

COLLECTIVE BARGAINING AGREEMENT

by and between

HMC MANAGEMENT

and

INLANDBOATMEN'S UNION OF THE PACIFIC

Effective from April 1, 2017 to March 31, 2020

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PREAMBLE

THIS AGREEMENT is entered into by and between HMC Management (hereinafter referred to as "Employer") and the Inlandboatmen's Union of the Pacific (hereinafter referred to as the "Union").

ARTICLE 1 – RECOGNITION

The Employer recognizes the Union as the exclusive bargaining agent for all full-time and regular part-time employees employed by the Employer in the operation of its ferry system at Lakebay (Herron Island), Washington. Excluded are all other employees, guards and supervisors as defined by the National Labor Relations Act as well as standby employees and other part-time employees who work only on an interim on-call or fill-in capacity and do not have a regularly established part-time work schedule.

ARTICLE 2 – UNION MEMBERSHIP

Employees covered by this Agreement who are either members of the Union on the date of mutual ratification of this Agreement or who subsequently freely and voluntarily become members of the Union shall thereafter, as a condition of employment, tender dues and fees uniformly required as a condition of membership. Subject only to the foregoing Maintenance of Membership requirement, neither the Employer nor the Union shall discriminate against any member of the bargaining unit based on the employee's membership or non-membership in the Union.

ARTICLE 3 – MANAGEMENT RIGHTS

The Union recognizes the Employer's obligation to efficiently and economically provide the highest quality water transportation service to Herron Island property owners, their families, friends, guests, and other members of the public. Therefore, except as explicitly limited, abridged or relinquished by an express term or provision of this Agreement, the Union recognizes the right of the Employer to plan, direct, operate, control and manage all the methods of operations, materials and services of its ferry system, and its facilities and equipment, including but not limited to the right to establish the qualifications for employment and to employ employees; to establish work and performance standards and, from time to time, change such standards; to require employees to adhere to such standards of performance and to maintain order and efficiency; to supervise, transfer, direct and discipline the workforce, including the hiring, promotion, demotion, suspension or discharge of employees; to determine the methods, means, organization and number of personnel by which such operations and services shall be made, or purchased; to subcontract and/or discontinue all or part of any of the ferry system work and/or ferry operations; to add to or delete positions; to schedule and assign work and to determine staffing requirements; to require reasonable mandatory overtime work of its employees and to assign overtime; to determine the material and equipment to be used; to make and enforce job-related rules, regulations, and policies; to determine existing methods, equipment or facilities to be used in ferry operations; to determine whether the whole or any part of the operation shall continue to operate, and to lay off employees for lack of funds or

work, and to recall employees; provided such rights shall be exercised in such manner so as to not violate any specific provisions of this Agreement. Matters not covered by the language of this Agreement shall be administered by the Employer in such manner as it shall determine in the exercise of its retained management discretion.

ARTICLE 4- COMPENSATION AND DEFINITIONS

4.1 a. Wage Rates:

Senior Captain:

4/1/17	\$37.20 per hour
Overtime	\$55.80 per hour

Captain:

4/1/17	\$34.14 per hour
Overtime	\$51.22 per hour

Deckhand-Purser

4/1/17	\$22.93 per hour
Overtime	\$34.40 per hour

b. 4/1/2018 - 0%

c. 4/1/2019 - 0%

4.1.1 Full Time Employees

"Full Time Employees" shall mean any employee who is regularly scheduled to work 38 hours or more per week or who, regardless of regular scheduling, actually averages at least 38 hours per week over a six month period and thereafter continues to maintain said minimum number of work hours.

4.1.2 Part Time Employees

"Part Time Employees" shall mean any employee regularly scheduled to work between 22 and 37 hours per week or who, regardless of regular scheduling, actually works an average of 22 to 37 hours per week over a six month period and thereafter continues to maintain said minimum/maximum number of work hours.

4.1.3 Standby Employees

"Standby Employee" means any employee who (1) is regularly scheduled to work fewer than 22 hours per week or who, regardless of regular scheduling, actually works fewer than 22 hours per week, or (2) is employed on a regular or irregular schedule to cover for the intermittent absences of full-time or part-time employees who are ill, on vacation or otherwise unavailable to perform their assigned duties.

