

MASTER LABOR AGREEMENT

Southern California Chapter,
Western Insulation Contractors Association

and

Local No. 5,
International Association of
Heat and Frost Insulators
and Allied Workers

Effective: June 27, 2011 – June 29, 2014

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MASTER LABOR AGREEMENT
between
SOUTHERN CALIFORNIA CHAPTER, WESTERN INSULATION CONTRACTORS
ASSOCIATION
and
LOCAL NO. 5, INTERNATIONAL ASSOCIATION OF
HEAT AND FROST INSULATORS AND ALLIED WORKERS

This Master Labor Agreement, having been the subject of negotiations between a committee appointed by Southern California Chapter, Western Insulation Contractors Association (hereinafter called the Association) and International Association of Heat and Frost Insulators and Allied Workers, Local No. 5 of Los Angeles, California (hereinafter called Local 5) is now made and entered into this XX day of MONTH, 2011 by and between

_____ (hereinafter called the Employer) and Local 5.
(Here insert name of individual employer)

By entering into this Master Labor Agreement, each Employer bound by this Agreement further agrees to be bound to each and every provision of the Shipbuilding, Conversion and Repair Addendum, Maintenance Addendum and Firestop Addendum (hereinafter collectively "Local 5 Addendums") attached hereto as Appendix E, F and G respectively. Where a subject is covered by a provision of the Master Labor Agreement but not covered by the terms of the Local 5 Addendums, such provisions shall apply to all work covered by the Local 5 Addendums. In the event of a conflict between the Local 5 Addendums and any provision of the Master Labor Agreement, the Local 5 Addendum shall take precedence.

ARTICLE I
Territorial Jurisdiction

It is hereby agreed that an employer is anyone engaged in work described in Article XI, and that the provisions of this Agreement shall be binding upon the Employer individually and upon the employees individually and Local 5 within the territorial jurisdiction of the Local 5 as defined by the International Association of Heat and Frost Insulators and Allied Workers.

This Agreement covers the terms and conditions of employment of all employees working in San Luis Obispo, Kern, San Bernardino, Ventura, Santa Barbara, Los Angeles, Riverside, Orange, San Diego, Imperial and Inyo Counties.

The Employer agrees that on all operations outside of the chartered territory of Local 5 he will abide by the rates of pay, rules and working conditions established by a collective bargaining agreement between the local insulation contractors and the local union in that jurisdiction. Employer may send a Mechanic, and in the event of insufficient supply of local labor in that territory, such additional employees as may be necessary and such employees shall receive in addition to transportation costs the highest wage rates for their classification, board allowance, fringe benefits and other conditions of employment of either that jurisdiction or as established in this Agreement.

ARTICLE II
Workday

Section 1: Work Day

1. Eight (8) hours shall constitute a day's work. The regular workday shall be eight (8) hours worked between 6:00 a.m. and 5:00 PM, Monday through Friday, except as altered for special jobs pursuant to written agreement between the Employer and the Local 5. The Employer shall notify Local 5 in writing prior to the change in time.

2. There shall be one (1) ten (10) minute rest period, in mid-morning and there shall also be one (1) ten (10) minute rest period after the meal period at a location to be determined by the Employer.
3. Meal periods will be at a pre-designated time agreed to by the Employer and Local 5. Meal periods will be a 30-minute period, which will be strictly enforced.
4. There shall be a 15-minute period prior to the end of the day, where employees will be allowed to police their work area, fill out required paperwork, maintain lifts, store ladders and tools, and prepare for the next day's work, unless job conditions warrant additional time. Employees may not take "early quit" in lieu of cleanup time.

Section 2: Work Week

The regular work week shall consist of five (5) consecutive eight (8) hour workdays Monday through Friday. By written agreement with Local 5, Employer may schedule a four (4) day ten (10) hour alternative workweek schedule, in which case all work beyond the ten (10) hour shift shall be paid the appropriate overtime rate of pay.

Section 3: Shift Work

When agreed upon by the Employer and Local 5, in addition to the regular day shift, swing and/or graveyard shift may be scheduled provided: Shift work as described below will not apply to the Maintenance, Shipyard and Firestop addendums unless so stated.

1. Such shifts shall continue for a minimum of three (3) consecutive workdays.
2. Employees, whether initially or subsequently assigned to a swing or a graveyard shift and who are worked on such shifts for less than three (3) consecutive workdays, shall be paid at the overtime rate for all hours worked during that shift assignment except an employee who is unable to continue on such shift for reasons which are the employee's own responsibility, or beyond the Employers power to control, subject to Article X. Local 5, by mutual written consent, may grant exemption upon the employer's written request.
3. Any overlap or interval between shifts worked on the same day shall not exceed the reasonable time necessary to change shifts and, in any event, such overlap or interval shall not exceed one (1) hour.
4. When so elected by the Employer, multiple shifts may be worked. When two (2) or three (3) shifts are worked, the first, or day shift, shall be established on a standard eight (8) hour basis, between 6:00 a.m. and 5:00 p.m.; the second shift shall be on a standard seven and one-half (7½) hour basis, and the third shift shall be established on a standard seven (7) hour basis. For the purpose of this Article, the shift which begins at 12:01 a.m. Saturday shall be considered to be a Friday third shift, and the shift which begins at 12:01 a.m. Monday shall be considered to be a Sunday third shift. Modifications of the starting times of each shift may be agreed upon in writing by Local 5 and the Employer. Each shift shall be paid on the basis of 8 hours.

ARTICLE III Apprentice Ratio

The ratio of Apprentices may equal but not exceed a ratio of one (1) Apprentice to three (3) Mechanics employed by an Employer. No Apprentice shall execute work unless in company with a Mechanic, except when authorized by the Business Manager, in writing. Apprentices shall, under no circumstances, be recognized as Mechanics. At no time should this sentence be construed to supersede state law. In the event of an amendment to the Constitution and By-Laws of International Association of Heat and Frost Insulators and Allied Workers, through amendment duly adopted under its constitution and By-Laws, changing such ratio, the new ratio, when effective, shall automatically apply herein and shall be incorporated as a part of the Article.

ARTICLE IV
Overtime and Holidays

1. All labor on new construction work, as defined in Article XI Section 1, in excess of the Regular workday and on Saturday, Sunday and observed holidays, shall be known as overtime, and shall be paid for at a double (2) rate of wages if work time hours are scheduled by the Employer, except that all time worked by an employee during the ninth and tenth hour of a regular workday, Monday through Friday, and all time worked during the first eight hours on Saturday, shall be paid for at one and one-half (1½) times the employees regular rate. In the event of a 4 day 10 hour workweek, the first 10 hours worked on the 5th day, Monday through Friday, and the first 8 hours on Saturday shall be paid at 1½ times the employees regular rate.
2. The observed holidays are: New Years Day, Presidents Day, Good Friday, Memorial Day, Independence Day, Veterans Day, Thanksgiving Day, the day after Thanksgiving Day, and Christmas. Such holidays shall be observed on days to coincide with national observance of the holidays. No work shall be performed on Labor Day, except in special cases of emergency and then only when triple (3) time is paid. When a holiday falls on a Saturday, the preceding Friday shall be observed as the holiday. When a holiday falls on Sunday, the following Monday shall be observed as the holiday.
3. The employee will notify the answering service number designated by Local 5's office to report overtime prior to working if it cannot be done during regular office hours. The Employer shall assign overtime to the employees that are employed during the regular hours on the job or in the shop and such employees will receive first priority for overtime on the specific job requiring overtime.
4. Overtime shall not be used as an incentive. The Employer may be required by Local 5 to provide written verification from the client or contractor that overtime is required. In the event Local 5 shall require written verification, such verification shall be requested in writing within five (5) days after Local 5 becomes aware of the necessity for an employee to work overtime. Such verification shall be furnished within five (5) days after receipt by the Employer of such request by Local 5.
5. All overtime shall be paid for at either two (2) times the employees regular rate, or one and one-half (1½) times the employees regular rate, as the case may be, excluding from such regular rate the hourly Savings Plan allowance provided for in Section 3 of Article VIII.

ARTICLE V
Grievance Procedure - Job Steward

Section 1: Grievance Procedure

1. All grievances and disputes that may arise concerning interpretation or application of the terms of this Agreement shall be submitted in writing within thirty (30) calendar days after the employee, the Union, the Association or the Employer submitting the grievance hereinafter "Grievant" first become aware, or by use of reasonable diligence should have been aware, of the occurrence on which the grievance is based.
2. Within ten (10) calendar days after the written grievance or dispute has been submitted, a representative of the grievant and a representative of the Responding Party shall meet at least twice, if possible, in an effort to resolve the grievance or dispute.
3. In the event the grievance or dispute has not been resolved within the ten (10) calendar days period provided in Section 2 above, then the grievant may, within forty (40) calendar days after the written grievance was initially presented, by written notice to the responding party (a) submit the grievance to the Administrative Committee in accordance with the provisions of Section 4 below or (b) submit the grievance to arbitration in accordance with the provisions of Section 5 below.

4. Any grievance concerning interpretation or application of the provisions of Article XI of this Agreement shall initially be submitted to the Administrative Committee. By agreement between the Association and the Union, any other grievance may initially be submitted to the Administrative Committee. The Administrative Committee shall consist of three (3) representatives appointed by the Association and three (3) representatives appointed by the Business Manager of the Union with the Business Manager to be one of the appointees. A quorum shall consist of two (2) representatives from the Association and two (2) representatives from the Union. A majority vote is required for action. The decision of the Administrative Committee shall be final and binding upon all parties and any affected employee and shall have the same legal force and effect as an arbitration award under the provisions of applicable State or Federal Arbitration Statutes. If the Administrative Committee is unable to resolve the grievance within ten (10) working days after the grievance is heard by the Committee, then the grievant may, within ten (10) calendar days thereafter, by written notice to the other party submit the grievance to arbitration in accordance with the provisions of Section 5 of the article.
5. After notice by the grievant of intent to submit a grievance to arbitration under the provisions of either Section 3 or section 4 of this Article the grievant and responding party shall attempt by mutual agreement to select an Arbitrator. If within ten (10) calendar days after delivery of the notice of intent to submit a grievance to arbitration the parties have not agreed upon an Arbitrator, then the grievant may request a panel of seven (7) Arbitrators from the Federal Mediation and Conciliation Service. The grievant and the responding party shall alternately strike one (1) name from the FMCS panel (the right to strike the first name having been determined by lot) until only one (1) name remains and that person shall be the Arbitrator. In the event that the grievant does not request the selection of an FMCS panel within ninety (90) days from the date of initial submission of the grievance, the grievance shall be deemed waived for all purposes.
6. The arbitrator and the Administrative Committee shall have the authority to interpret this Agreement, including the issue of arbitrability, but shall not have the authority to amend or modify this Agreement or establish new terms and conditions or establish or change any wage scale.
7. The Arbitrator and the Administrative Committee shall have the right to subpoena witnesses and records, to question witnesses and within his/her discretion to award compensatory damages against any party to the arbitration proceeding, including any affected employee. The decision of the Arbitrator or the majority decision of the Administrative Committee shall be final and binding upon all parties to the arbitration and any affected employee. The fee of the Arbitrator shall be shared equally by the parties. The cost of any transcript of the proceedings, if such transcript is furnished by mutual consent, shall be shared equally by the parties. Each party shall be responsible for any expense in respect to its own witnesses and for its attorney's fees, if any.
8. Any proceedings to compel arbitration, or for judicial enforcement of an arbitration award or for correction or vacation of an arbitration award shall be governed by the provision of State or Federal Arbitration Statutes.
9. The Union will not engage in any strike, slowdown or stoppage of work by reason of any dispute, including jurisdictional disputes, arising under the provisions of this Agreement, excluding disputes concerning failure of the Employer to make the payments provided for in any of Sections 1, 2, 3, 4, 5, 6, 7, 8, or 11 of Article VIII of this Agreement, or the failure of the Employer to pay all wages when due. The Employer will not engage in any lockout. Nothing contained in this Agreement shall preclude or prohibit the Union from taking economic action, including the right to strike, engage in a work stoppage, or the refusal to refer or to dispatch workers, or withdraw employees, against a delinquent Employer during any period in which such Employer is delinquent in the payments provided for in Sections 1, 2, 3, 4, 5, 6, 7, 8, or 11 of Article VIII of this agreement, or the failure of the Employer to pay all wages when due. The Employer or the Union will be relieved of its no-strike or no-lockout obligations under this paragraph in the event of failure of the other party to comply with a majority decision of the Administrative Committee, or a final decision of an Arbitrator made pursuant to the provisions of this Article V.

Section 2: Job Steward

A Job Steward shall be a working employee, appointed by the Union, who shall, in addition to his work as a Mechanic, be permitted to perform during working hour such of his Union duties as cannot be performed at other

times. The Union agrees that such duties shall be performed as expeditiously as possible, and the Employer agrees to allow Job Stewards a reasonable amount of time for the performance of such duties. The Union shall notify the Employer of the appointment of each Job Steward, and the Employer, before laying off or discharging the Job Steward shall notify the Union of its intention to do so. It is recognized by the Employer that the person appointed Job Steward shall remain on the job as long as there is work in his particular craft or trade. The Employer shall assign overtime to the Job Steward when two or more employees are required for such overtime work. In the event of a layoff from a specific job of employees who include the Job Steward, the Job Steward will be the second man recalled at the start-up of that specific job if that specific job starts up within five (5) working days after the layoff of the Steward. In no event shall the Employer discriminate against the Job Steward or lay him off or discharge him on account of any actions taken by him in the proper performance of his Union duties. Except for insubordination, the Employer shall notify the Union of the intention of the employer to discharge the steward for just cause two (2) full working days prior to the intended discharge.

ARTICLE VI

Contracting and Subcontracting

The Employer agrees that he will not sublet or contract out any work described in Article XI of this Agreement, or any work covered by the Shipyard, Maintenance and Firestop Addendums except to a contractor which is signatory to this Agreement with Local 5. The Union agrees not to contract or subcontract work nor allow employees represented by it to do so nor to act in any trade capacity other than that of workman. Only workers represented by the Union shall perform any part of the work or application of materials described in Article XI and no member of a firm or officer of a corporation or their representative or agents shall perform any of the work or application of materials.

ARTICLE VII

Union Security and Hiring Provisions

Section 1: Union Security

1. It is mutually agreed, understood and acknowledged that the Heat & Frost Insulators and Allied Workers Local No. 5 is the sole and exclusive bargaining representative of all employees covered by this Agreement. Upon Local 5's request for recognition as majority representative, the Employer verified the evidence presented by Local 5 demonstrating that Local 5 represents an un-coerced majority of the Employer's bargaining unit employees. Based on this clear and unequivocal demonstration of majority support, the Employer recognizes Local 5 as the sole and exclusive bargaining representative and acknowledges that Local 5 represents a majority of employees employed to perform bargaining unit work.
2. Employer agrees that employees who are employed on or after the eighth (8th) day following the beginning of their employment, or the effective date of this Agreement, whichever is later, shall, as a condition of their employment, become members of Local 5, and remain members of Local 5 in good standing.

