in the course of a calendar year.

Section 3. For the purpose of computing overtime pay in any week where an employee has served as a member of a jury, any day of jury service will be considered as an eight (8) hour day.

Section 4. Nothing in this Article shall be construed as relieving the employee of the duty of notifying the Company that he will be absent from work.

ARTICLE XV - NO STRIKE-NO LOCKOUT

Section 1. The Union will not cause or engage in or permit its members to cause or engage in, nor will any member of the Union take part in a strike, sit-down, stay-in, slow-down, picketing, sympathy strike, or any other interference with production in or upon the premises or equipment of the Company, or interference with delivery to a customer of the Company during the life of this Agreement. Any employee who violates this provision shall be subject to such disciplinary action without recourse including discharge as the Company may determine. Further, the union agrees to actively combat any such strike, or any other interference with production in or upon the premises or equipment of the Company. The words "actively combat" as used in this section shall mean commencement of positive, corrective action continuing until the strike, sit-down, stay-in, slow-down, picketing, sympathy strike, interference with production or interference with deliveries has ended.

Section 2. The Company agrees that there will be no lockout of employees during the life of this Agreement. It is understood that a lockout means a voluntary cessation of operations of the Company for the sole primary purpose of preventing employees from working. It is further understood and agreed by the parties that the exercise by the Company of any of its rights, privileges or prerogatives set forth as provided in Article III or elsewhere in this Agreement shall not constitute a lockout.

Section 3. An employee who is on strike shall forfeit all wages which might otherwise become due for the period he is on strike, all benefits as they would otherwise apply during such period as he is on strike except where the employee has paid for such benefit, and he shall not accrue seniority or credit for service toward qualifying for any wage increase or benefit during such period as he is on strike.

ARTICLE XVI - WAGES

Section 1. All employees shall have their wages increased by \$1.25 the first full payroll period after ratification by the Union and employees of this Agreement. The first full payroll period after August 29, 2008, all employees shall have their wages increased by 2.5%, and the first full payroll period after August 29, 2009, all employees shall have their wages increased by 3%.

Each job classification shall be placed in wage groups as set forth in Schedule A with duties as provided in Schedule C, provided that an employee shall be placed in one job classification for the purposes of determining that employee's pay. However, an employee may be qualified to perform more than one job classification, and such ability to perform other job classifications shall be considered when determining job vacancies, qualifications, and shift

preference. The minimum rate and maximum rate for an employee normally shall be in accordance with the rates set forth below and by reference made a part hereof.

Wage Groups

I II III IV V

Effective the first full payroll period after the following dates:

8-30-07					
Minimum	\$15.07	\$13.00	\$11.00	\$ 7.25	\$ 7.25
Maximum	19.83	19.35	16.11	10.97	10.89
8-30-08					
Minimum	\$15.45	\$13.33	\$11.28	\$ 7.43	\$ 7.43
Maximum	20.33	19.83	16.51	11.24	11.16
8-30-09					
Minimum	\$15.91	\$13.73	\$ 11.62	\$ 7.65	\$ 7.65
Maximum	20.94	20.42	17.01	11.58	11.49

Section 2. Employees who are not at the maximum rate for their Wage Group shall receive step increases of \$.25 every three months until they reach the maximum of their rate.

Section 3. The Company shall have the sole discretion of designating and assigning leadmen as it deems appropriate. The Company agrees to pay all leadmen \$.50 per hour above their regular rate of pay.

Section 4. It shall be the sole and exclusive right of the Company to pay higher rates and/or grant other compensation than are provided in this Agreement to an employee in any classification without prejudice to itself or to other employees.

Section 5. Shift differential shall be \$.80 per hour for all consecutive hours of work which begin on the 2nd or 3rd shift.

Section 6. When an employee is temporarily transferred to another classification paying a higher rate, he shall receive the higher rate for the duration of such employment, except in a case where in the judgment of the Company, the employee had not established his qualifications to perform the work of the higher classification and the employee had been assigned to the higher classification primarily for training purposes; in which case he shall be paid at the regular rate of his former position until qualified or disqualified within a period of two (2) months; but when an employee is temporarily transferred to another classification receiving a lower rate, his wages shall not be reduced. Recognizing the fact the employer must have some flexibility in placing its employees, it is agreed that an employee moving into a classification

paying higher rate of pay, the employee shall not receive the higher rate until after two (2) working days, except field crew as shown in Section 3 above.

Section 7. The Company has the right to pay individuals more but not less than the rates set forth in the Agreement and it shall also have the right to grant progression raises or blanket raises sooner but not later than the dates shown in the contract.