4.2 Pay Period

The pay period shall be (biweekly) every two (2) weeks commencing at 12:01 a.m. on Friday and ending at midnight the following Thursday. Employees shall receive their bi-weekly checks on Thursday following the end of the pay period. If a payday falls on a holiday, the payday shall be the day preceding the holiday.

4.3 Call Back Pay

Employees actually called out while off-duty will be paid a minimum of four hours at their overtime rate, regardless of whether their regular shift starts during the call-out. Call back pay shall not apply as hours worked for computing overtime.

4.4 Overtime

Overtime must be authorized in advance of its being worked by the Island Manager or his/her designee. Overtime may be approved by the ferry captain for normal maintenance repairs or in an emergency. The ferry captain shall notify the Island Manager as soon as practicable of any overtime worked or anticipated in conjunction with the second sentence in this paragraph. Overtime at the rate of time and one half the employee's straight time hourly rate will be paid for all hours actually worked exceeding 11 hours per day or 40 hours per week. There is no guarantee of any number of hours per workday or workweek. Overtime will be paid in fifteen minute increments, rounded up or down, to the nearest quarter hour.

4.5 Longevity Pay

A one-time 5% bonus, based on the straight time hours worked by the employees in the twelve month period immediately preceding the employee's anniversary date will be paid upon completion of an employee's 10th, 15th, and 20th year of continuous service. Such bonus shall not be included in calculating an employee's straight time regular rate of pay.

4.6 Clothing Allowance

The Employer will provide a \$250 yearly clothing allowance.

4.7 Emergency Notification Pay

During each day (including nighttime off-duty hours) that employees are scheduled to work regular ferry shifts they must carry a Fire Department pager ("beeper") and/or other emergency notification device at all times. For each night following the day's regular shifts that an employee carries a device the employee shall be compensated \$35.00, with a 2.5% increase on 10/1/2018 and a 2.5% increase on 10/1/2019.

4.8 Dry Dock

The parties acknowledge that approximately every twenty-four (24) months, the Employer's ferry is required to go into dry dock for extended inspection and repairs. The parties further acknowledge that the dry dock time has historically lasted from ten (10) days to three (3)

weeks, but the actual duration of any such inspection or repair work is entirely dependent upon the nature of the work to be accomplished. Therefore the parties acknowledge that dry dock or other necessary repairs to the Employer's vessel will constitute a valid basis for the reduction in work for some or all of the employees in the bargaining unit. In such event, the Employer will determine which employees, if any, are required to work during the repair or inspection period. Employees who do not work during these periods maintain "continuous service" status as that phrase is used in Article 11.1.

4.9 Low Tide Cancelled Runs

There will be no loss of scheduled hours due to runs cancelled because of low tides. If a cancelled run is rescheduled on the same day the employee shall not be paid for the cancelled run.

4.10 The Employer will provide each employee tickets good for twenty-two ferry rides. Tickets not used one month cannot be used the next month, or later. Employees' spouses and dependent children may access the ferry for no charge for walk-on ferry passage. Employees may trade monthly tickets, but only for use in the month for which they are issued.

4.11 Safety Bonuses

\$500 per FY available. If there are no accidents chargeable to weekday or weekend employees during the year, full-time and part-time employees, as defined in Article 4.1 will split the safety bonus equally.

ARTICLE 5 – HEALTH & WELFARE

- A. Fulltime employees and part-time regularly scheduled employees working thirty (30) or more hours per week shall be eligible for the Health & Welfare benefits on the first day of the next full month following three (3) months of continuous employment. For plan year 2017 (1/1/17 - 12/31/17) Employer shall pay 100% of medical, vision and dental premiums for covered employees only. If there are any premium increases during plan year 2017, the Employer will pay 100% of those increases. This Article only shall be open for negotiation as of November 1, 2017, November 1, 2018 and November 1, 2019. November negotiations will include comparable healthcare plans for review.
- B. Employees will make a good faith effort to complete any health assessment. Failure to do so shall result in the employee being responsible for any resulting increased cost to the Employer for the employee's medical, vision and dental premiums. Any employees who request computer access and help accessing their accounts will be given access to a computer for such purposes.

ARTICLE 6 – PENSION

Pension contributions shall be calculated in accordance with the Employer's Qualified §401 Pension Plan. The Employer will continue its qualified plan for the term of this Agreement. The Employer shall contribute a maximum of 4% (four percent) of the Employee's compensation (as defined by the Plan) and will match employee contributions up to an additional 2% (two percent).