Section 2: Hiring and Seniority Provisions

1. For purposes of this Agreement, there shall be the following classifications of employees: Mechanics (Journeyman), Apprentices and Pre-Apprentices.
2. For hiring, seniority and wage purposes only there shall be four (4) classes of employees: Permanent, Temporary, Pre-Apprentice and Improvers.
 - a. A Permanent employee is either:
 - i. An employee who has completed four (4) consecutive years of service in the classification listed in subparagraph 1 above, in the insulation industry within the area defined in Article 1 of this Agreement, for an employer subject to this or a prior agreement with the Union, and

who has during such four (4) year period worked 6,000 or more hours in such classifications;
or

- ii. An employee who has completed apprenticeship training under the apprenticeship program provided for in Article VIII, Section 5 of this Agreement.
- b. A Temporary employee is either:
- i. An employee who has completed four (4) consecutive years of service as a Journeyman in the insulation industry in the United States or Canada other than in the area defined in Article I of this Agreement, and who has during such four (4) year period worked 6,000 or more hours in such classification; provided, however, that an employee who is employed in violation of this Article VII does not acquire the status of a temporary employee by such employment; or
 - ii. An employee who has been admitted to and is currently participating in the apprenticeship program provided for in Article VII, Section 5 of this Agreement.
- c. An Improver is any other employee who has been employed in the insulation industry within the area defined in Article I of this Agreement, for an Employer subject to this or a prior agreement; provided, however, that an employee who is employed in violation of this Article VII does not acquire the status of a temporary employee by such employment.
- d. A Pre-Apprentice is a person defined as a Pre-Apprentice in Article XXI, Sections 1 and 2, of this agreement.
- e. A Classification committee shall be established which shall consist of the Employer and Union representatives on the Insulators and Allied Workers Joint Apprenticeship Committee.
- f. A Permanent employee who has not been employed within the area of this agreement for a period of forty-eight (48) months shall lose his status as a Permanent employee unless the Classification Committee determines that there is good cause to continue such employee in a Permanent employee status. However, the period of forty-eight (48) months will be extended for any period of incapacity or military service.
- g. A Temporary employee who is not employed in the insulation industry for a continuous period of one (1) year shall lose his status as a Temporary employee hereunder; provided, however, that the period of one (1) year will be extended for any period of incapacity or military service.
- h. In any determination of the status of an employee as Permanent, Temporary or Permit, the Classification Committee shall primarily rely upon available payroll, Health and Welfare Trust Fund, Pension Trust fund and other employment records. In the event any such records are not available for any period of time of employment, the Classification committee may rely on any other documentary evidence of employment of the employee, including an affidavit or declaration of the employee.
- i. In the event of any dispute or grievance regarding the classification of an employee as Permanent, Temporary and Permit, the Union or the Employer may refer the dispute to arbitration for determination under the provisions and procedure of Article V of this Agreement.
- j. Notwithstanding any other provisions of this Agreement, the Classification committee, for good cause shown, may classify an employee as a Permanent employee even though such employee has not fulfilled all the working hours requirements provided in paragraph 2(a) of Section 2 of this Article VII.
3. The hiring of employees shall be in the following sequence: (1) Permanent employees; (2) Temporary employees; (3) Pre-Apprentice and (4) Improvers. On jobs other than Target jobs, all Improvers shall be laid off prior to Pre-Apprentices and all Pre-Apprentices shall be laid off prior to Temporary employees and all Temporary employees shall be laid off prior to Permanent employees. On Target jobs, layoffs shall be made

in such manner as to preserve, to every extent possible, among employees not laid off, the special apprentice ratio approved for the Target job.

The Employer shall not transfer Temporary, Permit, or Target apprentice employees for the purpose of avoiding the provisions of this paragraph applicable to layoffs nor shall the Union disrupt the operations of the Employer on small jobs as herein- after defined by the enforcement of such provisions. This paragraph shall not require the Employer to rehire an employee whom he has discharged or laid off under the provisions of paragraph 8 of this Article VII, unless such discharge is determined under the grievance procedure provided for in this Agreement to be without just cause.

The term small jobs as used in this section, shall mean jobs within Zone One (1), not involving over two (2) workers and total period of work remaining at the time of layoff that does not exceed seven (7) calendar days on the job.

4. A previously qualified permanent or temporary employee as set forth in this article shall not lose his status by reason of becoming an officer or employee of the Union and remaining a member of the Union or becoming a supervisor or salaried employee of the Employer, and for purposes of this Article VII, any such person shall be deemed to be employed in the insulation industry during his period of service as an officer or employee of the Union, or as a supervisory or salaried employee, and shall upon returning to work under the scope of this Agreement, have the same rights under this Article VII as if such person had continuously worked in the insulation industry during the period of his Union or employer service.
5. The Union will maintain appropriate registration facilities in its offices for qualified employees and new applicants for employment. All such qualified employees and new applicants must register in writing for employment with the Union each calendar quarter in order to be available for dispatch during such quarter.
6. The Union will conduct such registration facilities without discrimination by reason of membership or non-membership in the Union. Selection of applicants for referral to jobs shall not be based upon or in any way affected by Union membership, by-laws, rules, regulations, constitutional provisions or any other aspect or obligation of Union policy or requirements. Neither the Union nor the Employer shall discriminate against any employee or applicant for employment because of race, color, old age, sex, creed or national origin, such obligation including but not being limited to: hiring, placement, upgrading, transfer or demotion, recruitment, advertisement or solicitation for employment, training during employment, rates of pay or other forms of compensation, selection for training (including apprenticeship), layoff or discharge.
7. The Employer shall first call upon the Union for such workers as he may from time to time need and the Union shall refer qualified workers within twenty-four (24) hours after receipt of Employer's call when such workers are available on the Referral list, and within seventy-two (72) hours (exclusive of the day the order is placed) when qualified workers are not available on the Referral list. If the Union does not refer qualified workers within the time limits specified herein, the Employer may procure workers from any other source. The Employer will immediately report to the Union the names of any workers so employed.
 - a. Within the time limits specified herein, the Union agrees to supply employee applicants that shall agree to comply with the lawful drug testing procedures of the Employer or the Employer's customers. Where such drug testing policies are in effect, all prospective employees, prior to being acceptable for employment by the Company, will be required to submit to tests for the presence of alcohol and drugs. Upon completion of employer-mandated pre-employment testing, the prospective Employee shall await notification of the results prior to completion of the hiring process and will remain on the out of work list.

The presence of one or more prohibited drugs or alcohol will be cause for rejection for employment. Such discharge shall not be a breach of the collective bargaining agreement in effect between parties. Refusal to submit to the screening test will constitute voluntary withdrawal of application for employment.

- b. Within the classification of Permanent, Temporary, Pre-Apprentice and Improvers as defined in Section 2, Paragraph 2 of this Article VII, the Union will dispatch, as requested by the Employer from its Referral list any qualified worker specifically named by the Employer, who is registered on the Referral list. If the Employer does not request a specific worker by name, the Union will dispatch the first person on the highest priority list.
- c. The provisions of Subparagraph (b) of this Paragraph 7 shall apply separately to the Referral list maintained by the Union for Permanent employees, the Referral list maintained by the Union for Temporary employees, the Referral list maintained by the Union for Pre-Apprentice employees, and the Referral list maintained by the Union for Improvers. At no time may the employer be out of ratio without prior approval from the union. No employee shall be dispatched by the Union under the provisions of subparagraph (b) of this Paragraph 7 from the Referral list for Temporary employees until and unless there are no workers available for work on the Referral list maintained by the Union for Permanent employees. At no time may the employer be out of ratio without prior approval from the union. No employee shall be dispatched by the Union under the provisions of subparagraph (b) of this Paragraph 7 from the Referral list for Pre Apprentice employees until and unless there are no workers available for work on the Referral lists maintained by the Union for Permanent and Temporary employees. At no time may the employer be out of ratio without prior approval from the union. No employee shall be dispatched by the Union under the provisions of subparagraph (b) of this Paragraph 7 from the Referral list for improvers until and unless there are no workers available for work on the Referral lists maintained by the Union for Permanent, Temporary and Pre-Apprentice employees.
- d. A worker dispatched by the Union shall be "available for work," which is defined for purposes of this Agreement to mean that the registrant on the Referral lists maintained by the Union must be present at the time and place uniformly required for dispatch, or be available at a telephone where he can be reached, and that in addition, the registrant is not employed and will be able and willing to go to the job site and perform the work for which he is being dispatched.
- e. An employee shall be removed from his position on the Referral list maintained by the Union for any one of the following reasons:
 - i. The employee is dispatched to a job upon which he works a minimum of ten (10) working days;
 - ii. The employee, on at least two (2) occasions during a workweek, is not available for work;
 - iii. The employee is dispatched to a job and refuses to accept employment;
 - iv. The employee is dispatched to a job and fails to report to the job site;
 - v. The employee rejects three (3) dispatches at the Hiring Hall.

If any of the above events occur, the employee, in order to become available for dispatch must again register for employment on the Referral list.

- f. Upon being dispatched, the employees shall proceed to the job at once. Employees shall be paid from time of dispatch except when dispatched prior to regular working hours in which case employees must be paid when they start regular working hours. The Employer retains the right to reject for just cause any job applicant referred by the Union provided the Employer shall in no way discriminate against any such applicant because of Union membership or activities.
8. No employee shall be discharged without just cause. The Employer shall provide the Union in writing, within five (5) days after the discharge, the reason for the discharge. Any dispute in respect to such discharge shall be determined under the Grievance Procedure provided for in Article V of this Agreement.

9. Workers, other than apprentices, employed by Employer pursuant to the terms of this Agreement, and remaining in good standing with the Union, shall not be removed nor transferred by the Union unless the prior approval of the Employer has been obtained.
10. Upon all work performed by the Employer directly or performed by his subcontractors, there shall be no stoppage of work on account of a jurisdictional dispute. If any jurisdictional dispute arises, it must be settled in accordance with the procedure established by the Building and Construction Trades Department of the American Federation of Labor – CIO, and the parties' signatory hereto agree to comply with the terms of the jurisdictional settlement immediately.
11. It is agreed that no employee working under this Agreement need work under any conditions which may be, or tend to be, detrimental to his health, morals or reputation.
12. Employer and the Union agree to post in places where notices to employees and applicants for employment are customarily posted, all of the provisions relating to the hiring and seniority arrangements as set forth in this Agreement.

ARTICLE VIII
Wages, Health and Welfare, Savings Plan, Pension
Program, Apprenticeship Agreement, Occupational
Health Plan, Bonding, Dues Check-Off and Mortuary Fund

Section 1: Wages, Fringe Benefits and Dues Check-Off

1. Wages and fringe benefits are payable as follows:

Effective: 6/27/11

Wage for Mechanics Base Wage Rate	\$32.93
Savings plan deduction per hour (7%)	2.48
Health and Welfare contribution, per hour	6.30
Pension Program Contributions, per hour	7.46
Apprenticeship program contributions, per hour	0.59
National Apprenticeship contribution, per hour	0.05
Occupational health plan contributions, per hour	0.12
<u>Mortuary Fund Contribution, per hour</u>	<u>0.12</u>
TOTAL PACKAGE	\$50.05

Effective 1/1/12, the Total Package Wage rate will increase by \$0.25 per hour

Effective 6/25/12, the Total Package Wage rate will increase by \$1.00 per hour

Effective 6/24/13, the Total Package Wage rate will increase by \$2.00 per hour

Local 5 Union Dues/Fees shall be deducted from total taxable wages of all classifications of employees covered by this Agreement, unless otherwise indicated, as determined by the vote of the Local 5 membership plus a contribution to the market recovery program as determined by the vote of the Local 5 membership.

2. Deductions for Union membership dues or equivalent service charges shall be in the amount as determined by vote of the Local 5 membership. The amount of such deductions may be changed from time to time, upon written certification by the Union to the Employer, pursuant to the authorizations provided for in Section 11 of this Article VIII.

3. Apprentices indentured following the effective date of this Agreement shall be paid as follows:

	<u>1st year</u>	<u>2nd year</u>	<u>3rd year</u>	<u>4th year</u>	<u>5th Year</u>
Wage for Apprentice Base Wage Rate	\$14.16	\$17.71	\$21.25	\$24.79	\$28.33
Health and Welfare contribution, per hour	5.37	5.37	5.97	6.13	6.13
Pension Program Contributions, per hour	0.00	0.00	5.51	5.51	5.51
Apprenticeship program contributions, per hour	0.59	0.59	0.59	0.59	0.59
National Apprenticeship contribution, per hour	0.05	0.05	0.05	0.05	0.05
Occupational health plan contributions, per hour	0.00	0.00	0.12	0.12	0.12
<u>Mortuary Fund Contribution, per hour</u>	<u>0.12</u>	<u>0.12</u>	<u>0.12</u>	<u>0.12</u>	<u>0.12</u>
TOTAL PACKAGE	\$20.29	\$23.84	\$33.61	\$37.31	\$40.85

4. The payment of all wages and expenses shall be weekly on the job or at the Shop on the day designated by the Shop as payday.
5. If an Employer terminates an employee, the wages earned and unpaid shall be paid at the time of termination in accordance with all applicable statutes.
6. An out of state employer shall arrange for check cashing services near the job site if a payroll check is issued on an out-of-state bank. Any hold or delay in the employee receiving immediate credit or availability of funds from such out of state employer's shall entitle the employee to waiting time penalties (his/her hourly rate times eight hours for each day or part day) for the time of such hold or delay. An out of state employer is defined as someone who does not have a permanent location in Local 5's territory.
7. General Foreman and Foreman:
 - i. Employees designated by the Employer as general foreman shall receive 10% per hour above the applicable base rate for Mechanics.
 - ii. Employees designated by the Employer as foreman shall receive 5% above the applicable base rate for Mechanics.
 - iii. A Foreman shall be an employee designated by the Employer to be responsible for time, material and supervision of the crew on a job.
 - iv. When employees covered by the Agreement are directed by the Employer to work on jobs outside the territorial jurisdiction of the Union, they shall be paid the highest prevailing wages and fringe benefits applicable to such areas.

Section 2: Health and Welfare

1. The Employer agrees to make such payments to the Trustees of Heat and Frost Insulators and Allied Workers Health and Welfare Fund as are provided in the Agreement and Declaration of Trust for such fund, first executed August 1, 1951, subsequently reprinted and revised August 1, 1961, as such Agreement and Declaration of Trust may be amended, supplemented and renewed from time to time. All such payments are to be used exclusively for the purposes of the Health and Welfare Fund as provided in the Agreement and Declaration of Trust. The Employer accepts, and agrees to be bound by, the terms and provisions of such Agreement and Declaration of Trust.
2. Under the terms of this Collective Bargaining Agreement the Trustees of the Fund are authorized and directed to modify the benefit level and establish hourly contribution rates, in addition to those provided for in Article VIII, Section 1, of this Agreement, if required to assure reimbursement of then prevailing percentages of usual, customary and reasonable charges for applicable treatment. Any such modification of benefit level or contribution rates shall be made effective only on ninety (90) days' notice. Any required modification of the specified contribution rates in the Agreement shall be diverted from the established wage rate.

3. The Trustees of the Health and Welfare Trust shall reside within the geographic area covered by the Collective Bargaining Agreement under which the Trust is established.

Section 3: Savings Plan

1. The Employer shall withhold as a savings plan allowance 7% of the basic hourly wage for each hour worked by each employee covered by the Agreement. Such savings allowance is primarily for the purpose of affording money to the employee for vacations, but the employee may withdraw such allowance for purposes other than vacations.
2. The savings plan shall not apply to Apprentices indentured following the effective date of this Agreement.
3. The Employer shall make legal payroll withholdings, for income tax, social security, unemployment insurance, etc., from the employee's total wages including the savings allowance. The full amount of the savings allowance shall then be withheld from the employee's weekly pay and shall be sent with monthly transmittal forms to the Union for deposit by the Union into a bank selected by the Union. The monthly transmittal shall cover every employee subject to this Agreement who is on the payroll for payroll periods ending within the calendar month.
4. On the monthly transmittal form the following information concerning each employee shall be set forth in separate columns: (1) Social Security number; (2) Name of Employee; (3) The number of hour worked; and (4) The amount of savings allowance. The total of the amounts set forth in column (4) shall be given, together with the transmittal check, to the Union. The Union assumes full responsibility for depositing these funds into the approved bank.
5. One copy of the monthly transmittal form shall be retained by the Union. A second copy of the monthly transmittal form and accompanying check from the Union shall be received by the bank no later than the 15th day of the following month. The Employer, if delinquent in transmitting the Employee's savings allowance to the Union by the twentieth day of the month following the close of the previous month's payroll period, may be required to buy and furnish a money payment bond in the amount of five thousand dollars (\$5,000.00) as guarantee that the savings allowance payments will be regularly made and on time.
6. The employee, whether employed or unemployed, may withdraw all funds on deposit for his Savings Account in the Bank, at any time, upon application to the Bank, except that \$25.00 shall be retained in such account as long as it is active.
7. In the event of the death of the employee, the balance on deposit for his account shall be paid to such person or persons as are entitled thereto upon submission of necessary proof.