Section 8. An employee called back after having clocked out and having left the premises shall be guaranteed for (4) hours pay for each such call back provided the call back is not contiguous with his normal working schedule.

Section 9. Any employee who works on heated metal and cannot be protected from temperatures exceeding 150 degrees F. by means of insulation, shields, protective apparel or other means will have his or her straight time rate increased by \$.60 per hour for such time he is actually working in this environment. (The temperature reading is to be taken at the nearest point of the person involved to the source of the heat).

Section 10. The Company may, during the term of this Agreement, create new job classifications or amend existing ones. The Company shall determine the rate of pay and write a job description for such new or amended job classification, and if the Union fails to protest the rate or job description for any such classification within thirty (30) calendar days, by filing the same in writing with the Company, such rate and job description shall become a part of this Agreement. If the Union protests such rate or job description within the thirty (30) calendar day period, the permanent rate and job description shall be established through prompt negotiations between the Company and the Union, based upon the nearest related classification.

ARTICLE XVII - COST OF LIVING ADJUSTMENTS

If the consumer price index has raised over five percent (5%) from August 1, 2007, through July 31, 2008, then all employees shall receive a cost of living upward adjustment computed at three cents (\$.03) for each five tenths percent (.5%) increase in the CPI above five percent (5%). If the consumer price index has raised over five percent (5%) from August 1, 2008, through July 31, 2009, then all employees shall receive a cost of living upward adjustment computed at three cents (\$.03) for each five tenths percent (.5%) increase in the CPI above five percent (5%). If the consumer price index has raised over five percent (5%) from August 1, 2009, through July 31, 2010, then all employees shall receive a cost of living upward adjustment computed at three cents (\$.03) for each five tenths percent (.5%) increase in the CPI above five percent (5%).

ARTICLE XVIII - GENERAL PROVISIONS

Section 1. In cases of sickness, accident, or suspected illness, physical injury or impairment of an employee, the Company may require an employee to submit to a physical examination by a doctor selected by the Company. Unless the physical examination shows

physical competence and freedom from contagious or infectious diseases, the employee shall not be permitted to resume work.

If the employee does not agree with the medical report, he may notify the Company of such fact within one (1) working day after receipt of such report and be examined by a physician of his own choosing on his own time and at his expense within five (5) working days from such notification. If the employee's physician report shows physical competence and freedom from contagious or infectious diseases, the two (2) physicians shall jointly select a third physician who shall examine the employee to determine his physical competence and freedom from contagious or infectious diseases. The third physician's decision shall be final and binding on all parties. The cost of this third opinion and any lost time work by the employee shall be borne equally by the employee and the Company.

Section 2. The Company will erect a bulletin board in a suitable place to be used solely by the Union for posting notices. Notices shall be restricted to the following types:

- (a) Notices of Union recreational and social affairs.
- (b) Notices of Union elections, appointments and results of Union elections pertaining to the local Union;
- (c) Notices of Union meetings.

The bulletin board shall not be used by the Union nor its members for disseminating propaganda of any kind whatsoever; and among other things, shall not be used for posting or distributing pamphlets or political materials.

Section 3. It is understood that the Company may fill any supervisory, group lease or leadman position as it sees fit.

Section 4. All inventions, ideas, techniques or processes developed by employees that have any relation to the work performed for the Company, during the course of their employment by the Company, shall become the sole property of the Company.

Section 5. It is not the intent of the Company to replace any employee by working foremen; however, in the event a foreman is required to work and before he starts to work, the shop steward on the shift will be notified of the need. If such notification is impossible, the shift steward will be notified at the beginning of the following shift.

There shall be no restriction on the work performed by leadmen or group leaders.

Section 6. If an employee is physically unable to perform his assigned work due to health or other physical reasons and at the same time is physically able to satisfactorily perform

other work assignments within the bargaining unit, the Company will endeavor to assign the employee to another work assignment in line with his seniority and ability.

Section 7. Employees shall be required to clock in and out of the plant. Clocking in shall not be permitted at a time earlier than five (5) minutes prior to the commencement of the scheduled work shift. An employee shall not receive compensation for such time unless approval is first received from his immediate supervisor. Employees completing their work schedules shall immediately clock out and leave the plant. No employees shall be permitted to clock in a card of another employee.