ARTICLE 7 - VACATION

7.1

Fulltime employees shall be entitled to forty (40) hours of vacation after completion of one year of continuous service, eighty (80) hours of vacation after completing two years of continuous service and at the completion of each subsequent year of continuous service through the end of the ninth year; one hundred twenty (120) hours of vacation after completing ten years of continuous service and at the completion of each subsequent year through the twentieth year of continuous service; and one hundred sixty (160) hours of vacation after completing twenty years of continuous service and at the completion of each subsequent year of continuous service.

7.2

Part time employees shall earn thirty (30) hours of vacation after completion of one year of continuous service, sixty (60) hours of vacation after completing two years of continuous service and at the completion of each subsequent year of continuous service through the end of the ninth year; ninety (90) hours of vacation after completing ten years of continuous service and at the completion of each subsequent year through the twentieth year of continuous service; and one hundred twenty (120) hours of vacation after completing twenty years of continuous service and at the completion of each subsequent year of continuous service.

7.3

Vacation is earned and recorded on the employee's anniversary date in a lump sum. If an employee quits or is terminated in midyear vacation is not prorated. Employees shall only be paid for vacation previously accrued but unused.

7.4

Vacation leave shall be scheduled at the convenience of the Employer and is subject to prior approval. In case of a scheduling conflict, if all other facts, including the needs of the Employer, are equal, the employee with the longest period of continuous service will be given preference in selecting employee's preferred vacation period(s). Vacation leave must be scheduled and used in the anniversary year in which it is awarded. Accrued but unused vacation leave may not be carried forward into the next anniversary year. Vacation leave not used during the anniversary year in which it is awarded will be cashed out; provided, however, that if an employee is unable to take accrued vacation leave for which employee is

eligible within the required one year period due to work-incurred disability or due to denial of employee's vacation leave request because of Employer work requirements, employee shall be allowed to carry over employee's accrued vacation leave into the next anniversary year provided it is used within the next six (6) months. If not so used within the extension period, the leave shall be cashed out.

7.5

Upon termination of employment, employees shall be paid for all accrued but unused vacation leave.

7.6

An employee who has requested and received authorized vacation for a period in which a holiday falls shall receive holiday pay in addition to vacation pay but will not be able to retain the paid time off for use at a later time.

7.7 General

Vacation is paid at straight time rates applicable to the employee at the time the vacation hours are used, with a maximum of 40 hours paid during any one calendar week. Vacation must be requested not fewer than four weeks in advance of the requested period and the request shall be approved or denied within two weeks of submittal. The Island Manager may waive this requirement on a case by case basis. Assignment of a specific vacation period is subject to availability of relief personnel. Vacation may be taken in increments of not fewer than four hours.

7.8 Probationary

During any subsequent probationary period resulting from promotion of the employee, vacation shall accrue and may be used as set forth in this agreement.

ARTICLE 8 - HOLIDAYS

There are eight holidays for all employees: New Year's Day, President's Day, Easter, Memorial Day, July 4th, Labor Day, Thanksgiving Day, Christmas Day. Employees working the holiday receive time and one half for each hour actually worked (Christmas and Thanksgiving at a minimum 8 hours at time and one half). All employees receive compensatory time off or straight time holiday pay for each holiday, whether actually working that day. Full-time employees earn eight hours per holiday and part-time employees six hours. The comp time or holiday pay will be credited as of the day of each holiday. Each employee must state in advance, on the appropriate HMC form, his or her preference for receiving holiday compensation as comp time or pay. This election will remain in effect until changed by the employee. A change in election may be made during the first week of each quarter.

ARTICLE 9 - SICK LEAVE

9.1

Full time employees shall accrue sick leave at the rate of 6 hours per month to a maximum accrual of 200 hours. Part time employees shall accrue sick leave at the rate of 4.5 hours per month to a maximum accrual of 180 hours. Sick leave will be accrued from the date of hire but may not be used until satisfactorily completing the employee probationary period. Sick leave must be taken in four hour increments. Accrued sick leave shall not be paid on termination of employment.

9.2

Abuse and misuse of sick leave is grounds for disciplinary action up to and including discharge. The Employer reserves the right at any time to require that the Employee provide certification from a physician attesting to the injury or illness.