Section 4: Pension Program

1. The Employer shall pay to the Western States Allied Fund the pension program contribution per hour for each employee as provided in Article VIII, Section 1, Paragraph 1, and whatever additional amounts per hour as may be determined in accordance with agreements between the Western States Conference of Allied Workers and the Western Insulation Contractors Association, provided that any additional contribution is made by adjustment within the total hourly wage increase of this Agreement. No pension payments shall be required for 1st and 2nd year Apprentices indentured following the effective date of this Agreement. For any Apprentice indentured following the effective date of this Agreement who becomes a 3rd, 4th, or 5th year Apprentice the Employer shall pay to the Western States Allied Pension Fund Defined Benefit Plan a contribution of \$4.96 per hour and a contribution of \$0.55 per hour to the Western States Allied Pension Fund Individual Account Plan.
2. Pension payments are due on or before the tenth day of the month following the month in which the work was performed and each monthly payment shall include payments for all payroll periods which ended during the previous month.

3. Failure to make the payments herein required before the twentieth day of the month in which they are due shall make the Employer delinquent and obligate the employer to pay to the Pension Fund such damages, costs and expenses as are provided for in the Pension Fund Agreement and Declaration of Trust.
4. The undersigned Employer accepts (1) a true copy of the Western States Conference of Allied Workers and Associated Insulation Contractors Pension Fund Agreement and Declaration of Trust dated November 20, 1959 which is made a part hereof, together with any amendments thereto, and (2) the several agreements between the Western States Conference and Western Insulation Contractors Association Central Labor Committee comprising Appendix A which is made a part hereof together with any amendments thereto.
5. The Employer agrees:
 - a. That the Employer Trustees named in the Agreement and Declaration of Trust, and additional Employer Trustees appointed pursuant to the terms of the Agreement and Declaration of Trust, and their successors in trust, are and shall be his representatives; and
 - b. That the Employer approves and consents to the appointment of the Trustees of the said Agreement heretofore appointed and hereafter selected as provided for in said Agreement; and
 - c. That the Employer further ratifies, confirms, approves and consents to all of the acts of the said Trustees, their duly appointed successors, heretofore or hereafter taken in the creation and administration of the said Trust Agreement, including, without limitation, the establishment, maintenance, modification and termination of a pension plan, the amount and types of benefits which maybe provided thereunder, the crediting of service for the purpose of determining the benefits of individual employees, and the method of funding and paying the benefits; and
 - d. That the Employer further ratifies, confirms, approves and consents to all amendments of the said Trust Agreement that may hereafter be made by written agreement between the Trustees and the Western States Conference of Allied Workers and the Western Insulation Contractors Association, regardless of whether the undersigned Employer is a member of the Western Insulation Contractors Association.
6. This Agreement shall be binding upon and shall inure to the benefit of the heirs, successors, transferees and assigns of the respective parties hereto.
7. The local union shall forthwith notify the administration office of The Fund of the fact and date of execution of this Agreement by the individual Employer, such Employer's name, the name of an Employer party to a National Agreement when such Employer employs employees in the jurisdiction of a local union, and shall submit to such office a duplicate original of such agreement.

Section 5: Apprenticeship agreement

1. The Employer shall maintain an "Apprenticeship Agreement" which shall be the subject of a separate agreement between the Employer, the Union and the California Administrator of Apprenticeship or his representative. The Employer shall pay to the trustees under said apprenticeship agreement, for purposes of defraying expenses of administering said agreement, the sum of not less than \$0.59 per hour for each hour worked for such Employer by each employee covered by this Agreement, commencing on April 4, 2011 provided however that the trustees shall have the authority to reduce or increase, from time to time, the amount of such contributions to an amount which will maintain in the fund for administering said apprenticeship agreement an available reserve in the minimum amount of Twenty Thousand Dollars (\$20,000) and in the maximum amount of Sixty Thousand Dollars (\$60,000).
2. The Apprenticeship Standards and Trust Fund Agreement for Heat and Frost Insulators and Allied Workers, first executed February 1, 1962 and thereafter amended and reinstated as of August 1, 1973, establishes a Joint Apprenticeship Committee. The Joint Apprenticeship Committee shall be responsible for the transfer of apprentices to insure compliance with the requirements of such Apprenticeship Standards Agreement. The

Joint Apprenticeship Committee shall be required to instruct the Administrator of the Apprenticeship Program to transfer apprentices in accordance with the requirements of such Agreement, following a review of the apprenticeship records by the Joint Apprenticeship Committee at minimum intervals of each six months, such records pertaining to the type and location of jobs for, and work performed by, apprentices.

3. The Trustees of the Apprenticeship Trust shall reside within the geographic area covered by the collective bargaining agreement under which such Trust is established.

Section 6: National Apprenticeship Fund

The Trustees of the Allied Workers Local 5 Apprenticeship Trust shall transmit to the Allied Workers National Apprenticeship Fund the sum of \$0.05 per hour worked by employees covered by this Agreement. The Trustees will annually, on January 1st, review this contribution and will decide if it will continue for the following year.

Section 7: Occupational Health Plan

The Employer shall pay to the Western States Allied Health Fund the occupational health plan contribution provided in Article VIII, Section 1, Paragraph 1, and whatever additional amounts per hour as may be determined in accordance with agreements between the Western States Conference of Allied Workers and the Western Insulation Contractors Association, provided that any additional contribution is made by adjustment within the total hourly wage increase of this Agreement for maintaining or improving disability benefits.

Section 8: Bonds

The Employer must post, within one week of signing this Agreement, a Union Indemnity Bond, (of which the term may not expire before the termination date of this Agreement) in the amount of Fifty thousand dollars (\$50,000.00), or a cash deposit of Fifty thousand dollars (\$50,000.00) into an Escrow Account (for the term of this Agreement), or a non-cancelable Letter of Credit in the amount of Fifty thousand dollars (\$50,000.00). This security will be used for the purpose of guaranteeing the performance by the Employer of its obligations to pay wages and fringe benefit contributions, as set forth in this Agreement, and to pay such damages as may be awarded by an arbitrator or the Administrative Committee, ruling upon a grievance filed. A Union Indemnity Bond posted with the International Union will be considered adequate to meet this requirement. Recovery of monies pursuant to the security provided herein shall be applied in the following order:

1. Wages
2. Fringe Benefit Contributions
3. Associated collection costs
4. Damages awarded by an arbitrator or the Administrative Committee

Employer shall make provisions with the Bonding Company, Escrow holder and/or Bank issuing the Letter of Credit so as to pay on the written demand of Local 5, payments guaranteed under the terms of this Section.

Section 9: Employer Failure to Make Certain Contributions

Notwithstanding the grievance and arbitration procedure of this Agreement, or any other terms and conditions of this Agreement, in the case of failure of an Employer to make any of the payments provided for in Sections 1, 2, 3, 4, 5, 6, 7, 10 or 11 of Article VIII of this Agreement, or in the event Employer fails to post a bond in accordance with the provisions of Section 8 of Article VIII of this Agreement, and upon receipt of notification of delinquencies, the Union must notify the delinquent Employer that unless corrective action is taken within ten (10) working days, the Union will take economic action against Employer, including a strike, the right to engage in a work stoppage, or to refuse to refer or dispatch any workers, or to withdraw employees from the Employer, during the periods in which Employer is delinquent in such payments, or fails to post such bond. Any contractor issuing checks that have insufficient funds shall be required to pay two and one half (2½) times the amount of the check as penalty to the worker.

Section 10: Trust Agreements

All of the terms and conditions of the Agreement and Declarations of Trusts of the Health and Welfare Plan, Defined Benefit, Individual Account Plan Apprenticeship Plans, Occupational Health Plan, Asbestos Abatement Training Trust, and the Western States Allied Health Fund between the parties, are incorporated by reference into this Agreement and the Employer agrees to be bound by all of the terms and conditions of these Agreements and Declarations of Trust.

Section 11: Check-off Union Dues or Service Charges

The Employer will deduct the amount set forth by the Union from the wages of each employee who individually authorizes the Employers signatory to this Agreement, in writing, to make such deductions, such amount per hour worked by the employee as is designated in the Employee's Authorization, as Union membership dues or equivalent service charge, and initiation fees and membership reinstatement fees uniformly required as a condition of acquiring Union membership.

1. Such deductions shall be made only in accordance with instructions upon authorization cards, which shall be in a form supplied by the Union. In order to be effective, such authorization cards shall be delivered by the Union to the Employers signatory to this Agreement. Such authorizations and assignments shall not be revocable for a period of one (1) year from their effective dates, or the termination date of this Agreement, whichever occurs sooner, provided that such authorizations and assignments shall continue in full force and effect for yearly periods beyond the irrevocable period set forth above, and each subsequent yearly period shall be similarly irrevocable, unless revoked by the employee within fifteen (15) days after any irrevocable period hereof. Such revocations shall be effective by written notice to both the Employer and the Union within such fifteen day period.
2. Deductions for membership dues or equivalent service charges shall be withheld by the Employer from the employee's weekly pay, and shall be forwarded with a monthly transmittal form to the Union for deposit by the Union, in a bank to be selected by the Union.
 - a. The Union shall on a monthly basis submit an itemized statement to each Employer for initiation fees, assessments and membership reinstatement fees owed by the employees of the Employer, only if such fees are owed. Such deductions shall be withheld from the employee's pay and submitted monthly to the account of the Union in a bank to be designated by the Union.
3. Such payroll deductions shall begin immediately, if the employee has an authorization card on file with the Bank, and a copy of the card on file with the signatory Employers, or within three (3) days subsequent to receipt by the Bank designated by the Union, and by the signatory Employers of the authorization cards, or copies thereof, provided for in Paragraph 1 above.
4. The Employer's obligation to make such deductions shall terminate in the event the employee shall for any reason cease to be an employee of the Employer, or upon receipt by the Employer of a written revocation by the employee of such authorization card.
5. Both the Union and the Employer shall have the responsibility to notify employees of the provisions of this section.
6. The Union indemnifies the Employer from any employee claim based upon misapplication by the Union of vacation savings plan allowances, Union membership dues or equivalent service charges, and Union initiation fees and membership reinstatement fees received by the Union from the Employer.

Section 12: Mortuary Fund Agreement

Effective January 1, 1993 the Association and the Union entered into a Mortuary Fund Agreement entitled Amendment No. 2 to Master Labor Agreement. A copy of that agreement is attached to this Master Labor Agreement as Appendix B and made a part of this Master Labor Agreement. The undersigned Employer and the

Union hereby accept the Mortuary Fund Agreement attached hereto as Appendix B and agree to be bound by all its terms as a continuing part of this Master Labor Agreement.

ARTICLE IX Travel Pay and Subsistence

Section 1: Los Angeles

1. There shall be (2) recognized zones with the Los Angeles City Hall as the central point. All zones are depicted on a map mutually agreed upon between the Employer and the Union. Such map is designated as "Exhibit A" and made a part of this Agreement.

Zone 1: 0 to 80 miles – No allowance

Zone 2: Over 80 miles – \$60 per day worked, mileage is IRS allowable per Google at the start and finish of the job.

2. The travel pay and subsistence payable to an employee for any day during which the employee for any reason voluntarily leaves his job prior to completion of the employee's regularly scheduled workday shall be reduced in proportion to the balance of the employee's workday remaining at the time the employee leaves his Job.
3. Where free parking is not available within one half (½) mile of the jobsite, the contractor shall reimburse employees at the lowest rate available, provided the employee presents a signed and dated receipt for each parking expenditure. Receipts must be received weekly.

Section 2: San Diego

1. There will be two (2) recognized zones radiating from the intersection of Broadway Street and U.S. Highway 163 in the City of San Diego. All zones are depicted on a map mutually agreed upon between the Employer and the Union. Such map is designated as "Exhibit B" and made a part of this Agreement.

Zone 1: 0 to 30 miles – no allowance

Zone 2: Over 30 miles – \$60.00 per day worked, mileage is IRS allowable per Google at the start and finish of the job.

2. The travel pay and subsistence payable to an employee for any day during which the employee for any reason voluntarily leaves his job prior to completion of the employee's regularly scheduled workday shall be reduced in proportion to the balance of the employee's workday remaining at the time the employee leaves his Job.
3. Zone 1 (the free zone) is expanded to include the area bounded by a 22 mile arc drawn from Oceanside Boulevard and the I5 Freeway and intersecting the current San Diego free zone and the Los Angeles free zone as depicted on the map mutually agreed upon between the Employer and the Union. This map shall be a part of Exhibit B as referenced in the Article IX, Section 2, Subsection 1 above.
4. Where free parking is not available within one half (½) mile of the jobsite, the contractor shall reimburse employees at the lowest rate available, provided the employee presents a signed and dated receipt for each parking expenditure. Receipts must be received weekly.

Section 3: Bakersfield

1. There shall be two (2) recognized zones with the Bakersfield City Hall as the central point. All zones are depicted on a map mutually agreed upon between the Employer and the Union.

2. Such map is designated as "Exhibit C" and made a part of this Agreement.

Zone 1: 0 to 75 miles – no allowance

Zone 2: Over 75 miles – \$60.00 per day worked, mileage is IRS allowable per Google at the start and finish of the job.

3. The travel pay and subsistence payable to an employee for any day during which the employee for any reason voluntarily leaves his job prior to completion of the employee's regularly scheduled workday shall be reduced in proportion to the balance of the employee's workday remaining at the time the employee leaves his Job.
4. Where free parking is not available within one half (½) mile of the jobsite, the contractor shall reimburse employees at the lowest rate available, provided the employee presents a signed and dated receipt for each parking expenditure. Receipts must be received weekly.

Section 4: Boundaries

Jobs falling on the radius line of any zone shall be considered as in the next higher zone.

Section 5: Days Not Worked

An employee working in Zone 2 (Los Angeles), as defined in Section 1 above, or in Zone 2 (San Diego), as defined in Section 2 above, or in a Bakersfield zone area where the Los Angeles Zone 2 travel pay and subsistence allowance is applicable, shall be paid subsistence pay for (1) a holiday not worked in the zone if such holiday occurs on Tuesday, Wednesday or Thursday of the workweek and if the employee works both the days immediately preceding and following the holiday, and (2) for any day when such worker is required by the Employer to remain out of town, but not working, due to reasons beyond his control such as inclement weather.

Section 6: Transportation Facilities

Employees covered by this Agreement shall not be permitted to furnish, lease or rent the use of an automobile or other conveyance to transport men, tools, equipment or materials from shop to Job, from job to job, or from job to shop. Facilities for such transportation will be provided by the Employer. This provision shall not restrict the use of an automobile or other conveyance to transport the owner and personal tools from home to shop or job at starting time, from job to job, or from job to home at quitting time.

Section 7: Subsistence Jobs

The Employer may schedule its employees four (4) days a week, ten (10) hours a day on full board and subsistence Jobs.

ARTICLE X Reporting Time

Any worker dispatched or directed to report and reporting for work at the regular starting time ready for work and for whom no work is provided, shall receive pay for two (2) hours at the regular rate unless they have been notified before the end of the last preceding shift not to report and any worker who reports for work, ready for work, and for whom work is provided, shall receive not less than four (4) hours pay at the regular rate, and if more than four (4) hours are worked in any one day, shall receive not less than a full day's pay. In order to be paid show-up time, an employee must remain on the Job site for at least two (2) hours unless they are excused by the foreman or person in charge of the work.

When an employee is directed to report for work, and reports for work at the designated starting time on Saturday, Sunday, or Holiday, and for whom no work is provided, shall receive a minimum of two (2) hours pay at the employee's overtime rate, as provided for in Article IV Section 1 of this Agreement. Any employee who works beyond the minimum two (2) hours shall be paid for the actual hours worked, at the overtime rate.