Section 8. The Company agrees to make any necessary and reasonable provisions for the safety and health of the employees during the hours of their employment including establishment of a Safety Committee to meet at regular intervals not to exceed three (3) months together with regular communications to employees concerning the current status of appropriate safety matters. Specific procedures will be set forth in the Company Safety Policies. Protective devices, equipment and clothing shall be provided by the employer whenever the Company deems necessary to properly protect employees against occupational injury or disease. The Company shall provide necessary lockers and other facilities for maintaining sanitary conditions throughout the plant. The Company shall provide at no cost to the employee no more often than once in a twelve (12) month period, one (1) "green" welding jacket to the employees required to weld on a regular basis. The Company shall reimburse each employee, once in a twelve-month period not more than one (1) reimbursement of \$160.00 each year of the contract for safety shoes, and once in a twelve-month period not more than \$150.00 for prescription lens safety glasses or not more than \$200.00 for bifocal lens safety glasses, if the glasses are of a style approved by the Company. Examination, prescription, or fitting fees are not paid by the Company. Reimbursement will be made only after submission of proof of purchase. It shall be the obligation of the employee to provide and wear such safety equipment during his work hours.

It is understood and agreed by the parties that the Company shall not be in any way responsible to any extent for any claim resulting directly or indirectly from the use of or failure of any safety equipment provided by the Company directly or indirectly under the above reimbursement plan.

Section 9. Medical Treatment.

(a) Any employee who is injured on the job to the extent that medical care is required shall be provided transportation at the time of injury to and from the place where such care is given and shall be paid at his regular hourly rate for such time lost, not to exceed the regular scheduled shift. Should the employee be sent home because of injury, he shall be compensated for the balance of the day not worked at his regular hourly rate.

(b) Any employee who is required to take time off from his employment during working hours to secure medical treatment or diagnosis as a result of an injury arising out of and in the course of his employment shall be paid at his regular hourly rate not to exceed the regular

scheduled shift for such time required to be lost, provided the employee reports to either a doctor of his or her choice or to the doctor designated by the Company.

Section 10. Employees at their discretion will be permitted to clock out and leave the premises upon their receiving notice of a tornado alert.

Section 11. The Company will agree to continue to grant promotions to employees in preference to newly hired employees when an eligible, qualified candidate is available.

Section 12. The Company will reimburse an employee for tuition and book costs for education courses that are directly related to the employee's work. Courses must be approved by the employee's supervisor prior to enrollment. To qualify for reimbursement, the employee must have completed the course with a C grade or better. Proof of final grade and receipts for the employee's course costs (tuition and books) must be approved by the employee's supervisor who will submit them to the Accounting Department for payment.

Section 13. The Company agrees to provide an air respirator in each work area.

ARTICLE XIX - INSURANCE PROGRAM

Section 1. Life Insurance. The Company agrees to maintain the present life insurance program of \$25,000 per employee and further agrees to pay the costs of the premium for each employee covered by said insurance. No provision of the insurance program shall be subject to the grievance or arbitration provision of this Agreement.

Section 2. Medical Insurance.

(a) **Coverage.** The Company shall provide existing or equivalent medical coverage, or such other coverage as shall be mutually agreeable between the parties, during the term of this Agreement.

(b) **Cost**

(1) **Single Employee.** The Company will pay up to \$213.49 per month for each employee towards the cost of the insurance premium for such medical coverage for single employees. The Company will pay 100% of any increases during each of the remaining 2 years of the contract, up to a maximum of 10% premium increase per year. Any increases in excess of 10% per year shall be split 50% by the Company and 50% by the employee.

(2) **Family.** The Company will pay up to the following per month for each employee towards the cost of the insurance premium charged for family medical coverage:

With children	\$249.38
With spouse	\$247.21
With family	\$218.14

The Company will pay 100% of any increases during each of the remaining 2 years of the contract, up to a maximum of 10% premium increase per year. Any increases in excess of 10% per year shall be split 50% by the Company and 50% by the employee.

- (3) **Former Employees.** Employees who retire or otherwise leave the Company employment may purchase insurance as provided by COBRA or other governing law.
- (4) Should the parties find it necessary, they shall meet on or about the 1st week of June 2008 and 2009 for discussion on medical insurance. Should the parties fail to reach an agreement on discussed changes, then the language in section 2. shall govern.

(c) **Continuation of Coverage.** The Company will pay the Company's portion of the health insurance premium for the employee, when the employee has any major illness or accident causing the employee to be absent from work in excess of thirty (30) calendar days for a period not to exceed six (6) months.

Section 3. Salary Continuation. The Company will provide to the employees for up to six (6) months, after a seven (7) day waiting period, the same amount provided by the State Workers' Compensation Insurance for lost time due to personal sickness or non-compensable accident, while under a doctor's care. The present payment is \$510.00 per week. This may be funded in whole or in part by insurance paid for by the Company. Certification from a Healthcare Provider must be provided to receive Salary Continuation payment. These forms are available from Human Resources.