ARTICLE 10 – SENIORITY

10.1 General

Seniority is the continuous service in a job classification covered by this Agreement and shall be based on the employee's date of hire or appointment for each classification within the bargaining unit. Seniority for individuals having the same date of hire shall be based on their date of offer of employment. Separate seniority lists shall be maintained for each classification.

10.2 Senior Captain

The Board, after a recommendation by the Island Manager, may designate a Senior Captain/Master of Vessel (the position described in Section 4.0 of the HMC Ferry System Operations Manual as may be modified by the Board from time to time as conditions dictate). If a Captain is so designated, the position will be compensated at 9% above the Captain rate. An employee designated as Senior Captain serves in this position at the discretion of the Employer.

10.3 Layoffs

Periods of layoff shall not count toward computation of the amount of "continuous service". In addition, employees shall lose all seniority for the following reasons:

- 10.3.1 Discharge for cause;
- 10.3.2 Failure to return to work after an unconditional offer of recall for employment within the scope of the employee's preceding job assignment;
- 10.3.3 Retirement;

10.3.4 Voluntary termination.

10.4 Promotion

Employees promoted to higher paying job classifications shall be required to serve a 180 calendar day probationary period. They shall have the right to bump back to their former position during this period. The Employer shall have the right to return them to their prior classification. If returned, the employee may not use the grievance/arbitration provisions of this Agreement to contest the Employer's decision.

10.5

Notwithstanding anything hereinabove to the contrary, seniority shall not be recognized until after completion of the new probationary period.

10.6

In the application of this rule if an employee has the qualifications and ability to perform the work seniority shall prevail in the awarding of work hours. Part-time employees will be offered work to bring them up to 40 hours per week before standby employees.

ARTICLE 11 – LAY-OFFS AND REDUCTION IN FORCE

11.1

A lay-off or reduction in force is a dismissal of a bargaining unit employee for lack of work or lack of funds or other reasons outside the employee's control, which does not reflect discredit on the services of the employee.

11.2

Absent unusual, unforeseen or emergency circumstances, the Employer will give one week notice of any involuntary lay-off. The Employer shall also confer with representatives of the Union, upon written request, regarding the Employer's lay-off plan for the purpose of receiving the Union's opinions in the matter.

11.3

If a lay-off or reduction in force is determined by the Employer to be necessary, the Employer will determine the order of lay-off. Laid off employees shall, in inverse order of lay-off, have the right to recall to any position within the classification held by the employee at the time of lay-off provided the employee is still qualified for the position; and provided further, that full-time employees shall be given priority over part-time employees if availability, merit and ability of the employees is equal in the judgment of the Employer and if the rified full-time employee is willing to accept the offer of part-time employment. Acceptance of such offer of part-time employment shall not affect the employee's standing on the full-time recall list.

ARTICLE 12 – DISCIPLINE & DISCHARGE

12.1 Full Time and Part Time Employees.

Full time and part time employees shall only be discharged or disciplined for just cause, A copy of the Code of Conduct is attached as Exhibit A to his Agreement. Employees employed under this CBA agree to the Articles within.

Records of disciplinary actions involving reduction in pay, suspensions or demotions, oral, and written reprimands will be removed after eighteen (18) months as long as there has been no subsequent discipline within the 18 month timeframe.

12.2 Probationary Employees

Employees shall serve a probationary period of 180 calendar days from the date of hire. Probationary employees in their initial probationary period may not use the grievance/arbitration procedures to contest any discipline or their termination.

ARTICLE 13 – STAFFING

The Employer agrees that in operating its ferry, the vessel shall be staffed as follows:

- One (1) Operator
- One (1) Deckhand

In the event the Employer's current vessel is replaced, the parties agree to meet and confer at the request of the Union regarding minimum staffing on the new vessel.

ARTICLE 14 – LEAVES OF ABSENCE

14.1 Jury Duty

An employee called for jury duty shall be granted an unpaid leave of absence for any regularly scheduled work day on which the employee is required to report for or serve on jury duty. In order to be eligible for such unpaid leave, the employee must furnish a written statement from the appropriate public official documenting the date(s) of such jury duty.

14.2

Employees who are not parties to judicial or administrative proceedings involving the Employer and who are required by the Employer or by the tribunal on the Employer's behalf to appear as witnesses before a judicial or administrative forum shall be permitted to testify without loss of pay if such testimony is scheduled during the employee's regularly scheduled work hours. If operational needs of the Employer preclude release of an employee for such testimony, the Employer will request or join in supporting the employee's request, as applicable, that the person or authority in charge of such hearing continue or reopen the proceedings to allow the employee witness an opportunity to testify at a time when

operational needs of the Employer can accommodate release of the employee. Notwithstanding anything hereinabove to the contrary, this provision shall not be applicable where the employee or the Union have a beneficial interest in the outcome of the proceedings.