ARTICLE XI
Description of Work and Work Covered

Section 1: Description of Work

1. New Construction Work: New work for the purposes of this Article is defined as:
 - a. The construction of any facility, structure, process or building that did not previously exist at the same site.
 - b. The construction of any facility, structure, process, system (or sub-system) or building that is a replacement for a significantly demolished facility, structure, process, system, sub-system or building.
 - c. The insulation of existing duct, pipe, equipment or vessel surface that had not previously been insulated, excluding the addition of fitting insulation pads on previously insulated systems.
 - d. Tenant development in new or existing facilities.
2. Shipbuilding, Conversion, & Repair: Shipyard work is defined as all construction, maintenance, insulation of piping and equipment, as needed on ships.
3. Maintenance: Maintenance shall be recognized as work covered under Section 2 of this Article XI where such work is of a repair, asbestos, lead or mold removal, and re-insulation.
4. Fire Safety: Shall be recognized as firestopping work applied to any portion of a building, structure, electrical system, mechanical system or any other interior or exterior partition or section of any of the above referenced structures for the exclusive purpose of creating a "Fire Barrier" or "Smoke Seal."

Section 2: Work Covered

1. General:
 - a. This Agreement covers the rates of pay, rules and working conditions of all Mechanics, Apprentices (Improvers), Pre-Apprentices, and all other classifications of employees performing work under this Master Labor Agreement, as well as under the Addendums attached hereto, employed by an Employer signatory to or otherwise committed to abide by this Agreement, regardless of the location of their employment within the territorial jurisdiction of Local 5, when they are engaged in the work that has been or becomes within the craft jurisdiction of Local 5.
 - b. This work includes the preparation, alteration, application, erection, assembling, molding, spraying, pouring, mixing, hanging, adjusting, repairing, dismantling, reconditioning, maintenance, finishing, and/or weatherproofing of cold or hot thermal insulation with such materials as may be specified when those materials are to be installed for thermal purposes on piping, fittings, HVAC ductwork, stairwell pressurization systems, grease ducts, valves, boilers, ducts, flues, tanks, vats, equipment, or on any hot or cold surfaces for the purpose of thermal control or to be installed for sound attenuation purposes on mechanical devices, equipment, piping, surfaces related in an integral way to the insulation of such mechanical devices, equipment and piping. This work also includes all labor connected with the handling, truck driving and distribution of thermal insulation on the job premises. This article does not include pre-manufactured insulation or insulation accessories; however any manufacturing by signatory contractors will be covered by Local 5 employees in accordance with this agreement.
 - c. All duct lining, plenum lining and duct wrapping, done on the jobsite for acoustical or thermal purposes will be the work of Local 5.

- d. All sealing of sleeves, penetration, holes, chases, passages, or openings of any kind in concrete, metal or any other material by means of machinery, tools and equipment powered by any other method, the purpose of which is to seal after the passage, placing or installation of pipe, conduit, tubing or any other object passing through the above mentioned openings.
- e. In addition, this shall include all other work awarded to the Union through International Union Agreements, through Decisions of Records and Agreement of Record and other actions of the National Joint Trade Board for the Settlement of Jurisdictional Disputes in the Construction Industry, or any Agreement that may be made between a representative of the International Association of Heat and Frost Insulators and Allied Workers and another representative of an International Union. In the event such an Agreement is made, said Agreement shall be furnished to the Employers.

2. Subcontracting:

Employers signatory hereto agree to execute their work as described in Article II, Section A, as direct Employer of Employees represented by Local 5 and not sublet any of the same, nor the labor thereof, except to a contractor signatory to the Union, and Local 5 agrees not to contract, subcontract or estimate on work nor allow its members to do so nor to act in any trade capacity other than that of worker. It is also agreed that no member of a firm or officer of a corporation or their representatives or agents signatory to this Agreement shall execute any part of the work or application of materials. It is also agreed that no individual Employer, responsible managing employee (RME), responsible managing officer (RMO), on an individual's license, officer, shareholder of a corporation, or owner of an unincorporated individual, an Employer's deliveryman or warehouseman, shall use the tools of the trade, or personally perform any of the work covered by this agreement.

**ARTICLE XII
At Work**

Employees shall be considered "at work" for an Employer from the time they accept employment and they shall proceed to and execute said work in a faithful workmanlike manner and not quit same until after reasonable notice has been given the Employer. The mechanic in charge of out-of-town operations where board is paid shall give the Employer 24 hours notice before leaving the Employer.

**ARTICLE XIII
Union Office**

The Union shall have a permanent office address with telephone service, where its Business Manager or his/her authorized agent can be communicated with between 8:00 a.m. and 4:00 p.m. each working day for the purpose of answering inquiries and providing necessary service to the Trade.

**ARTICLE XIV
Miscellaneous Provisions**

1. The Union agrees that there shall be no limitation or restrictions placed upon the individual working efforts of employees.
2. The Employer and the Union agree that safe working conditions shall be provided on all jobs in accordance with State and Federal Law.
3. Payment of wages to any employee whose employment is terminated, or who terminates his employment, including waiting time penalties, shall be made in accordance with the provisions of the California Labor Code (Labor Code Sections 200 et seq.) as the same may be amended from time to time.

4. Nothing contained in this Agreement shall prohibit an employee or the Union on behalf of employees from submitting claims for unpaid wages, or other financial benefits provided for under Article VIII of this Agreement to an appropriate governmental agency for enforcement and determination, without proceeding through the grievance and arbitration procedure.
5. An employee driving a company vehicle shall receive subsistence in the amount set forth in the highest paid zone (when applicable) and shall be covered by all the terms and conditions of this Agreement. The rules governing the use and operation of company vehicle shall be as follows:
 - a. The vehicle shall be the property of or leased by the Employer and shall not be the property of or leased from an employee;
 - b. Loading and unloading shall be in accordance with Article II of this Agreement;
 - c. The operator shall be paid travel expenses based on the highest zone in which the operator works during the day;
 - d. All company vehicles shall have permanent signs or mutually agreed-to identification including the company name or contractor license number.
6. In the event an employee is requested to work more than ten (10) consecutive hours, he/she shall receive a second one half hour meal period at the end of the ten (10) hours, and every four (4) hours thereafter. The employee will be paid for the meal period only if he remains on the Job site during that time.
7. On Jobs of five (5) employees or more the Employer shall provide reasonably adequate storage for tools owned by employees, provided such storage will not be considered as an acceptance of responsibility or security by the Employer. When employees are required to leave personal tools on a jobsite, the Employer shall provide adequate security for such tools.
8. The institution or maintenance by an Employer of any profit sharing or severance plan for employees covered by this Agreement shall be a subject of collective bargaining between the Employer and the Union. Any profit sharing or severance plan now in existence, covering employees represented by the Union, shall be dissolved and terminated as to such employees, and any funds then required by such plan to be distributed to such employees shall be distributed in accordance with the plan.
9. Annual time off for vacation for employees covered by this Agreement shall be scheduled by mutual agreement between Employer and employee. Each employee shall be entitled to two (2) weeks' vacation annually.
10. Copies of all reports of Trust Fund benefit contributions will be mailed to the Union office each month.
11. The representative of the Union shall be allowed access to any shop or job at any reasonable time where workers are employed under the terms of this Agreement.
12. The Employer and the Union agree that there will be no discrimination in employment because of race, color, religion, sex, age, handicapped status, or national origin and will comply with local, State, and Federal Equal Employment Opportunity Acts, and any other similar plans to accomplish the objectives of equal employment opportunities.
13. The Employer shall furnish a work order in writing to the employees for each job, and the work order shall supersede any other work order or specifications issued by others.
14. A superintendent on withdrawal from the Union, supervising work covered by this Agreement, may at the sole option of the employer, participate through contributions of the Employer, in the Western States Pension Plan, Occupational Health and the Western States Allied Individual Account Plan to the extent of the benefits

specified by the trustees under such plans. No self payment of contribution to either plan by such superintendent is permitted.

15. All Employees shall be permitted to attend to union business required or authorized by the Union without penalty. The Contractor is not obliged to pay any wages for time not worked while attending to union business. The union agrees to allow substitutions in cases where the contractor would be impacted by its employee taking time off.

SECTION XV Favored Nations Clause

The local 5 Master CBA between the Southern California Chapter of WICA and IAHFIAW Local 5 shall be the CBA to which all new contractors will become signatory. As a condition of signing a new contractor, the Employers and the Union understand there may be certain exceptions that will need to be made to deal with existing fixed price backlog to be completed at rates in effect at the time of the bid. All other concessions, by the union, to address competitive market conditions will be made available to all signatory contractors on a non-discriminatory basis.

ARTICLE XVI Target Job Program

1. A Target Job is a Job which the Union and Employer signatory to this Agreement agree that use of Pre-Apprentice, and 1st and 2nd year Apprentices in ratios other than provided in Article III of this Agreement, will enhance the employment generally of Mechanics and Apprentices covered by this Agreement. In the event of the unavailability of sufficient Pre-Apprentices, and 1st and 2nd year Apprentices, or applicants on the Apprenticeship waiting list, the Union may dispatch workers from any source they find adequate to fill the request.
2. The Employer may submit to the Union a Target Job application. The Business Manager of the Union or his designate, at his/her sole discretion, will then approve or disapprove in writing the Target Job application submitted. If a Target Job is approved by the Business Manager, or his/her designate, the Employer will be notified of the special ratio of Pre-Apprentices, and 1st and 2nd year Apprentices to Mechanics which may be used for such Target Job. Any other Employer competing for such Target Job will be afforded the same ratio.

ARTICLE XVII Industry Promotion Fund

1. The Employer, whether or not a member of the Association, shall pay to the Association, for deposit into an Industry Promotion Fund \$0.04 per hour for each hour worked by each employee employed on work covered by this Agreement. The Fund shall be used for the purpose of promoting the interests of the insulation industry in the area covered by this Agreement. The purposes of the Fund include promotion of programs of industry education, stabilization and improvement of labor relations, administration of collective bargaining agreements, improvement of technical and business skills of employers, and support of employment opportunities.
2. All payments provided for under this Article shall be due and payable monthly on or before the 15th day of each calendar month for all work performed in the preceding month. The Association shall provide each Employer with a form of report to be filled out by the Employer and mailed by the Employer together with his contribution to the address designated by the Association.
3. The Industry Promotion Fund shall be administered solely by the Association. The Union shall not be responsible for the administration of such Fund or for the collection of any of the amounts required to be paid into said Fund by the Employer as provided in this Article.

4. No part of the Fund shall inure to the benefit of, or be received by, any individual Employer, whether or not a member of the Association.
5. For the purpose of this Article, "Employer" means a member of the Association or an Employer that has authorized the Association to represent the Employer for collective bargaining purposes.

ARTICLE XVIII
Joint Labor/Management Committee

1. There shall be established a Joint Labor/Management Committee to review the effectiveness of this Agreement.
2. The Committee shall consist of five (5) representatives appointed by the Business Manager of the Union and five (5) representatives appointed by the Association. Union members of the Committee shall consist of the Business Manager of the Union and four (4) other representatives appointed by the Business Manager. Association representatives shall consist of representatives of five (5) signatory Employers. The Committee shall elect a Chairman from its membership.
3. The Committee may engage the services of an independent Administrator to assist in the organization and the function of the Committee. The services of the Administrator and other mutually agreed to costs shall be paid for in equal shares by the Union and the Association. Committee members shall serve without compensation from the Committee.
4. The Committee shall meet at least once quarterly. The Committee shall be responsible for reviewing the employment levels in the insulation industry and for gathering information as to employment in the industry of employees covered by this Agreement and employees not covered by this Agreement. The Committee shall prepare a quarterly report to be transmitted to the Union membership and to the contractors' signatory to this Agreement. The report is to be an analysis of the current and future effectiveness of this Agreement.

ARTICLE XIX
The Heat and Frost Insulators and Allied Workers
Labor-Management Cooperative Trust

Commencing as of the effective date of this Agreement, and for the duration of this agreement, the Employer agrees to make payments to The Heat and Frost Insulators and Allied Workers Labor-Management Cooperative Trust (LMCT) for each employee covered by this Agreement, as follows:

1. For each hour worked, for which an employee works, the Employer shall make a contribution of five cents (\$0.05) to the LMCT. These funds will be sent to the LMCT on a monthly basis via the Local Union Financial Secretary Monthly Financial Report.
2. For the purpose of this Article, each hour worked, shall be counted as hours worked for which contributions are payable.
3. Contributions shall be paid on behalf of any employee starting with the employee's first day of employment in a job classification covered by this agreement. This includes, but is not limited to, insulation workers, firestop workers, and hazardous waste workers in the following classifications: Journeymen, apprentices, helpers, trainees and probationary employees.
4. The Employer and Union signatory to this Agreement agree to be bound by and to the Agreement and Declaration of Trust, as amended from time to time, establishing the LMCT.

ARTICLE XX
Special Agreements

1. The Employer and the Union recognize that the International Association of Heat and Frost Insulators and Allied Workers has entered into and may in the future enter into a General President's Maintenance Agreement (hereinafter "GPMA") and National Erectors Association National Maintenance Agreement (hereinafter "NEA") and other such National Maintenance Agreements within the jurisdiction of the Union, which agreements provide wages, hours, and conditions of employment different from this Master Labor Agreement. If the International enters into such an Agreement with a contractor or user for work to be performed at a petroleum, chemical or power generating station within the jurisdiction of the Union, the Union agrees that this same Agreement will apply to the Employer for the same work at the same project. Application of these Agreements to a specific project shall not affect the application of this Master Labor Agreement to any other work performed by the Employer at any other jobsite, or at its shop.
2. The parties agree that any project or jobsite agreement that is agreed upon by the Employer and the Union (such as a G.P.M.A., N.M.A., National Stabilization Agreement, or any similar agreement between the Employer and the respective craft Unions) for the purpose of performing any work covered by this Agreement, all such work shall be performed by workers working under this Agreement and no other Sub-Agreements shall apply to said projects unless the job was bid before such a Project Agreement was entered into by the parties to such an agreement, and also providing that the job was bid by said Employer without the Employer having any prior knowledge of, or reasonable expectation of, a pending Project Agreement.

ARTICLE XXI
Pre-Apprentice Program

1. The Job classification of Pre-Apprentice is established to provide a source of applicants for the Apprenticeship Program. The Pre-Apprentice shall perform work within the "Work Covered" provisions of Article XI of this Agreement, except prevailing wage projects or any job where the pre-job agreement prohibits the use of a Pre-Apprentice.
2. At such time as the applicant has been placed on the approved Apprenticeship waiting list, the applicant shall be classified as a Pre-Apprentice. The wages of the Pre-Apprentice are as follows:

Level of Experience – based upon hours worked in the Insulation Industry	Hourly Base Wage
Class 1 (up to 2000 hours).....	\$9.96
Class 2 (up to 4000 hours).....	11.99
Class 3 (up to 6000 hours).....	13.01
Class 4 (over 6000 hours).....	14.03

Effective 6/25/12, the Total Package Wage rate will increase by \$0.25 per hour
Effective 6/24/13, the Total Package Wage rate will increase by \$0.30 per hour

3. Employees at all Pre-Apprentice base compensation levels shall be paid the following fringe benefits, per hour:

	Fringes
Health and Welfare Contribution	\$2.90
Apprenticeship Program Contribution	0.59
<u>National Apprenticeship Contribution</u>	<u>0.05</u>
TOTAL.....	\$3.54

4. The ratio of Pre-Apprentices may equal, but not exceed, a ratio of one (1) Pre-Apprentice to three (3) Mechanics employed by an Employer.

5. Union dues or service charges, initiation fees and membership reinstatement fees for Pre-Apprentices are payable subject to the provisions of Article VIII, Section 11 of this Agreement.
6. When a Pre-Apprentice is indentured as an Apprentice, the provisions of this Agreement applicable to Apprentices shall apply.
7. The Pre-Apprentice Program shall be reviewed periodically by the Negotiation Committee for the Association and the Union during the term of this Agreement, to determine the effectiveness of the Program and the necessity, if any, for revisions in the Program.