Section 4. Dental Insurance. The Company will provide a dental insurance program. The Company will pay the following amount for dental coverage:

Employee Coverage -	\$20.44
Employee With Children -	\$33.26
Employee With Spouse -	\$33.05
Full Family -	\$37.04

The Company will pay 100% of any increases during each of the remaining 2 years of the contract, up to a maximum of 10% premium increase per year. Any increases in excess of 10% per year shall be split 50% by the Company and 50% by the employee. The Company will

retain the right to provide existing or equivalent dental coverage or such other dental coverage as mutually agreeable between the parties during the term of the Agreement.

ARTICLE XX - PROFIT SHARING

The following 401(k) Profit Sharing Plan has been established for all bargaining unit employees:

Profit Sharing Formula

The Company will make, subject to approval by the Board of Directors, a contribution for each eligible employee equal to two percent (2%) of their annual compensation. The contribution will be made following the end of the plan year in accordance with the Plan requirements.

The Company will contribute a minimum of 8% of pre-tax profits to the 401(k) Profit Sharing Plan following the end of the plan year in accordance with the Plan requirements. Distribution will be made to the accounts of each eligible employee based on their annual compensation from the Company.

Profits shall be determined on the basis of standard accounting principles used by the certified public accounting firm employed by the Company to audit its annual fiscal year financial statements and such audited statements shall be made available to the Union. The profit sharing calculations shall be made in accordance with the Plan requirements by such certified public accounting firm who shall also certify that all income and expenses have been allocated as provided in the Plan.

Matching Formula

Employees may defer up to the maximum contribution allowed by law of their monthly compensation. The Company will match 100% of the first 3% of the employee's salary deferral.

Plan Year

Twelve (12) consecutive months, commencing January 1 and ending December 31.

Eligibility

Must be 18 years of age to be eligible.

Trustee

The Trustee shall be selected by the Company.

Investments

Employees will be able to direct the investment of their 401(k) deferrals in accordance with the Plan.

Vesting: (Company contributions):

<u>Years</u>	<u>%</u>
1	20
2	40
3	60
4	80
5	100

Employee deferrals are always 100% vested.

Early Retirement

Age 55.

Normal Retirement

Age 65.

Distributions

To be made upon occurrence of one of the following:

- 1) Death
- 2) Disability
- 3) Early or normal retirement
- 4) Separation from Company

Distributions will be made within 180 days following the end of the plan year during which the event occurs.

Form of Distribution

Lump-sum payment.

The Company retains the right to amend or terminate this program, but in such event, the Company will notify the Union and, upon prompt request by the Union, negotiate concerning the effects of such action by the Company.

ARTICLE XXI - PART-TIME EMPLOYEES' BENEFITS

Employees who regularly work less than forty (40) hours per week shall receive ½ of the following fringe benefits provided by the Company for holidays, jury duty, insurance, funeral leave, and reimbursement for safety shoes and safety glasses. Vacation and Profit Sharing benefits shall be covered pursuant to Article XI and Article XX.

ARTICLE XXII - AUTHORIZATION TO VISIT PLANT

Authorized representatives of the International Union may request authorization to visit the plant or operation of the Company during the working hours. The request must first be approved by the Company, but it is agreed that the authorization shall not be arbitrarily withheld.

ARTICLE XXIII - FUNERAL LEAVE

Employees shall be entitled to three (3) days funeral leave with pay for eight (8) hours at their regular rate upon the death of the employee's spouse, parent, child, brother, sister, grandparents, grandchildren, mother-in-law, father-in-law, brother-in-law, and sister-in-law. These designations shall also include A step-relation.

ARTICLE XXIV - LEGALITY OF CONTRACT

Should any individual Article or section of this Agreement be held to be illegal by courts of law or Administrative Agencies, and therefore, invalid in whole or in part, the parties shall meet within thirty (30) days of the effective date of such invalidation or within an extended period as may be agreed upon by the parties, and shall attempt to negotiate a renewal or appropriate modification of such other Article and/or sections of this Agreement as may be affected or which may derive new or reduced application or significance because of such invalidation; provided, such invalidation shall not result in a reopening of the contract for consideration of provisions not affected as provided above, and such illegality and invalidity shall not affect the legal and valid provisions of this Agreement.