14.3 Unpaid Leave of Absence

Employees may be granted an unpaid leave of absence with the approval of the Employer. Such leaves of absence shall not be granted to employees to work in other industries, participate in training programs or attend educational institutions unless approved by the Employer. The Employer is free to exercise its own free and unrestricted discretion in determining whether to approve or deny any request for an unpaid leave of absence. All approved requests for an unpaid leave of absence shall be documented by a written, dated approval statement signed by the employee and the Island Manager respectively.

ARTICLE 15 – GRIEVANCE PROCEDURE

15.1 Definition.

A grievance is defined as any written complaint by a bargaining unit member or either of the parties to this contract arising out of the interpretation or application of this Agreement. The parties agree that the grievance procedure shall be the sole and exclusive method of resolving any issue arising out of the interpretation or application of this agreement. A complaint not in writing shall not be considered a grievance for any purpose under this Article.

15.2 Procedure for Employee or Union Grievances.

Step 1:

- a. A written grievance shall be discussed by the employee or Shop Steward with the Island Manager within fifteen (15) calendar days of the occurrence which gave rise to the grievance or the date when the employee should have reasonably had first knowledge of the grievance. The Island Manager shall, within fifteen (15) calendar days, notify the grievant of his or her decision in the matter.
- b. The written statement of grievance shall set forth (1) the name of the grievant; (2) a detailed description of the facts or occurrences which form the basis for the employee's grievance; (3) a specific reference to the section or sections of the Agreement which are alleged to be violated; and (4) a specific statement of the relief sought. A written grievance not complying fully with these requirements shall not be processed further under these procedures.

Step 2:

If there is no response or satisfactory resolution at Step 1, the Union's regional director or another designated officer of the Union may file the written grievance within seven (7) calendar days to the President of the Employer's Board of Trustees.

The President of the Board of Trustees shall respond in writing within fifteen (15) calendar days after receipt of the grievance.

Step 3:

If there is no response from the President of the Board of Trustees or if the response does not satisfactorily resolve the grievance, the grievance may be advanced to arbitration in accordance with Section 15.4.

15.3 Procedure for Employer Grievances.

Step 1:

A written grievance shall be discussed by the Island Manager with the Shop Steward within fifteen (15) calendar days of the occurrence which gave rise to the grievance or the date when the Employer should have reasonably had first knowledge of the grievance. The written grievance shall contain (1) a detailed description of the facts or occurrences which form the basis for the Employer's grievance; (2) a specific reference to the section or sections of the Agreement which are alleged to be violated; and (3) a specific statement of the relief sought. A written grievance not complying fully with these requirements shall not be processed further under these procedures.

Step 2:

If there is no response or satisfactory resolution within seven (7) calendar days of the meeting between the Island Manager and the Shop Steward, the Employer may file a written grievance within fifteen (15) calendar days thereafter with the Regional Director setting forth

Step 3:

If there is no response from the Union's Regional Director or if there is no satisfactory resolution at Step 2, the grievance may be advanced to arbitration in accordance with Section 15.4.

15.4

In the event any written grievance is not resolved at the final internal step, a request for arbitration shall be served by the moving party upon the other party within twenty (20) calendar days. In the event the parties cannot agree on a selection of an impartial Northwest arbitrator within fifteen (15) calendar days from the receipt of the request for arbitration, the Federal Mediation and Conciliation Service (FMCS) shall be requested to submit a list of eleven (11) qualified and approved arbitrators from which the arbitrator shall be selected by the Union first striking one name from the list, the Employer next striking one name from the list, and continuing with such alternate striking of names until one name remains. The decision of the duly selected arbitrator shall be rendered as expeditiously as possible and shall be final and binding on both parties. Any decision rendered shall be

within the scope of this Agreement and shall not add to or subtract from any of the terms of the Agreement. The arbitrator shall confine himself/herself to the precise issue(s) submitted for arbitration and shall have no authority to determine other issues not so submitted. The arbitrator shall have no authority to decide any grievance that is not strictly in compliance with Sections 15.2 (Step 1) and 15.3 (Step 1).