ARTICLE XXII

Contract Renewal or Termination

1. Either party to this Agreement desiring to renew it in the present form, or with change or amendment, or to terminate the Agreement, shall make known such intention to the other party in writing ninety (90) days prior to the expiration date of this Agreement. Any notice given by the Union under this Article shall be sufficient if given to the Association, and Employer hereby designates the Association as his authorized agent to accept such notice, whether or not the Employer is a member of the Association at the time such notice is given. Any notice given to the Union under this Article shall be given only by the Association, and not by Employer. Negotiations for amendments to the Agreement pursuant to any notice given under this Article shall be conducted only between the Union and a Committee appointed by the Association. Employer shall not, solely by reason of his execution of the Agreement, become responsible for the conduct of any other Employer, or the Union, under any other agreement similar to this Agreement executed between the Union and another Employer.
2. The Union, the Association and all signatory Employers to this Agreement recognize that this Agreement establishes a single multi-employer unit and collective bargaining agreement. Each Employer, by executing this Agreement, authorizes the Association to act as the collective bargaining representative of such Employer in this multi-employer bargaining unit. Unless a signatory Employer sends written notice by registered mail to the Union and the Association not less than one hundred twenty days, nor more than one hundred fifty days, before the expiration date of this, or any subsequent agreement, that such Employer signifies its intent not to be bound by any successor or extended agreement, each such signatory Employer will be bound by any successor or extended agreement entered into between this Association and the Union.

ARTICLE XXIII

Effective Date and Duration

This Agreement shall be effective 06/27/2011 through and including 06/29/2014, during which time neither party to such Agreement shall continue in force or create a rule or by-law or practice conflicting with the provisions of this Agreement.

ARTICLE XXIV

General savings Clause

Any portion of this Agreement found to be in violation of existing federal or state law shall become inoperative and the balance of the Agreement as such shall continue in full force and effect until the date of expiration of the Agreement.

If any provision of this Agreement may not be put into effect because of applicable legislation, executive orders or regulations dealing with wage and price stabilization, then such provision of this Agreement shall become

effective at such time, in such amounts and for such periods of time as will be permitted by law during the life of this Agreement and any extension thereof.

NEGOTIATING COMMITTEE OF THE SOUTHERN CALIFORNIA CHAPTER, WESTERN INSULATION CONTRACTORS ASSOCIATION

By: [Signature]
Eric Fults, Chairman

By: [Signature]
David R. Trueblood

By: [Signature]
Steve Wopperer

By: [Signature]
Gerald Cox

NEGOTIATING COMMITTEE OF THE INTERNATIONAL ASSOCIATION OF HEAT AND FROST INSULATORS AND ALLIED WORKERS, LOCAL NO. 5

By: [Signature]
Alfred Montoya, Chairman

By: [Signature]
Robert Klepper

By: [Signature]
Tom Gutierrez

By: [Signature]
Tom Herbert

The foregoing Adendum is hereby accepted and agreed to as of this 2nd day of _____

EMPLOYER: _____

By: _____ By: _____

INTERNATIONAL ASSOCIATION OF HEAT AND FROST INSULATORS AND ALLIED WORKERS, LOCAL NO. 5

By: _____ By: _____

The undersigned employer, not a member of the Southern California Chapter, Western Insulation Contractors Association, hereby states that he has read this Adendum and agrees to be bound by all of the terms and conditions of this Adendum.

SIGNED this _____ day of _____, 20 _____

EMPLOYER: _____

By: _____ By: _____

INTERNATIONAL ASSOCIATION OF HEAT AND FROST INSULATORS AND ALLIED WORKERS, LOCAL NO. 5

By: _____ By: _____

APPENDIX A

LETTER OF UNDERSTANDING

This letter is intended to clarify the attached Memoranda of Understanding for the Western States Asbestos Individual Account Plan, the Western States Asbestos Health Plan, and the Western States Asbestos Pension Fund which were executed on April 21, 1992 and effective for the period from January 1, 1992 to expiration date of the current Local 5 Master Labor Agreement and for such other periods as the parties to the Local 5 Master Labor Agreement may hereinafter agree.

1. In the event of any conflict between the Memoranda or any of them and the Settlement Agreement executed February 27, 1992, the Settlement Agreement shall control.
2. Article I, Section 1 of the Memorandum of Understanding for the Health Plan is amended to delete the phrase, operates as part of the Western States Asbestos Pension Fund. This change is merely a technical correction and is not intended to affect the meaning of the memorandum.
3. The word "Changes" in the second sentence of Article I, Section 3 of the Memorandum for the Health Plan refers solely to changes in the health plan contribution rate.
4. The changes set forth in the Memorandum of Understanding for the Individual Account Plan are not intended to affect the plan's qualified status under Section 401(a) of the Internal Revenue Code, and the parties agree to make whatever further modifications may be legally required to maintain qualified status under section 401(a).
5. For purposes of the employee classifications set forth in the Memorandum for the Individual Account Plan, a year of employment in the trade shall require the same number of hours as a year of vesting service under the Western states Asbestos Pension Fund. Employees' service must be verified by the Pension Fund Administrative Office before assignment to Class III, IV, or V is approved by the Union.
6. The wage rates for an employee in Class III, Class IV or Class V shall be reduced by the same amount that the employer's contribution for that employee to the individual Account Plan exceeds the contribution payable for Class II.

Executed this 21st day of April, 1992 at Oakland, California.

**MEMORANDUM OF AGREEMENT
FOR THE INDIVIDUAL ACCOUNT PLAN**

This MEMORANDUM OF AGREEMENT made and entered into on this 21st day of April, 1992 by and between Western Insulation Contractors Association and its members hereinafter called the ("Association") and the Western States Conference and its members (hereinafter called the "Conference").

**ARTICLE I
Individual Account Plan**

Section 1:

The Conference and association have agreed to a Defined Contribution Plan which will be known as the Individual Account Plan which operates as part of the Western States Asbestos Pension Fund and covers all eligible members in participating Local Unions.

Section 2:

1. The contributions to the Individual Account Plan shall be made in accordance with the following conditions:
 - a. Class I employees shall consist of all apprentices which have (0) to (5) years in the trade.
 - b. Class II employees shall consist of employees who have attained Journeyman status and who have performed at least one (1) year in the trade but less than ten (10) years in the trade.
 - c. Class III employees shall consist of Journeyman employees who have performed at least eleven (11) but less than sixteen (16) years in the trade.
 - d. Class IV employees shall consist of Journeyman employees who have performed at least sixteen (16) but less than twenty (20) years in the trade.
 - e. Class V employees shall consist of Journeyman employees who have performed at least twenty (20) years in the trade.
2. It is agreed that every individual employer shall pay into the western State. Asbestos Individual Account Plan for each hour worked including overtime and as further provided in the MOA, the following sums based upon the proper classification as described in this MOA:
 - a. Class I Apprentice contribution rates shall be fifty-five cents (\$0.55) per hour worked.
 - b. Class II Journeyman Mechanic contribution rate shall be two dollars and fifty cent (\$2.50) per hour worked.
 - c. Class III Journeyman Mechanic contribution rate shall be three dollars (\$3.00) per hour worked.
 - d. Class IV Journeyman Mechanic contribution rate shall be four dollars (\$4.00) per hour worked.
 - e. Class V Journeyman Mechanic contribution rate shall be five dollars (\$5.00) per hour worked.
3. Notwithstanding any provision herein to the contrary, the contribution levels to the Pension Fund provided herein shall not cause the Plan to be in violation of Section 415 of the Internal Revenue Code (or any other

sections of the Code); if necessary, adjustments to the contribution rates shall be agreed to by the Union and WICA Chapter to comply with the Code.

ARTICLE II **Definitions**

Section 1:

A Local Union is a member of the Western States Conference of Asbestos Workers and is a construction Local Union in the International Association of Heat and Frost Insulators and Asbestos Workers.

Section 2:

Local Employers are contractors who are members of the respective chapters chartered by the Western Insulation Contractors Association and all other independent contractors bound by collective bargaining agreements entered into by a Local Union and an Employer.

ARTICLE III **Ratification and Incorporation** **Into Local Agreements**

Section 1:

This MEMORANDUM OF AGREEMENT and any amendment thereto shall become effective upon ratification of its provisions by (1) a majority vote of the Local Unions in the Conference and (2) a majority vote by the Association's authorized representative(s). The Conference and Association through their respective secretaries shall give written notice to each other and the Trustees of such ratification.

Section 2:

This MEMORANDUM OF AGREEMENT shall be binding upon all Local Unions represented by the Conference in the negotiation of this agreement. This MEMORANDUM OF AGREEMENT shall also be binding upon the Association, its Employer members, all chapter organizations of the Association, all Employer members of such chapters, and all Employers agreeing to be bound by the form of collective bargaining agreement negotiated between such chapters and Local Unions represented by the Conference. The provisions of any local collective bargaining agreement executed between any of such Employers parties and Local Unions represented by the Conference shall be void and unenforceable during the term of this MEMORANDUM OF AGREEMENT if such provisions are in any respect contrary to the provisions of this MEMORANDUM OF AGREEMENT. All such local collective bargaining agreements shall contain this MEMORANDUM OF AGREEMENT.

ARTICLE IV **Term of Memorandum**

"Subject to the ratification provisions of Article III, this MEMORANDUM OF AGREEMENT shall be effective on January 1, 1992 and shall remain in full force and effect in its present form until the expiration date of the current Local 5 Master Labor Agreement and for such other periods as the parties to the Local 5 Master Labor Agreement may hereinafter agree."

INDIVIDUAL ACCOUNT PLAN

WESTERN STATES CONFERENCE
OF HEAT & FROST INSULATORS &
ALLIED WORKERS

WESTERN INSULATION
CONTRACTORS ASSOCIATION
CENTRAL LABOR COMMITTEE

APPENDIX B

**MEMORANDUM OF AGREEMENT
FOR THE
HEALTH PLAN**

This MEMORANDUM OF AGREEMENT made and entered into on this 21st day of April, 1992 by and between Western Insulation Contractors Association and its members hereinafter called the ("Association") and the Western States Conference and its members (hereinafter called the "Conference").

**ARTICLE I
Health Plan**

1. The Conference and Association have agreed to a Health Plan which operates as part of the western States Asbestos Pension fund and Covers all eligible members in all participating Local Unions.
2. The Contribution rate to the Health Plan will be \$0.12 per hour worked by covered employees from the date of this agreement, and from year to year thereafter until either the Association or the Conference gives notice in writing to the other at least sixty (60) days in advance of its intent to modify, amend or to terminate this agreement.
3. Appropriate representatives of the Conference and the association shall meet as necessary to determine any changes to the contribution rate. If any changes are made to the Health Plan those changes shall be effective January 1st of the following year.
4. The contribution rate provided for in Section 2 above shall be made within the total cost package of the collective bargaining agreement in effect between the Local Union and the local Employers.

**ARTICLE II
Definitions**

1. A Local Union is a member of the Western States Conference of Asbestos Workers and is a construction Local Union in the International Association of Heat and Frost Insulators and asbestos Workers.
2. Local Employers are contractors who are members of the respective chapters chartered by the Western Insulation Contractors Association and all other independent contractors bound by collective bargaining agreements entered into by a Local Union and an Employer.

**ARTICLE III
Ratification and Incorporation
Into Local Agreements**

1. This MEMORANDUM OF AGREEMENT and any amendment thereto shall become effective upon ratification of its provisions by (1) a majority vote of the Local Unions in the Conference and (2) a majority vote by the Association's authorized representative(s). The Conference and Association through their respective secretaries shall give written notice to each other and the Trustees of such ratification.
2. This MEMORANDUM OF AGREEMENT shall be binding upon all Local Unions represented by the Conference in the negotiation of this Agreement. This MEMORANDUM OF AGREEMENT shall also be binding upon the association, its Employer members, all chapter organizations of the Association, all

Employer members of such chapters, and all Employers agreeing to be bound by the form of collective bargaining agreement negotiated between such chapters and Local Unions represented by the Conference. The provisions of any local collective bargaining agreement executed between any of such Employer parties and Local Unions represented by the Conference shall be void and unenforceable during the term of this MEMORANDUM OF AGREEMENT if such provisions are in any respect contrary to the provisions of this MEMORANDUM OF AGREEMENT. All such local collective bargaining agreements shall contain a provision incorporating by reference this MEMORANDUM OF AGREEMENT and stating that the signatory Employer accepts and agrees to be bound by the provisions of this MEMORANDUM OF AGREEMENT.

ARTICLE IV
Term of Memorandum

"Subject to the ratification provisions of Article III, this MEMORANDUM OF AGREEMENT shall be effective on January 1, 1992 and shall remain in full force and effect in its present form until the expiration date of the current Local 5 Master Labor Agreement and for such other periods as the parties to the Local 5 Master Labor Agreement may hereinafter agree."

HEALTH PLAN

WESTERN STATES CONFERENCE
OF HEAT & FROST INSULATORS &
ALLIED WORKERS

WESTERN INSULATION
CONTRACTORS ASSOCIATION
CENTRAL LABOR COMMITTEE

April 21, 1992

APPENDIX C

**MEMORANDUM OF AGREEMENT
FOR THE
DEFINED BENEFIT PLAN**

This MEMORANDUM OF AGREEMENT made and entered into on this 21st day of April, 1992 by and between Western Insulation Contractors Association and its members hereinafter called the ("Association") and the Western States Conference and its members (hereinafter called the "Conference").

**ARTICLE I
Defined Benefits Plan**

1. The Conference and Association have agreed to a Defined Benefit Plan, the Plan operates as part of the Western States Asbestos Pension Fund, it covers all eligible members in all participating Local Unions.
2. The contribution rate to the Defined Benefit Plan will be \$4.56 per hour worked by covered employees from the effective date of this agreement, and from year to year thereafter until either the Association or the Conference give notice in writing to the other at least sixty (60) days in advance of its intent to modify amend or to terminate this agreement.
3. Appropriate representatives of the Conference and the Association shall meet as necessary to determine any changes to the contribution rate, provided for in Section 2 above as required by the Settlement Agreement dated February 27, 1992.
4. The contribution rate provided for in Section 2 above shall be made within the total cost package of the collective bargaining agreements in effect between the Local Union and the local Employers.

**ARTICLE II
Definitions**

1. A Local Union is a member of the Western States Conference of Asbestos Workers and is a construction Local Union in the International Association of Heat and Frost Insulators and Asbestos Workers.
2. Local Employers are contractors who are members of the respective chapters chartered by the Western Insulation Contractors Association and all other independent contractors bound by collective bargaining agreements entered into by a Local Union and an Employer.

**ARTICLE III
Ratification and Incorporation
Into Local Agreements**

1. This MEMORANDUM OF AGREEMENT and any amendments thereto shall become effective upon ratification of its provisions by (1) a majority vote of the Local Unions in the Conference and (2) a majority vote by the Association's authorized representative(s). The Conference and Association through their respective secretaries shall give written notice to each other and the Trustees of such ratification.
2. This MEMORANDUM OF AGREEMENT shall be binding upon all Local Unions represented by the Conference in the negotiation of this agreement. This MEMORANDUM OF AGREEMENT shall also be binding upon the Association, its Employer members, all chapter organizations of the Association, all Employer members of such chapters, and all Employers agreeing to be bound by the form of collective bargaining agreement negotiated between such chapters and Local Unions represented by the Conference. The provision of any local collective bargaining agreement executed between any of such Employer parties and Local Unions represented by the

Conference shall be void and unenforceable during the term of this MEMORANDUM OF AGREEMENT if such provisions are in any respect contrary to the provisions of this MEMORANDUM OF AGREEMENT. All such local collective bargaining agreements shall contain the MEMORANDUM OF AGREEMENT.

ARTICLE IV
Term of Memorandum

"Subject to the ratification provision of Article III, this MEMORANDUM OF AGREEMENT shall be effective on January 1, 1992 and shall remain in full force and effect in its present form until the expiration date of the current Local 5 Master Labor Agreement and for such other periods as the parties to the Local 5 Master Labor Agreement may hereinafter agree."