ARTICLE XXV - CHECK-OFF SYSTEM

Section 1. Label Check-Off System. The Company agrees to make payroll deductions for Union dues for each employee who authorizes such deductions in the form set forth in Schedule B of this Union Agreement. The deductions shall be made for the current month on the fourth (4) pay period of the month, and shall be transmitted to the Financial Correspondent Secretary of Local Lodge 83.

Section 2. Company Protection. The Union agrees to defend, indemnify and hold harmless the Company from any and all claims, suits, and damages arising out of or in any way connected with action by the Company taken for the purpose of complying with this Article of

the Contract, including disposition of such funds after they have been remitted by the Company to the Union.

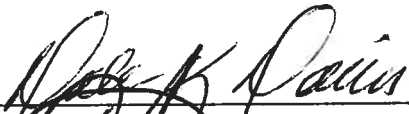
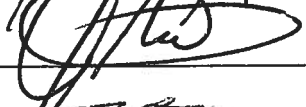
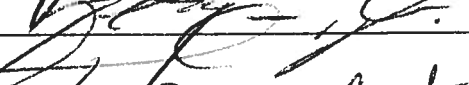
Section 3. Personnel Changes. The Company will advise the Union monthly of the names and classifications of any employees hired into or laid off or terminated from the bargaining unit.


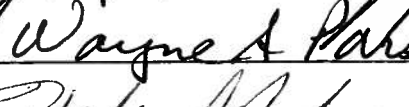
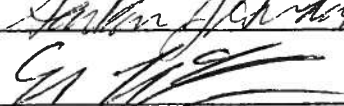
ARTICLE XXVI - DURATION OF AGREEMENT

This Agreement shall take effect as of 12:01 AM August 30, 2007, and shall remain in full force and effect through 12:00 Midnight, August 29, 2010, and shall continue in full force and effect from year to year, thereafter, unless written notice is given by either party to the other at least sixty (60) days prior to the original or any subsequent date of expiration of a desire to terminate or modify this Agreement, in which event the Agreement shall terminate at the anniversary date.

SAUDER CUSTOM FABRICATION, INC.

INTERNATIONAL BROTHERHOOD OF
BOILERMAKERS, IRON SHIP-
BUILDERS, BLACKSMITHS, FORGERS
AND HELPERS, LOCAL NO. 83

By 
By 
By 
David Brown Kent

By 
By Wayne A. Parsons
By 
By 
By Mark Presley

SAUDER CUSTOM FABRICATION, INC.
SCHEDULE A
GROUP CLASSIFICATIONS

Wage Group I - Qualified Wage Group II employees will advance to this wage group after 20 years of service.

1. Senior Non-Destructive Tester
2. Senior Vessel Fabricator
3. Senior Maintenance Technician
4. Senior Painter

Wage Group II

1. Welder A
 2. Machine Operator A
 3. Material Handler A
 4. Maintenance Technician A
 5. Press Brake A
 6. Inspector A
 7. Non-Destructive Tester A
 8. Painter A
- Machinist A
Plate Roll A

Wage Group III

1. Welder B
 2. Machine Operator B
 3. Material Handler B
 4. Maintenance Technician B
 5. Plate Roll B
 6. Inspector B
 7. Non-Destructive Tester B
 8. Painter B
 9. Hydro Tester
- Machinist B
Stress Relieve Furnace
Press Brake Operator B

Wage Group IV

1. Tool Checker
2. Utility Worker

Wage Group V

1. Janitor

SCHEDULE B

AUTHORIZATION FOR CHECK-OFF FROM WAGES

I hereby authorize _____
(Name of Employer)

to deduct from any wages earned or to be earned by me, as your employee, and assign to Local Lodge No. 83, of the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, the sum of money set by the Union in accordance with its Constitution and Bylaws, in payment of my membership dues. The deductions are to be made monthly on a pay period agreed to by the Union and Management.

This assignment, authorization and direction shall be irrevocable for the period of thirty (30) days, or until the termination of the current Agreement between the Employer and the Union, whichever occurs sooner; and I agree and direct that this assignment, authorization and direction shall be automatically renewed and shall be irrevocable for successive periods of thirty (30) days each, or for the period of each succeeding applicable Agreement between the Employer and the Union, whichever shall be shorter, unless written notice is given by me to the Employer and the Union not more than twenty (20) days and not less than ten (10) days prior to the expiration of each period of thirty (30) days, or of each applicable collective agreement between the Employer and the Union, whichever occurs sooner.

Executed at _____ this _____ day of _____,
20____.