15.5

Any rejection of a grievance on the grounds that it is not subject to this grievance procedure or is not subject to arbitration shall be referred to arbitration as a threshold issue in the related grievance. In such event, two lists of arbitrators will be requested from the faces and one arbitrator will be selected from each list. In the event the parties are unable to agree on the selection of an arbitrator, the method of selection shall be as set forth in Section 15.4 hereinabove. The hearing shall thereafter be bifurcated. One arbitrator shall rule on the threshold arbitrability issue. If the matter is determined by said arbitrator to be arbitrable, the second arbitrator shall hear and rule on the substantive case issues.

15.6

If the parties fail to agree on a joint submission of the issue(s) for arbitration, each party shall submit a separate submission and the arbitrator shall select from the issue(s) submitted and determine the issue or issues to be heard and resolved.

15.7

Records in the possession of the Employer shall be made available upon request of an aggrieved employee unless the documents are privileged or not relevant. Any dispute over release of the documents shall be resolved by the arbitrator on motion of the requesting party.

15.8

The costs and expenses of the employment of any arbitrator shall be borne equally by the parties. Otherwise, the parties shall bear their own costs and expenses, including any attorney fees.

15.9

All time limits set forth in this Article may be extended or modified by mutual agreement of the Employer and the Union. Failure of either party to meet any of the above timelines shall deprive any arbitrator of jurisdiction to hear any grievance.

ARTICLE 16 – NO STRIKE – NO LOCKOUT

16.1

The Employer agrees that it will not lock out its employees and the Union agrees that neither the Union nor the employees will engage in any work stoppage, slowdown, boycott, sympathy strike, refusal to cross a picket line, picketing, handbilling, or any other interference with the

operations of the Employer during the life of this Agreement for any reason whatsoever regardless of whether the action of either party may be reasonably concluded to be a violation of this Agreement or any law, policy, or regulation.

16.2

In the event of any such strike, slowdown, boycott, sympathy strike, refusal to cross a picket line, picketing, handbilling or other interference with the Employer's operations, or any other job action or effect thereof the Union and its officers will do everything within their power to end or avert the same during the life of this Agreement. Any employee directly or indirectly authorizing, engaging in, encouraging, sanctioning, recognizing or assisting in any breach of this Article, or who refuses to perform service duly assigned to him or her, shall be subject to discharge and cannot grieve such discharge under this Agreement.

ARTICLE 17 – GENERAL PROVISIONS

Should any provision of the Agreement be rendered invalid by reason of any existing or subsequently enacted state or federal legislation or by any binding decree of a court of competent jurisdiction, such invalidation shall not invalidate the remainder of the provision or any other portion of this Agreement, and the remaining portion and all other provisions of this Agreement shall remain in full force and effect. The parties agree to meet and negotiate on the issue of whether such invalid provision(s) should be amended, replaced or deleted from the Agreement.

ARTICLE 18 – MATTERS COVERED AND COMPLETE AGREEMENT

All matters not specifically and explicitly addressed in this Agreement shall be preserved to the Employer and may be determined by the Employer in the exercise of its reserved management rights. It is the intent of the parties that the provisions of this Agreement shall supersede all prior agreements, understandings and past practices, oral or written, express or implied, between such parties, and shall govern their entire relationship and shall be the sole source of any and all rights or claims which may be asserted in arbitration hereunder or otherwise.

ARTICLE 19 – MAINTENANCE & CURE

- a) In the case of an on-the-job injury, wages will extend for up to four (4) weeks.
- b) When a crew member is entitled to daily maintenance under the federal doctrine of maintenance and cure, it shall be at the end of the period for which unearned wages are payable and shall be at the rate of ninety dollars (\$90.00) per day. For payments made, \$45.00 shall be deemed maintenance and \$45.00 shall be deemed wage substitute. If an employee elects to utilize sick leave, or other paid leave, for the same period in which maintenance and cure is received, the combined rate for maintenance and cure and sick leave or other paid leave shall not exceed the employee's regular pay. Should any lawsuit arise concerning this issue, the settlement will be reduced by the amount of wage substitute money already received under this Section.