DEFINED BENEFIT PLAN

WESTERN STATES CONFERENCE
OF HEAT & FROST INSULATORS &
ALLIED WORKERS

WESTERN INSULATION
CONTRACTORS ASSOCIATION
CENTRAL LABOR COMMITTEE

APPENDIX D

AMENDMENT NO. 2 TO MASTER LABOR AGREEMENT

This Amendment No. 2 is executed, effective January 1, 1993, between SOUTHERN CALIFORNIA CHAPTER, WESTERN INSULATION CONTRACTORS ASSOCIATION ("the Association") and INTERNATIONAL ASSOCIATION OF HEAT AND FROST INSULATORS AND ALLIED WORKERS, Local No. 5, Los Angeles, California ("Local 5").

In consideration of the mutual promises of the parties herein contained, the Association and Local 5 agree as follows:

1. Purpose of Amendment

Effective September 21, 1991 the parties executed a Master Labor Agreement. Effective September 21, 1992 Amendment No. 1 to the Master Labor Agreement was executed. The Master Labor Agreement provides for the establishment of a Heat and Frost Insulators and Asbestos Workers Health and Welfare Trust. The purpose of this Amendment to the Master Labor Agreement is to provide, through such Trust, Local 5 Mortuary Fund Account benefits to eligible Local 5 Trust participants, and to certain non-eligible retirees represented by Local 5.

2. Contributions

Effective January 1, 1993 the Employer agrees to make payments to the Trustees of the Heat and Frost Insulators and Asbestos Workers Health and Welfare Trust of not to exceed 12¢ for each hour worked by active Local 5 mechanics and apprentices, such payments to be made for the purpose of providing Mortuary Fund Account benefits to the beneficiaries of such Account as provided in Paragraph 4 of this Amendment. Such contributions of up to 12¢ per hour shall be diverted from the established wage rate. The Trustees of the Health and Welfare Trust are authorized and directed (1) to receive such Local 5 Mortuary Fund contributions, (2) to administer the death benefits of such Fund as herein provided, and (3) by resolutions duly adopted, to confirm-Trust administration of such Local 5 Mortuary Fund as herein provided.

3. Administration of Local 5 Mortuary Fund Death Benefit Contributions

Local 5 Mortuary Fund death benefit contributions when received by the Trustees of the Health and Welfare Trust shall be administered by the Health and Welfare Trust in an account separate from other Trust Fund accounts, to be designated the Local 5 Mortuary Fund Account. Payments from such Account shall be made only as herein provided. Costs of administration of the Account shall be paid from available funds in the Account. Other than for payment of costs of administration, payments from the Account shall be made only upon written proof of death of a Local 5 Mortuary Fund Account beneficiary.

Contributions to the Health and Welfare Trust for the Local 5 Mortuary Fund Account shall be expended exclusively, to the extent of funds available, for the purchase of group life insurance for beneficiaries of such Account as defined in Paragraph 4 of this Amendment.

4. Beneficiaries of Local 5 Mortuary Fund Account

The beneficiaries of the Local 5 Mortuary Fund Account include the following, and no other persons:

Category No. 1: Active Local 5 mechanics and apprentices (including travelers and members formerly on withdrawal who have returned to the active work force) who are at the time of their death eligible participants in the Health and Welfare Trust.

Category No. 2: Local 5 retirees who are or become eligible participants in the Health and Welfare Trust.

Category No. 3: Local 5 retirees who are not eligible participants in the Health and Welfare Trust but who up to January 1, 1993 contributed to The Local 5 Mortuary Fund Account in accordance with the provisions of a Mortuary Fund Agreement and Bylaws established by Local 5 effective August 17, 1990.

Local 5 Mortuary Fund Account beneficiaries shall not include any dependents of such beneficiaries. Upon execution of this Amendment No. 2 Local 5 shall certify in writing to the Administrator of the Health and Welfare Trust Fund the names of the Local 5 Mortuary Fund Account retirees defined in Category No. 3 above. The Trustees of the Health and Welfare Trust Fund and the Administrator of the Trust Fund shall be entitled to rely on such list. Local 5 hereby indemnifies such Trustees and the Administrator against any liability arising from any omission made in submission by the Union of the names of retirees in Category No. 3.

5. Status of Local 5 Mortuary Fund Account in Relation to Health and Welfare Trust

The Local 5 Mortuary Fund Account shall be administered by the Trustees of the Health and Welfare Trust under and pursuant to the provisions of the Agreement and Declaration of Trust for the Heat and Frost Insulators and Asbestos Workers Health and Welfare Fund first executed August 1, 1951, as such Agreement and Declaration of Trust may be amended, supplemented and renewed from time to time. This Amendment No. 2, and the Local 5 Mortuary Fund Account established pursuant to this Amendment, shall not diminish or otherwise adversely affect any other death benefit rights held by those Local 5 Mortuary Fund Account beneficiaries that are also eligible participants in the Health and Welfare Trust. This Amendment No. 2 is executed for the purpose of (1) enhancing the death benefit rights of eligible Health and Welfare Trust Fund participants and (2) making available death benefits to certain persons who are not eligible Health and Welfare Trust Fund participants.

6. Termination or Suspension of Local 5 Membership

Participation by an active mechanic or apprentice, or by a retiree, in the Local 5 Mortuary Fund Account, shall terminate during any period when the membership in Local 5 of such participant is terminated or suspended for any reason. Any and all rights to benefits of such participant during such period shall become forfeited.

Except as herein amended, the provisions of the Master Labor Agreement between the Association and the Union, effective September 23, 1991, and of Amendment No. 1 to the Master Labor Agreement, effective September 21, 1992, shall remain in full force and effect.

NEGOTIATING COMMITTEE OF SOUTHERN CALIFORNIA CHAPTER,
WESTERN INSULATION CONTRACTORS ASSOCIATION

By: _____
Chairman
By: _____
By: _____
By: _____

INTERNATIONAL ASSOCIATION OF HEAT AND FROST INSULATORS
AND ALLIED WORKERS, LOCAL NO. 5, NEGOTIATING COMMITTEE

By: _____
Chairman
By: _____
BY: _____
BY: _____

APPENDIX E

**SHIPBUILDING, CONVERSION, AND REPAIR
ADDENDUM**

Southern California Chapter,
Western Insulation Contractors Association

and

Local No. 5
International Association of
Heat and Frost Insulators
and Allied Workers

Effective: June 27, 2011 – June 29, 2014

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SECTION I Work Covered

This addendum incorporates all of the terms and condition as contained in the Master Labor Agreement to the work covered by this Addendum. Should there be a conflict between the terms and conditions of this Addendum with the terms of the Master Labor Agreement, this Addendum shall prevail.

1. This Addendum covers the terms and conditions of employment of all employees working in asbestos, lead and mold abatement, remediation, hazardous waste cleanup and/or stabilization, insulation maintenance, or application of insulation on mechanical systems, equipment and propulsion components, including manufacturing, fabrication of insulation materials, and all other shipbuilding work on-board a ship, at the Employer's premises or in the shipyard.
2. Marine insulation work consists of the repair or new construction on mechanical systems, including piping, ducts, breechings, and processing and manufacturing systems. For the purpose of this Addendum the following definitions shall apply:

Repair: The word repair as used in this Addendum and in connection with maintenance is work required to restore, by replacement or revamp including emergent work as ordered by the United States government, existing facilities to an efficient operating condition.

Emergent Work: Replacement or revamp including emergent work (defined as an immediate requirement for work to be completed within a 48-hour period without advanced notice or already-planned work to be completed in an expedited manner) as ordered by the United States government.

Manufacturing: Manufacturing is defined as the fabrication of insulation materials, performed at the Employers premises or shipyard where the Employer is performing work covered by this Addendum.

3. Shipyard work includes all construction, maintenance and repair on ships associated with work identified in Section I.

SECTION II Master Labor Agreement

On any Building Trades Project Labor Agreement or National Project Agreement in which Local 5 agrees to modify the wages, hours, terms or conditions of employment, as contained in the Master Labor Agreement, this Addendum shall not apply (as permitted by law).

SECTION III Workday Provisions

All provisions of this Addendum shall be applicable to said shipyard installations except as may otherwise be provided in this Article.

1. Eight (8) hours shall constitute a day's work. The regular workday shall be eight (8) hours worked between 5:00 a.m. and 5:00 p.m., Monday through Friday, except as altered for special jobs pursuant to a mutual agreement through written notification between the Employer and Local 5. The regular work week shall be five (5) eight (8) hour consecutive days Monday through Friday. The Employer may deviate from the normal

starting times by written notification to Local 5. The Employer may schedule four (4) ten hour work days during a seven (7) day work week. On such projects, overtime rates will apply after ten hours worked in any workday, and after forty (40) hours worked in any work week. An employee who fails to work the full regular workday hours as required by this Addendum may, after prior warning by the Employer, be terminated.

2. Rest periods and meal periods shall be provided in accordance with state law. There shall be one (1) ten (10) minute rest period during the morning work period and (1) ten (10) minute rest period after the meal period in a manner to be reasonably determined by the Employer as may be practicable to properly accomplish the Work. Appropriate rest and meal periods shall also be provided for overtime work.
3. Meal periods will be at a pre-designated time agreed to by the Employer and Local 5. All meal periods will be a 30-minute period, which will be strictly enforced.
4. "Employees will not clean up on their own time".
5. The company reserves the right to schedule non-traditional workweeks when bidding and executing work covered by this Addendum. The company may implement non-traditional workweeks by the written agreement with Local 5, emergent work excepted. When scheduling non-traditional shifts under this section, the company will attempt to secure volunteers with the appropriate job qualifications; however, the company retains the right to assign qualified employees; these non-traditional shifts may be worked as follows:

Option 1:

(4) Four consecutive 10-hour days beginning on any day of the week. Daily overtime would be paid at 2 times the employee's regular rate for all hours over 10. Ten (10) consecutive hours of work exclusive of a one-half (½) hour unpaid meal period shall constitute a normal day's work. Forty (40) hours shall constitute a normal workweek.

Under the (4) 10 hours day work schedule, the 5th consecutive day would be paid at 1½ times the employee's regular rate for the first 10 hours and 2 times the employee's regular rate for all hours over 10. Under the (4) consecutive 10 hour day work schedule, all hours worked on the 6th and 7th consecutive days would be paid at 2 times the employee's regular rate.

Option 2:

Three (3) consecutive 12 hour days beginning on any day of the week. Employees on a 3 consecutive 12 hour day workweek who work the 36 hours would be paid for a full 40 hours. Employees who do not work the full 36 hours would be paid for actual time worked. Twelve (12) consecutive hours of work exclusive of a one-half (½) hour unpaid meal period shall constitute a normal day's work. Thirty-six (36) hours worked with forty (40) hours paid shall constitute a normal workweek under this option 2.

Employees on a three consecutive 12 hour day workweek would be paid 2 times the regular rate for all hours worked over 12 per day.

Employees on a 3 day 12 hour workweek would be paid at 1½ times their regular rate for hours worked on the 4th consecutive day up to 12 hours and 2 times their regular rate for hours over 12.

Employees on a 3 day 12 hour workweek would be paid 2 times their regular rate for all hours worked on the 5th, 6th, or 7th consecutive days.

Employees on the 3 day 12 hour workweek who are prevented from working one or two of their 3 day schedule due to excused reasons provided for in the company's work rules would be paid a proportionate share of the four (4) bonus hours. If an employee is scheduled to work Friday, Saturday,

and Sunday and is on jury duty or bereavement leave Friday, but works Saturday and Sunday, he or she would be paid two thirds of the 4 bonus hours.

SECTION IV Overtime and Holidays

1. All labor in excess of forty (40) hours per week, or eight (8) hours per work day in a regular work week and observed holidays, shall be known as overtime and shall be paid for at one and one-half (1½) times the rate of wages. For mechanics under the MLA, daily overtime after the first 12 hours and weekly hours in excess of sixty (60) hours, the rate shall be two (2) times the employee's regular rate. Mechanics overtime provisions from the Master Labor Agreement are applicable for mechanics working on shipbuilding, repair, and renovation under this Addendum. The observed holidays are: New Year's Day, President's Day, Good Friday, Memorial Day, Independence Day, Veteran's Day, Thanksgiving Day, the day after Thanksgiving Day, and Christmas. Such holidays shall be observed on days to coincide with national observance of the holidays. No work shall be performed on Labor Day, except in special cases of emergency and then only when triple (3) time is paid. When a holiday falls on a Sunday, the following Monday shall be observed as the holiday. When a holiday falls on Saturday, the preceding Friday shall be observed as the holiday.
2. If the observed holidays are not compatible with the customer's holidays, adjustments are possible by mutual agreement through written agreement between the Employer and Local 5.

SECTION V Shift Work

1. When one (1), two (2) or three (3) shifts are worked, the first or day shift, shall be established on a standard eight (8) hour basis, between 5:00 a.m. and 5:00 p.m.; the second shift shall be on a standard seven and one-half (7½) hour basis; and the third shift shall be on the standard seven (7) hour basis. For the purpose of this Section, the shift which begins at 12:01 a.m. Monday shall be considered to be a Sunday third shift.
2. Modification of the starting times of each shift may be agreed upon, in writing, from time to time by Local 5 and Employer. Pay for time worked on the second and third shifts shall be equivalent to eight (8) hours at the straight time hourly pay rate which would have been paid the employee had he performed such work on the day shift. All time worked before and after the regularly established shift hours on the second and third shifts, in any twenty-four (24) hour period, shall be paid at the rate of one and one-half (1½) times the employee's straight time hourly pay rate.

SECTION VI Shipbuilding, Conversion or Repair and Renovation Jobs

Target Jobs

1. Local 5 agrees to give careful consideration to modification of the overtime pay rates, as they apply to Saturday and Sunday work, on an individual project basis. The common goal of Local 5 and the Association is to remain competitive with nonunion contractors. Any request for modification must be made prior to the bid of said projects.
2. Pre-Apprentices may be transferred to any work covered by this Addendum, and vice versa provided that Local 5 has been provided with written notification of such a transfer and also providing that the ratio of Pre-Apprentices so transferred does not exceed for such project the designated limit of such workers on the Project.

3. Any Shipyard Worker that is from time to time transferred to a new construction project to perform work as a Pre-Apprentice shall be paid at the same rate on the new construction job that he is currently receiving as a Shipyard Worker. This shall also apply to the fringe benefits paid to said worker. Additionally, only Class II and Class III Shipyard Workers may be utilized as Pre-Apprentices for such purposes.

SECTION VII Hiring Provisions

1. Local 5 shall maintain appropriate registration facilities for qualified applicants for employment. All qualified applicants must register for employment in writing at Local 5 office each calendar quarter in order to be available for referral during such quarter. Applicants referred by the Employer shall at all times be eligible to register on the registration list.
2. Local 5 will conduct such registration facilities without discrimination by reason of membership or non-membership in Local 5. The Employer shall not discriminate against any employee or applicant for employment because of race, religion, age, sex, national origin, or handicapped status, such obligations including but not being limited to: hiring, placement, upgrading, transfer within this Addendum or demotion, recruitment, advertisement or solicitation for employment, training during employment, rates of pay or other forms of compensation, selection for training, layoff or discharge.
3. The Employer shall, upon provision of a suitable out of work list, call upon Local 5 for Shipyard Workers, upon receiving an updated out-of-work list, as the Employer may from time to time need, and the Local 5 shall refer, in accordance with such request, applicants from those registered on the out of work lists within twenty four (24) hours after receipt of the Employer's written request.
4. Within the time limits specified herein, the Union agrees to supply employee applicants that shall agree to comply with the lawful policies of the Employer or the Employers customers' drug testing procedures. Where such drug testing policies are in effect, all prospective employees, prior to being acceptable for employment by the Company, will be required to submit to tests for the presence of alcohol and drugs. Upon completion of employer-mandated pre-employment testing, the prospective Employee shall await notification of the results prior to completion of the hiring process and will remain on the out-of-work list.
5. The presence of one or more prohibited drugs or alcohol will be cause for rejection for employment. Such discharge shall not be a breach of the collective bargaining agreement in effect between the parties. Refusal to submit to the screening test will constitute voluntary withdrawal of application for employment.
6. If Local 5 does not refer Shipyard Worker applicants within the time limits specified herein, the Employer may procure such workers from any other source. The Employer will immediately report to Local 5 the names, addresses and social security numbers of any workers so employed.
7. Upon completion of employer-mandated pre-employment testing, the prospective Employee shall await notification of the results prior to completion of the hiring process and will remain on the out of work list. The Employer retains the right to reject for just cause, any job applicant referred by Local 5 or to discharge for just cause any employee after prior warning, provided the Employer shall in no way discriminate against any such applicant because of Union membership or activities. Employer will submit notification to Union, in writing, within five (5) days of rejection or discharge. Written termination notices must be given to the employee at time of discharge.
8. An employee who is called for and who reports for work and for whom no work is provided shall receive a minimum of two (2) hours' pay. An employee who starts to work will receive a minimum of four (4) hours' pay. An employee shall be considered as having been ordered to work if his Foreman, at the end of the previous day or

shift, has failed to notify him not to report. Employees who work beyond four (4) hours in a day, shall receive pay for the actual hours worked.