Employee's Clock Number _____

Employee's Signature

SCHEDULE C
JOB CLASSIFICATIONS

Hydro Tester: Must be able to setup vessels for testing, and operate necessary pumps and related hardware as required for testing. In addition, shall have such other duties as determined by the Company.

Inspector A: Must be highly qualified to interpret blueprints and ASME codes; must be qualified in Level II P.T. and M.T. In addition, shall have such other duties as determined by the Company.

Inspector B: Must be qualified in Level I P.T. and M.T., and must be able to interpret blueprints, code specifications, and perform all duties required to complete the work. In addition, shall have such other duties as determined by the Company.

Janitor: Must have the ability to perform janitorial work. In addition, shall have such other duties as determined by the Company.

Machine Operator A: Must be able to operate any one of the following with minimal supervision: angle roll; flame cutter; radial drill; iron worker machine; saw and pipe burner; and shear. Must be able to perform setup and layout work, and interpret blueprints. In addition, shall have such other duties as determined by the Company.

Machine Operator B: Must be able to operate any one of the following after they are setup: angle roll; flame cutter; radial drill; iron worker machine; saw and pipe burner; and shear. In addition, shall have such other duties as determined by the Company.

Machinist A: Must be able to interpret blueprints, setup work, select proper tools, and operate all mills and lathes. In addition, shall have such other duties as determined by the Company.

Machinist B: Must be able to operate the mills and lathes after they are setup. In addition, shall have such other duties as determined by the Company.

Maintenance Technician A: Must be able to perform all maintenance as required on the plant and equipment including electrical, hydraulic, and mechanical systems. Must be able to perform preventive maintenance on a regular basis. In addition, shall have such other duties as determined by the Company.

Maintenance Technician B: Must be able to perform mechanical maintenance duties as required. In addition, shall have such other duties as determined by the Company.

Material Handler A: Must be able to operate all material handling equipment in a safe manner, know machine capacities, have complete knowledge of materials and their locations, keep the storage area in an orderly condition, know the material control system and be able to process the required paperwork, have complete knowledge of loading and rigging of all Company shipments, and be able to complete any job in the yard. In addition, shall have such other duties as determined by the Company.

Material Handler B: Must be able to operate the forklifts, receive and place shipments in their proper location, perform necessary paperwork in a neat manner, understand the material control system, build shipping crates and follow shipping list instructions, keep warehouse in an orderly condition, and perform any other duties as required. In addition, shall have such other duties as determined by the Company.

Non-Destructive Tester A: Must be qualified to Level II in R.T., U.T., M.T., and P.T., as well as pass tests. Must be able to perform all duties necessary to complete the work. In addition, shall have such other duties as determined by the Company.

Non-Destructive Tester B: Must be qualified in Level I P.T., M.T., and R.T., as well as pass tests. Must be able to interpret blueprints. In addition, shall have such other duties as determined by the Company.

Painter A: Must be able to interpret specifications as required, select proper equipment, thinner, and operate equipment as required; must be able to apply all types of paints per specifications and sandblast. In addition, shall have such other duties as determined by the Company.

Painter B: Must be able to operate spray painting equipment and sandblaster. In addition, shall have such other duties as determined by the Company.

Plate Roll A: Must know the machine capacities and be able to setup machines as required, operate machines, and produce a finished product to standards established by various codes and specifications. In addition, shall have such other duties as determined by the Company.

Plate Roll B: Must be able to operate the machine under direct supervision. In addition, shall have such other duties as determined by the Company.

Press Brake A: Must know machine capacities and be able to setup machine with proper dies, interpret blueprints, do layout work as required, perform braking operation, and perform all duties required to finish the work. In addition, shall have such other duties as determined by the Company.

Press Brake B: Must be able to operate the machine with the assistance of the Press Brake A or his supervisor. In addition, shall have such other duties as determined by the Company.

Senior Maintenance Technician: Must be able to perform all mechanical and electrical duties required in the Maintenance Department as well as preventative maintenance with minimum supervision. Must also be able to keep records as required, and interpret all schematic drawings and written instructions. Must have five (5) years minimum experience. In addition, shall have such other duties as determined by the Company.

Senior Non-Destructive Tester: Must be qualified in Level III P.T., M.T., R.T., and U.T. as well as pass tests. Must have five (5) years minimum experience. In addition, shall have such other duties as determined by the Company.

Senior Vessel Fabricator: Must be code qualified on all materials, as required on sub-arc, manual stick and manual tig. Must be able to interpret blueprints and do layout work, operate the cutting torch, do setup and fitup work as required in fabrication, and do all of the above with minimum supervision. Must have five (5) years minimum experience. In addition, shall have such other duties as determined by the Company.