ARTICLE 20 - TERM OF AGREEMENT

This Agreement shall be effective on the date of ratification by the Union or ratification by the Employer, whichever is later, and shall remain in full force and effect to and including the 31st day of March, 2020. Should either party desire to change, modify or terminate the Agreement, written notice must be given to the other party at least sixty (60) days, but not more than ninety (90) days, prior to March 31, 2020. In the event of written notice of a desire to change or modify the Agreement by either or both parties, the first negotiation meeting shall be held within 30 days of the written notice to change, modify or terminate the Agreement unless another date is mutually agreed to.

IN WITNESS WHEREOF the parties hereto have executed this agreement on the date and year set forth below each respective signature.

INLANDBOATMEN'S UNION OF THE PACIFIC

HMC MANAGEMENT

By: 

Peter D. Hart

IBU Regional Director

Date: 3/20/17

By: 

Print Name: Michael A. Graham

Print Title: President

Date: 3/21/2017

By: 

Alan Cote'

IBU National President

Date: March 20, 2017

H M C - CODE OF CONDUCT

HMC and the IBU have established the following rules of conduct that are necessary to maintain an efficient and productive work environment. These rules apply to all HMC employees regardless of position. Upon acceptance of employment, each individual agrees to abide by these or all other lawful rules and regulations. The first 7 rules are the most serious infractions; any violation of these 7 rules may lead to immediate termination of employment. Violation of the next 9 rules may lead to termination on a case by case basis or, if less serious, to progressive discipline.

The progressive disciplinary process includes:

- * Verbal counseling/used to alert employee of violation(s) of rules or below standard work performance;
- * Written notice/used to formally notify employees of rule violation(s), serves as a warning
For future violations, and provide an action plan for corrective action;
- * Suspension, either time served or paper only.
- * Termination of employment occurs when a verbal or written warning, suspension, is not effective in achieving the desired change of behavior.

Note: If you are found to have violated rules 1 through 7, you may be immediately terminated from employment.

1. Insubordination

Deliberate refusal to obey a lawful order, or failure to cooperate in a HMC investigation.

2. Violation of Safety Rules

Includes engaging in conduct while on duty that endangers yourself, co-workers or customers.

3. Alcohol or Illegal Drug Use

Reporting to work under the influence of alcohol/illegal drugs, or being found under the influence of alcohol/illegal drugs after reporting to work, testing positive for illegal drugs, or drinking or testing positive for drugs prohibited by State or federal law.

4. Theft

Stealing or improper use of HMC property. Removal of property without proper authorization, possession of stolen property, stealing or attempting to steal the personal property of a co-worker or customer. Misuse or improper use of ferry system cash for personal benefit. Co-mingling personal assets with ferry system assets or exchanging personal checks for ferry system cash.

5. Neglect of duties

Sleeping on duty or willful failure to perform assigned duties.

6. Falsification of Documents or Disclosure of Confidential Records

Alteration of records, including employment applications, pay records and/or improper disclosure of personnel, safety and medical records. Disclosing confidential information, delinquent lists, etc., about anyone; consistent with laws regarding an individual's right to privacy.

7. Criminal (or Disorderly) Conduct

Conviction of a felony crime, or engaging in immoral and/or illegal activities on ferry system property.

Note: Failure to abide by the following rules may lead to disciplinary action up to and including immediate termination or, if less serious, to progressive discipline.

8. Unauthorized Possession of Weapons

Unauthorized possession of firearms or other illegal weapons, such as knives, night sticks, etc. while on HMC property.

9. Dependability

Failure to report for work on time or repeated absences from duty.

10. Threats or Acts of Violence

Use of obscene language when addressing customers or employees, violence, or threats of violence against a customer/co-worker.

11. Discourtesy to Others

Acts of discourtesy aimed at co-workers, customers or supervisors.

12. Regulations

Failure to follow applicable Coast Guard regulations.

13. Abandoning Work Site

Leaving work site before work shift ends without proper authorization, or unauthorized absence from assigned work station.

14. Smoking.

Smoking in areas other than those designated for smoking.

15. Courtesy to passengers.

Treating passengers and guests on the ferry in a discourteous or disrespectful fashion.

16. Maintaining a Civil and Harmonious Working Environment

During working hours, discussing wages, hours, conditions of employment, or any other matters of Herron Island business where such conversations or statements could be overheard by ferry passengers or those persons awaiting passage on the ferry, or discussion such matters with other employees in such a manner as to incite unrest amongst the work force. If an employee has a complaint about working conditions, he/she is to discuss it with the Island Manager or IBU business representative rather than other crewmembers.