9. It is agreed that no employee working under this Addendum need work under any conditions which may be, or tend to be, detrimental to his health or safety.
10. The first worker assigned to each new construction job site to work under this Addendum shall be a Mechanic. Every fifth (5th) worker assigned to the job site shall be a Mechanic covered by the Master Labor Agreement, except for asbestos, repair, renovation, and hazardous waste abatement work which shall comply with the ratios listed under subparagraph 12 of this Section VII.
11. All Foremen or General Foremen required for the work covered by this Addendum shall be Mechanics covered by the Master Labor Agreement and shall be paid at the rates provided for Foremen and General Foremen in the Master Labor Agreement then in effect.
12. The Employer shall notify Local 5 of each job site covered by this Addendum before the commencement of work begins. Within five (5) days after the conclusion of such work, the Employer shall notify Local 5 that such work has been completed.
 - a. On asbestos removal projects including shipbuilding jobs, mechanical systems, including piping, ducts, breeching, air conditioning system equipment and processing and manufacturing systems requiring six (6) or less employees, the first person on the job shall be a competent person (either a Craftsman Leadman or a Mechanic), on work that requires seven (7) or more workers the first worker assigned to each project under this Addendum shall be a Mechanic covered by the Master Labor Agreement. On such projects, the ratio of Shipyard Workers to each Mechanic shall not exceed twenty (20) to one (1) for work covered by this Addendum.
 - b. On repair and insulation of mechanical systems projects requiring less than seven (7) workers, a Craftsman, Craftsman Leadman, Senior Craftsman Leadman or Mechanic shall be designated in charge of the project. It is the intent of this Addendum that projects cannot be broken up into smaller components to avoid the requirement of assigning a Mechanic to the project.
 - c. On projects, other than those described above in paragraph 12a and 12b, a Craftsman may be designated to be in charge of up to fifteen (15) Shipyard Workers. If such employees exceed sixteen (16) workers employed under the terms of this Addendum a Senior Craftsman Leadman or a Mechanic covered by the Master Labor Agreement shall be employed on the project for the duration of the project.

SECTION VIII

Wages and Classifications

1. There shall be four (4) classifications of Shipyard Workers: Classes II, III(a), III(b), and IV. A Class II Shipyard Worker is an employee who has worked less than two thousand and one hours (2,001) hours on work covered under the terms of this Addendum. A Class II Shipyard Worker shall be paid a straight time hourly rate of \$10.96. A Class III(a) Shipyard Worker is an employee who has worked more than two thousand (2,000) hours but less than three thousand and one (3,001) hours on work covered under the terms of this Addendum. A Class III(a) Shipyard Worker shall be paid a straight time hourly rate of \$12.46. A Class III(b) Shipyard Worker is an employee who has worked more than three thousand (3,000) hours but less than four thousand and one (4,001) hours on work covered under the terms of this Addendum. A Class III(b) Shipyard Worker shall be paid a straight time hourly rate of \$12.48. A Class IV Shipyard Worker is an employee who has worked more than three thousand (4,000) hours on work covered under the terms of this Addendum. A Class IV Shipyard Worker shall be paid a straight time hourly rate of \$15.74.

2. The Company shall develop and administer skills tests for the classification of Craftsman, Craftsman Leadman and Senior Craftsman Leadman. The Craftsman shall receive an hourly pay rate \$17.31. The Craftsman Leadman shall receive an hourly pay rate of \$19.38. Senior Craftsman Leadman. shall receive an hourly pay rate of \$24.00.
3. Local 5 Union/Admin. Dues and market recovery shall be deducted/paid per the Master Labor Agreement.

Effective 1/1/12, the Total Package Wage rate will increase by 0.5% for all classifications
Effective 6/25/12, the Total Package Wage rate will increase by 2.0% for all classifications
Effective 6/24/13, the Total Package Wage rate will increase by 3.9% for all classifications

SECTION IX Health & Welfare Plan

1. For hours worked by employees covered by this Addendum the Employer will make contributions to the established Health Insurance Plan. For hours worked by Shipyard workers from the initial entry through the three thousandth (3,000) hour worked, the Employer shall make a minimum contribution to such Plan of \$2.25 per hour for each hour worked. For all hours worked in excess of three thousand (3,000) hours the Employer shall make a minimum contribution to such Plan of \$3.20 per hour for each hour worked. Provisions of this Section shall not apply to employees covered under the Master Labor Addendum. Such payments are to be used exclusively for the purposes of the Health and Welfare Fund as provided in the Agreement and Declaration of Trust for such fund first executed August 1, 1951, subsequently reprinted and revised August 1, 1961, as such Agreement and Declaration of Trust may be amended, supplemented and revised from time to time. The Employer accepts and agrees to be bound by the terms and provisions of such Agreement and Declaration of Trust.
2. The Plan Administrator shall establish and maintain separate accounting, beginning January 1, 1991, of all income and expenditures related to Plan Participants working under the Shipyard Addendum.
3. The Association and the Local 5 agree to reopen the Addendum for the negotiation of Health & Welfare contribution rates within sixty (60) days after a written request duly adopted by the Plan Trustees.

SECTION X Pension Program

1. For each hour worked by employees in the classification of Senior Craftsman Leadman, the Employer shall pay the Western States Heat and Frost Insulators and Allied Workers Pension Fund a total contribution of \$1.22 per hour to be allocated as follows:
 - a. \$1.10 to the Western States Heat and Frost Insulators and Allied Workers Individual Account Plan.
 - b. \$0.12 to the Western States Heat and Frost Insulators and Allied Workers Health Plan.
2. For each hour worked by employees in the classification of Craftsman and Craftsman Leadman, the Employer shall pay into the Western States Individual Account Plan a total contribution of \$1.10.
3. The Employer accepts and agrees to be bound by the terms and provisions of the Western States Conference of Heat and Frost Insulators and Allied Workers and Associated Insulation Contractors Pension Fund Agreement and Declaration of Trust dated November 20, 1959, and any amendments thereto, and supplementary agreements between the Western States Conference and Western Insulation Contractors Association Central Labor Committee, the Western States Allied Pension fund, the Western States Individual Account fund, and the Western States Allied Health fund, and any amendments thereto.

SECTION XI
Employee Medical Monitoring

1. At all times during the term, or any extended term, of this Addendum, the Employer shall contribute to the Heat & Frost Insulators and Asbestos Workers Health & Welfare Fund, Pasadena, California \$0.23 per hour for each hour worked by Employees covered by this Addendum. This contribution shall be utilized by the Health & Welfare Fund to provide medical monitoring for employees represented under this addendum including but not limited to physical examinations, x-rays, physical opinions, record retention, and the supplying of documentation to the Employer, as required by current or future Federal and State of California Regulations.
2. The contribution rate provided for above may be increased or decreased by action of the Health & Welfare Fund Trustees on 90 days written notice to the Employer.

SECTION XII
Employee Training/Certification

1. At all times during the term, or any extended term, of this Addendum, the Employer shall contribute, as provided in the Asbestos Abatement Training Trust Agreement not to exceed twenty two cents (\$0.22) per hour for each hour worked by Employees covered by this Addendum. This contribution shall be utilized by the Administrative Committee, through its Management Committee, to provide, through agreement with the Asbestos Abatement Training Trust., Employee Training and Training Certifications as required by current or future Federal, State of California, and local laws, ordinances or regulations. Any costs in excess of twenty two cents (\$0.22) per hour for such contributions shall be borne by the Union and Contractors.
2. The contribution rate provided for above may be increased or decreased by action of the Administrative Committee or its successor on 90 days written notice to the Employer.

SECTION XIII
Strikes and Lockouts

1. Except as provided in Paragraph 2 of this Section, the Union will not engage in any strike, slow down or work stoppage by reason of any dispute, including jurisdictional disputes, arising under the provisions of this Addendum, whether or not such dispute has been made the subject of a written grievance under the provisions of Article V of the Master Labor Agreement. Except as provided in Paragraph 2 of this Section, the Employer will not engage in any lockout.
2. The Union may engage in a strike, work stoppage, withdrawal of employees or refusal to transfer or dispatch workers in the event an Employer is delinquent in making undisputed payments of wages or Union dues or service charges as provided in Section VIII of this Addendum or Health and Welfare Plan contributions as provided in Section IX of this Addendum. The Union and any affected Employer will be relieved of its respective no strike or no lockout obligations under the provisions of Paragraph 1 of this Section in the event of a refusal by the other party to comply with a final decision of an arbitrator or of the Administrative Committee made pursuant to the provisions of Article V of the Master Labor Agreement. An arbitration decision or decision of the Administrative Committee which is made the subject of judicial proceedings pursuant to applicable State or Federal Arbitration Statutes shall not be considered final and binding until the conclusion of such judicial proceedings.
3. In the event of a strike under the Master Labor Agreement, work covered by this Addendum shall continue uninterrupted.

SECTION XIV
Miscellaneous Provisions

1. The Employer and Local 5 agree that safe working conditions shall be provided on all jobs in accordance with state and federal OSHA.
2. The Employer retains full and exclusive authority for management of its operations, including all matters not covered by this Addendum.
3. Payment of wages to any employee whose employment is terminated, or who terminates his employment, as well as waiting time penalties, shall be made in accordance with the provisions of Article 1, Chapter 1, Part 1, Division 2 of the California Labor Code (Labor Code Section 200 et seq.) as the same may be amended from time to time.
4. Except as limited by the specific terms of this Addendum the Employer retains the right to direct the working force, and for just cause after prior warnings, to discharge, discipline and suspend employees. The Employer shall provide Local 5 in writing within five (5) days after the discharge, the reason for this discharge.
5. The Employer will have the right to schedule overtime, as previously set forth in this Addendum.
6. The Employer and Local 5 agree that there will be no discrimination in employment because of race, religion, sex, age, handicapped status, or national origin and will comply with local and state non discrimination statutes and any plans to accomplish the objectives of equal employment opportunities.
7. There shall be no limitations or restrictions upon the choice of materials or design, or upon the full use of equipment, machinery or other labor-saving devices.
8. Employee shall have certain hand tools of the trade that shall be personally owned by the employee and used for work to be performed at the Employer's direction.

Minimum Basic Tools

- a. Every employee shall have the following tools upon reporting to work:

12' x 3/4" wide Tape measure
7" or 8" Boning knife
7" or 8" End nippers
Scissors (kitchen shears)
Tool pouch
Pruning saw

- b. Additional tools may be designated by the Administrative Committee.

9. Local 5 agrees that there shall be no limitations or restrictions placed upon the individual working efforts of employees.
10. The Administrative Committee is responsible for establishing and implementing policies for minimum hiring standards for employees covered by this Addendum.

SECTION XV
Portability

This section will be subject to the portability arrangements negotiated by the International's Shipyard Agreement that is to be part of the National Union only Insulation Contractors Association (NUICA) and by the International Association of Heat & Frost Insulators and Allied Workers mutual Agreement.

SECTION XVI
**Asbestos Abatement Training
and Certifications**

The responsibility for administration of the Training and Certification Program and for enforcing Employer contributions to such Program shall be that of the Administrative Committee, through its Management Committee, appointed under the Asbestos Abatement Training Trust Agreement.

SECTION XVII
Favored Nations Clause

The local 5 Master CBA between the Southern Cal. Chapter of WICA and IAHFIAW Local 5 shall be the CBA to which all new contractors will become signatory. As a condition of signing a new contractor, the Employers and the Union understand there may be certain exceptions that will need to be made to deal with existing fixed price backlog to be completed at rates in effect at the time of the bid. All other concessions, by the union, to address competitive market conditions will be made available to all signatory contractors on a non-discriminatory basis.

NEGOTIATING COMMITTEE OF THE SOUTHERN CALIFORNIA CHAPTER, WESTERN INSULATION CONTRACTORS ASSOCIATION

By: [Signature]
Eric Fultz, Chairman

By: [Signature]
David R. Trueblood

By: [Signature]
Steve Wopperer

By: [Signature]
Gerald Cox

NEGOTIATING COMMITTEE OF THE INTERNATIONAL ASSOCIATION OF HEAT AND FROST INSULATORS AND ALLIED WORKERS, LOCAL NO. 5

By: [Signature]
Alfred Montoya, Chairman

By: [Signature]
Robert Klepper

By: [Signature]
Tom Gutierrez

By: [Signature]
Tom Herbert

The foregoing Adendum is hereby accepted and agreed to as of this 2nd day of _____

EMPLOYER: _____

By: _____ By: _____

INTERNATIONAL ASSOCIATION OF HEAT AND FROST INSULATORS AND ALLIED WORKERS, LOCAL NO. 5

By: _____ By: _____

The undersigned employer, not a member of the Southern California Chapter, Western Insulation Contractors Association, hereby states that he has read this Adendum and agrees to be bound by all of the terms and conditions of this Adendum.

SIGNED this _____ day of _____, 20____

EMPLOYER: _____

By: _____ By: _____

INTERNATIONAL ASSOCIATION OF HEAT AND FROST INSULATORS AND ALLIED WORKERS, LOCAL NO. 5

By: _____ By: _____

APPENDIX F

MAINTENANCE ADDENDUM

Southern California Chapter,
Western Insulation Contractors Association

and

Local No. 5
International Association of
Heat and Frost Insulators
and Allied Workers

Effective: June 27, 2011 – June 29, 2014

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SECTION I Work Covered

1. This Addendum covers the terms and conditions of employment of all employees engaged in asbestos, lead and mold abatement, hazardous waste cleanup and/or stabilization, duct cleaning and sweeping, insulation maintenance, manufacturing, foam application, and oil field work.
2. Insulation maintenance is defined as any industrial insulation work consisting of repair or maintenance character on Mechanical Systems, including piping, ducts, breechings, and processing and manufacturing systems. For the purpose of this Addendum the following definitions shall apply:
 - Maintenance: Maintenance shall be defined as any work performed of repair or a maintenance character within the limits of any individual property.
 - Repair: The word repair as used in this Addendum and in connection with maintenance is work required to restore, by replacement or by revamp, existing facilities to an efficient operating condition.
3. Manufacturing is defined as non-job site and fabrication of insulation materials, performed at the Employers regular place of business.
4. Oil Field work is defined as insulation of piping and equipment which relates to or concerns the production or extraction of oil, including extraction piping, gathering lines and related vessels.
5. New construction work that is related to the refining of oil is excluded from this Addendum. Such work shall be performed under the terms of the Master Labor Agreement.
6. Spray foam application is defined as preparation of piping and/or equipment and the application of insulation foam and coating materials incidental to foam systems when applied by machine, including new construction and maintenance. For purposes of this Addendum foam application does not include poured foam or R.T.V. type foam used in new construction.
7. This Addendum does not cover new construction work except for oil field work and spray foam application, as described in paragraphs 4 and 6 above.