Stress Relieve Furnace: Must be able to start-up and operate the furnace and maintain the required heat and time for each job as required. In addition, shall have such other duties as determined by the Company.

Tool Checker: Must have some knowledge of tools and have some mechanical ability. In addition, shall have such other duties as determined by the Company.

Utility Worker: Must have some mechanical ability. In addition, shall have such other duties as determined by the Company.

Welder A: Must be code qualified in carbon steel, as required on S.A.W., S.M.A.W., and G.T.A.W. Must be able to interpret blueprints and do layout work, operate cutting torch, and do setup and fitup or any other work as required in fabrication. In addition, shall have such other duties as determined by the Company.

Welder B: Must be AWS qualified in carbon steel as required, interpret simple blueprints, do minor layout and fitup work, operate the cutting torch, and any work necessary to complete the job. In addition, shall have such other duties as determined by the Company.

SCHEDULE D

SAUDER CUSTOM FABRICATION, Inc. SUBSTANCE ABUSE POLICIES AND PROCEDURES

Effective Date: August 30, 2007

Sauder Custom Fabrication, Inc. (the "Company") has a vital interest in providing and maintaining a healthy and safe working environment for its employees, as well as a commitment to ensure a drug free environment. The abuse of drugs and/or alcohol presents serious safety and health risks. The Company believes a drug free workplace will reduce workers' compensation injuries and promote the health and safety of our employees. It is with the desire of a drug free workplace that the Company adopts the following policies and procedures which apply to all Company employees:

1. Illegal or Controlled Substances

The unlawful manufacture, use, possession, distribution, sale or purchase of alcohol, *illegal or controlled substances by an employee while on Company premises, in any Company vehicle, or while conducting Company business are prohibited. Having detectable amounts of illegal or controlled substances in an employee's system or being under the influence of alcohol while on Company premises or in any Company vehicle, or while engaged in Company business, is also prohibited. Such will be considered just cause for discharge and the employee will be immediately discharged, subject to the provisions of the rehabilitation program.

Definitions:

*illegal or controlled substances means any drug:

- A. Which is not legally obtainable; or
- B. Which is legally obtainable but has not been legally obtained.

2. Alcohol

The unauthorized use, possession, distribution, sale or purchase of alcohol by an employee or having measurable levels of alcohol in an employee's system while on Company premises, in any Company vehicle, or while conducting Company business, are prohibited and will be considered just cause for discharge. An employee who violates this prohibition will be immediately discharged.

3. Tests Required.

As a condition of employment, the Company maintains the right to require conditionally hired applicants and employees to submit to the testing or analysis of samples of their hair, urine, blood or other samples under the circumstances described herein.

All positive initial tests/analyses will be confirmed by a certified laboratory and the results may be used by the Company in legal proceedings involving an applicant or employee, including but not limited to workers' compensation and unemployment compensation proceedings.

Employees have the right to refuse to cooperate in the required tests. However, refusal to cooperate in such test by any employee will be considered just cause for immediate discharge and the employee who refuses to cooperate will be immediately discharged.

4. Disciplinary Action

The testing levels that are considered "positive" are set forth in Attachment "A."

Any applicant who tests positive for illegal or controlled substances or alcohol will not be hired and if a conditional offer of employment has been extended the conditional offer will be withdrawn.

An employee that tests positive for an illegal or controlled substance or alcohol will be placed on suspension without pay and will be given the opportunity of rehabilitation by agreeing to participate in a Company approved treatment and/or rehabilitation program.

An employee otherwise eligible for Family and Medical Leave who voluntarily, and without having tested positive in any testing, informs the Company that he or she desires treatment and rehabilitation for the abuse of drugs or alcohol will be granted Family and Medical Leave as required by the Company's policy so that the employee can participate in a Company approved treatment and/or rehabilitation program.

Failure of the employee who tests positive, or failure of the employee who voluntarily seeks treatment, to agree to participate in and successfully complete the rehabilitation program will result in termination. Business necessity may require the Company to replace any employee who participates in an in-patient drug and alcohol rehabilitation program. Upon successful completion of in-patient rehabilitation which has required replacement of the employee, the returning employee will be offered a similar job at a comparable rate. The returning employee will be subject to follow-up testing at the Company's discretion, in addition to all other testing, for a period of two years from the date of return to work.

An employee who tests positive for any illegal controlled substance or alcohol a second time, or after voluntarily completing the treatment program, will be immediately terminated.

All medical, mental health, and rehabilitation costs beyond those covered by health insurance are the responsibility of the employee.

5. Searches and Investigations

In order to accomplish the purpose of the policy, the Company reserves the right to carry out searches of individual employees and their personal effects when employees are on Company premises or in any Company vehicle, while employees are on duty, or while employees are otherwise engaged in Company business. Items that may be searched include, but are not limited to, personal vehicles, baggage, back packs, lockers, tool boxes, lunch pails, coolers, briefcases, file cabinets and desks.

Searches by the Company may be initiated without prior notice and conducted at times and locations as deemed appropriate by the Company.

Employees have the right to refuse being searched or having their personal effects searched or to cooperate in the tests called for in this policy. However, refusal to allow such searches or cooperate with testing will be considered just cause for discharge and the employee will be immediately discharged.

6. Types of Testing

A. Conditionally Hired Applicant Testing

All applicants for employment who have successfully completed the initial screening process will be required to consent to and participate in a Substance Abuse Screen (drug and/or alcohol test). The results of the Substance Abuse Screen will be evaluated when determining employment. Failure to pass the screen or failure to submit to the screen in a timely manner will result in a denial of employment, and the applicant will not be eligible to be considered again for employment for one year.

B. All Employee Testing

1. Post Accident Testing - Any employee engaged in Company activities who has an occupational accident or is a participant in an occupational accident that results in an injury requiring medical treatment more extensive than Company administered first aid will be required to submit to a Substance Abuse Screen. Failure to pass the Substance Abuse Screen or failure to submit to the screen in a timely manner (3 hours post injury or accident) will be considered just cause for discharge and will result in immediate discharge.

2. "For Cause" Testing - A Substance Abuse Screen will be required when there is cause for the Company to believe, in the Company's discretion, that the employee has violated the policy concerning the use of controlled substances or alcohol. Violations of safety rules,

unsafe practices and damage to Company property are some non-exclusive examples of “causes” for which the Company may require for cause testing. An employee's failure to submit to and pass a “for cause” substance abuse screen is considered just cause for discharge and will result in immediate discharge.

3. Follow Up Testing - Any employee who has returned to work following a Company approved program of substance abuse treatment and/or rehabilitation will be subject to unannounced follow up testing in addition to all other types of testing for two (2) years. Failure to submit to and pass follow up substance abuse screens is considered just cause for discharge and will result in immediate discharge.

NOTE: Prescribed and Non-Prescribed Drugs - Because prescribed and non-prescribed drugs may affect the results of a Substance Abuse Screen, any employee taking such drugs is encouraged to report his/her use of such drugs to the Company designated Substance Abuse Screening facility.

C. Test Substances

A Substance Abuse Screen may include but is not limited to screening for the presence of:

- | | |
|-----------------------|-------------------|
| * Amphetamines | * Benzodiazepines |
| * Cocaine | * Barbiturates |
| * Phencyclidine (PCP) | * Opiates |
| * Methaqualone | * Alcohol |
| * Marijuana | |

7. Reporting

It is required that employees abide by these Policies and Procedures and notify the Company of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction. Failure to do so is considered just cause for discharge and will result in immediate discharge.

Sauder Custom Fabrication, Inc.

Employee/Applicant Acknowledgment

I acknowledge that I will be required to submit to Substance Abuse Screening utilizing hair, urine, blood, breath and/or other analysis or testing as set forth in the Company Substance Abuse Policies and Procedures and that all test results become and remain the sole property of the Company. If I am an applicant for employment test results will not be released to me.

I have received my own copy of the Company's Substance Abuse Policies and Procedures and agree to read it. I also acknowledge that I have had the opportunity to ask questions about it.

Employee/Applicant Signature

Date

ATTACHMENT "A"

CUT-OFF LEVELS FOR DRUG AND ALCOHOL TESTING

1. Urine Testing

<u>DRUGS</u>	<u>SCREEN (ng/ml)</u>	<u>CONFIRMATION (ng/ml)</u>
Marijuana	50	15
Cocaine	300	150
Opiates	300	300
Phencyclidine (PCP)	25	25
Amphetamines	1000	500

2. Hair Testing

<u>DRUGS</u>	<u>CUT-OFF LEVELS</u>
Marijuana	2 ng/gm
Cocaine	5 ng/10 mg
Opiates	2 ng/10 mg
Phencyclidine (PCP)	3 ng/10 mg
Amphetamines	5 ng/10 mg

2. Testing for Alcohol

<u>DRUGS</u>	<u>CUTOFF LEVELS</u>
Ethanol (alcohol)	.04 ng/ml (initial and confirm)