SECTION II Employees Covered

The terms of this Addendum shall apply to all full-time and regular part-time employees of the employer, including insulators, helpers, laborers, truck drivers, warehousemen, fabricators, fireproofers, painters, scaffold builders, welders, steam and electrical tracers, equipment operators, refractory installers, sheet metal workers, carpenters and iron workers employed by the employer on work projects cover by this Addendum.

SECTION III Master Labor Agreement

1. This Addendum incorporates all of the terms and conditions as contained in the Master Labor Agreement to the work covered by this Addendum. Should there be a conflict between the terms and conditions of this Addendum with the terms of the Master Labor Agreement, this Addendum shall prevail.
2. On any Building Trades Project Labor Agreement or National Project agreement in which Local 5 agrees to modify the wages, hours, terms or conditions of employment, as contained in the Master Labor Agreement, this Addendum shall not apply.

SECTION IV Hiring Provisions

1. Local 5 shall maintain appropriate registration facilities for qualified applicants for employment. All qualified applicants must register for employment in writing at the Local 5 office each calendar quarter in order to be available for referral during such quarter. Applicants referred by the Employer shall at all times be eligible to register on the registration list.
2. Local 5 will conduct such registration facilities without discrimination by reason of membership or non-membership in Local 5. The Employer shall not discriminate against any employee or applicant for employment because of race, religion, age, sex, national origin, or handicapped status, such obligations including but not being limited to: hiring, placement, upgrading, transfer within this Addendum or demotion, recruitment, advertisement or solicitation for employment, training during employment, rates of pay or other forms of compensation, selection for training, layoff or discharge.
3. The Employer shall call upon Local 5 for Maintenance Workers, as the Employer may from time to time need, and Local 5 shall refer, in accordance with such request, applicants among those registered on the out of work lists within twenty four (24) hours after receipt of the Employers written request.
4. Within the time limits specified herein, Local 5 agrees to supply employee applicants that shall agree to comply with the lawful policies of the Employer or the Employers' customers' drug testing procedures. Where such drug testing policies are in effect, all prospective employees, prior to being acceptable for employment by the Company, will be required to submit to tests for the presence of alcohol and drugs. Upon completion of employer-mandated pre-employment testing, the prospective Employee shall await notification of the results prior to completion of the hiring process and will remain on the out of work list.
5. The presence of one or more prohibited drugs or alcohol will be cause for rejection for employment. Such discharge shall not be a breach of the collective bargaining agreement in effect between the parties. Refusal to submit to the screening test will constitute voluntary withdrawal of application for employment.
6. If Local 5 does not refer Maintenance Worker applicants within the time limits specified herein, the Employer may procure such workers from any other source. The Employer will immediately report to Local 5 the names, addresses and social security numbers of any workers so employed.
7. Upon being dispatched the Employee shall proceed to the job at once. The Employer retains the right to reject for just cause, any job applicant referred by Local 5 or to discharge for just cause any employee after prior warning, provided the Employer shall in no way discriminate against any such applicant because of Local 5 membership or activities. Employer will submit notification to Local 5 in writing, within five (5) days of rejection or discharge. Written termination notices must be given to the employee at time of discharge.
8. An employee who is called for and who reports for work and for whom no work is provided shall receive a minimum of two (2) hours' pay. An employee who starts to work will receive a minimum of four (4) hours' pay. An employee shall be considered as having been ordered to work if his Foreman, at the end of the previous day or shift, has failed to notify him not to report. Employees, who work beyond four (4) hours in a day, shall receive pay for the actual hours worked.
9. It is agreed that no employee working under this Addendum need work under any conditions which may be, or tend to be, detrimental to his health or safety.
10. The first worker assigned to each job site to work under this Addendum shall be a Craftsman Leadman. Every seventh (7th) worker assigned to the job site shall be a Mechanic covered by the Master Labor Agreement, except for asbestos and hazardous waste abatement work which shall comply with the ratios listed under Subparagraph 14 of this Section IV.
11. All Foremen or General Foremen required for the work covered by this Addendum shall be Mechanics covered by the Master Labor Agreement and shall be paid at the rates provided for Foremen and General Foremen in the Master Labor Agreement then in effect. All the terms and conditions of employment set forth in the Master Labor Agreement then in effect shall apply to Foremen and General Foremen for work covered by this Addendum.

12. Work performed under this Addendum by an employee shall not entitle such employee to be classified as a Mechanic under the Master Labor Agreement and such employee shall not otherwise acquire any rights under the Master Labor Agreement unless and until such employee has met all qualifying conditions required by the Master Labor Agreement for such classification.
13. The Employer shall notify Local 5, in writing, of each job site covered by this Addendum before the commencement of work covered by this Addendum. Within five (5) days after the conclusion of such work, the Employer shall notify Local 5 that such work has been completed.
14. Worker Ratios:
 - a. On asbestos removal projects on mechanical systems, including piping, ducts, breeching, air conditioning system equipment and processing and manufacturing systems, on work that requires seven (7) or more workers the first worker assigned to each project under this Addendum shall be a Mechanic covered by the Master Labor Agreement. On such projects, the ratio of Maintenance Workers to each Mechanic shall not exceed twenty (20) to one (1) for work covered by this Addendum.
 - b. On projects, other than those described above in paragraph 14a, a Craftsman may be designated to be in charge of up to fifteen (15) Maintenance Workers. If such employees exceed sixteen (16) workers employed under the terms of this Addendum, a HMH Mechanic or a Mechanic covered by the Master Labor Agreement shall be employed on the project for the duration of the project.
 - c. On refinery maintenance project only, a Refinery Maintenance Mechanic may be designated to perform the same duties as described in paragraph 14a and 14b above.

SECTION V Wages and Classifications

Refinery Maintenance

1. When a Maintenance worker is initially employed by an Employer signatory to this Addendum the Maintenance worker shall be paid an hourly pay rate of \$9.18 for all hours worked through the first two thousand (2000) hours. For all hours worked by the Maintenance worker from two thousand and one (2001) hours through the four thousandth (4000) hours, the Maintenance worker shall receive an hourly pay rate of \$10.53. For all hours worked by the Maintenance worker from four thousand and one (4001) hours through the six thousandth (6,000) hour, the Maintenance worker shall receive an hourly pay rate of \$11.98. For all hours worked by the Maintenance worker in excess of six thousand (6,000) hours the Maintenance worker shall receive an hourly pay rate of \$15.13.
2. The Joint Apprenticeship Committee shall develop and administer skills tests for the classification of Refinery Maintenance Mechanic, Craftsman Leadman, Craftsman and Hazardous Material Handler (HMH) Mechanic. The Refinery Maintenance Mechanic shall receive an hourly pay rate of \$24.00. Craftsman Leadman shall receive an hourly pay rate of \$18.63. The Craftsman shall receive an hourly pay rate of \$16.63. The Hazardous Material Handler (HMH) Mechanic shall receive an hourly pay rate of \$17.83.
3. Local 5 Union/Admin. Dues deducted from total taxable wages as determined by the vote of the Local 5 membership plus \$0.06 per hour contribution to the market recovery program.

There will be no Total Package Wage increase for Refinery Maintenance for the term of this contract

Non-Refinery Maintenance

1. When a Maintenance worker is initially employed by an Employer signatory to this Addendum the Maintenance worker shall be paid an hourly pay rate of \$9.38 for all hours worked through the first two thousand (2000) hours. For all hours worked by the Maintenance worker from two thousand and one (2001) hours through the four thousandth (4000) hours, the Maintenance worker shall receive an hourly pay rate of \$10.76. For all hours worked by the Maintenance worker from four thousand and one (4001) hours through

the six thousandth (6,000) hour, the Maintenance worker shall receive an hourly pay rate of \$12.44. For all hours worked by the Maintenance worker in excess of six thousand (6,000) hours the Maintenance worker shall receive an hourly pay rate of \$15.65.

2. The Joint Apprenticeship Committee shall develop and administer skills tests for the classification of Craftsman Leadman, Craftsman and Hazardous Material Handler (HMH) Mechanic. The Craftsman Leadman shall receive an hourly pay rate of \$19.02. The Craftsman shall receive an hourly pay rate of \$16.98. The Hazardous Material Handler (HMH) Mechanic shall receive an hourly pay rate of \$18.30.
3. Local 5 Union/Admin. Dues deducted from total taxable wages as determined by the vote of the Local 5 membership plus \$0.06 per hour contribution to the market recovery program.

Effective 6/25/12, the Total Package Wage rate will increase by \$0.25 per hour for Class M3 & M4
Effective 6/24/13, the Total Package Wage rate will increase by \$0.30 per hour for Class M3 & M4

SECTION VI Health & Welfare Plan

1. For hours worked by employees covered by this Addendum the Employer will make contributions to the established Health Insurance Plan. For hours worked by Maintenance workers from the initial entry through the three thousandth (3,000) hour worked, the Employer shall make a minimum contribution to such Plan of \$2.25 per hour for each hour worked. For all hours worked in excess of three thousand (3,000) hours the Employer shall make a minimum contribution to such Plan of \$3.20 per hour for each hour worked. Provisions of this Section shall not apply to employees covered under the Master Labor Agreement. Such payments are to be used exclusively for the purposes of the Health and Welfare Fund as provided in the Agreement and Declaration of Trust for such fund first executed August 1, 1951, subsequently reprinted and revised August 1, 1961, as such Agreement and Declaration of Trust may be amended, supplemented and revised from time to time. The Employer accepts and agrees to be bound by the terms and provisions of such Agreement and Declaration of Trust.
2. The Plan Administrator shall establish and maintain separate accounting, beginning January 1, 1991, of all income and expenditures related to Plan Participants working under the Maintenance Addendum.
3. The Association and Local 5 agree to reopen the Addendum for the negotiation of Health & Welfare contribution rates within sixty (60) days after a written request duly adopted by the Plan Trustees.

SECTION VII Subsistence

Section 1: Los Angeles

1. There shall be (2) recognized zones with the Los Angeles City Hall as the central point. All zones are depicted on a map mutually agreed upon between the Employer and Local 5. Such map is designated as "Exhibit A" and made a part of this Addendum.

Zone 1: 0 to 75 miles – No allowance
Zone 2: Over 75 miles – \$35.00 per day worked

2. The travel pay and subsistence payable to an employee for any day during which the employee for any reason voluntarily leaves his job prior to completion of the employee's regularly scheduled workday shall be reduced in proportion to the balance of the employee's workday remaining at the time the employee leaves his Job.

Section 2: San Diego

1. There will be two (2) recognized zones radiating from the intersection of Broadway Street and U.S. Highway 163 in the City of San Diego. All zones are depicted on a map mutually agreed upon between the Employer and Local 5. Such map is designated as "Exhibit B" and made a part of this Addendum.

Zone 1: 0 to 30 miles – no allowance

Zone 2: Over 30 miles – \$35.00 per day worked

2. The travel pay and subsistence payable to an employee for any day during which the employee for any reason voluntarily leaves his job prior to completion of the employee's regularly scheduled workday shall be reduced in proportion to the balance of the employee's workday remaining at the time the employee leaves his Job.
3. Zone 1 (the free zone) is expanded to include the area bounded by a 22 mile arc drawn from Oceanside Boulevard and the I5 Freeway and intersecting the current San Diego free zone and the Los Angeles free zone as depicted on the map mutually agreed upon between the Employer and Local 5. This map shall be a part of "Exhibit B" as referenced in the Section VII, Section 2, Subsection 1 above.

Section 3: Bakersfield

1. There shall be two (2) recognized zones with the Bakersfield City Hall as the central point. All zones are depicted on a map mutually agreed upon between the Employer and Local 5.
2. Such map is designated as "Exhibit C" and made a part of this Addendum.

Zone 1: 0 to 75 miles – no allowance

Zone 2: Over 75 miles – \$35.00 per day worked

3. The travel pay and subsistence payable to an employee for any day during which the employee for any reason voluntarily leaves his job prior to completion of the employee's regularly scheduled workday shall be reduced in proportion to the balance of the employee's workday remaining at the time the employee leaves his Job.

SECTION VIII Pension Program

1. For each hour worked by employees in the classification of Hazardous Material Handler (HMH) Mechanic, the Employer shall pay the Western States Heat and Frost Insulators and Allied Workers Pension Fund a total contribution of \$5.63 per hour to be allocated as follows:
 - a. \$4.96 to the Western States Allied Workers Pension Fund
 - b. \$0.55 to the Western States Allied Workers Individual Account Plan
 - c. \$0.12 to the Western States Allied Workers Health Plan
2. For each hour worked by employees in the classification of Refinery Maintenance Mechanic, the Employer shall pay the Western States Heat and Frost Insulators and Allied Workers Pension Fund a total contribution of \$1.22 per hour to be allocated as follows:
 - a. \$1.10 to the Western States Allied Workers Individual Account Plan
 - b. \$0.12 to the Western States Allied Workers Health Plan
3. The Employer accepts and agrees to be bound by the terms and provisions of the Western States Conference of Heat and Frost Insulators and Allied Workers and Associated Insulation Contractors Pension Fund Agreement and Declaration of Trust dated November 20, 1959, and any amendments thereto, and supplementary agreements between the Western States Conference and Western Insulation Contractors Association Central Labor Committee,

the Western States Asbestos Pension Plan, the Western States Individual Account Plan, and the Western States Asbestos Health Plan, and any amendments thereto.

SECTION IX Employee Medical Monitoring

1. At all times during the term, or any extended term, of this Addendum, the Employer shall contribute to the Heat & Frost Insulators and Asbestos Workers Health & Welfare Fund, Pasadena, California \$0.23 per hour for each hour worked by Employees covered by this Addendum. This contribution shall be utilized by the Health & Welfare Fund to provide medical monitoring for employees represented under this Addendum including but not limited to physical examinations, x-rays, physical opinions, record retention, and the supplying of documentation to the Employer, as required by current or future Federal and State of California Regulations.
2. The contribution rate provided for above may be increased or decreased by action of the Health & Welfare Fund Trustees on 90 days written notice to the Employer.

SECTION X Employee Training/Certification

1. At all times during the term, or any extended term, of this Addendum, the Employer shall contribute, as provided in the Asbestos Abatement Training Trust Agreement, not to exceed twenty two cents (\$0.22) per hour for each hour worked by Employees covered by this Addendum. This contribution shall be utilized by the Administrative Committee, through its Management Committee, to provide, through agreement with the Asbestos Abatement Training Trust, Employee Training and Training Certifications as required by current or future Federal, State of California, and local laws, ordinances or regulations. Any costs in excess of twenty two cents (\$0.22) per hour for such contributions shall be borne by the Union and Contractors.
2. The contribution rate provided for above may be increased or decreased by action of the Administrative Committee or its successor on 90 days written notice to the Employer.

SECTION XI Overtime and Holidays

1. All labor in excess of forty (40) hours per week, or eight (8) hours per work day in a regular work week and observed holidays, shall be known as overtime and shall be paid for at one and one-half (1-1/2) times the rate of wages if ordered by the Employer. The observed holidays are: New Year's Day, Presidents Day, Good Friday, Memorial Day, Independence Day, Veteran's Day, Thanksgiving Day, the day after Thanksgiving Day, and Christmas. Such holidays shall be observed on days to coincide with national observance of the holidays. No work shall be performed on Labor Day, except in special cases of emergency and then only when triple (3) times is paid. When a holiday falls on a Sunday, the following Monday shall be observed as the holiday. When a holiday falls on Saturday, the preceding Friday shall be observed as the holiday.
2. If the observed holidays are not compatible with the customer's holidays, adjustments are possible by mutual agreement between the Employer and the Local 5

SECTION XII Work Day

The "regular" work day for the purpose of this Addendum shall be eight (8) hours. The Employer may deviate from the normal starting times by notifying the Local 5, in writing, prior to such deviation. The Employer may schedule four (4) ten hour work days during a seven (7) day work week. On such projects, overtime rates will apply after ten hours worked in any workday, and after forty (40) hours worked in any work week. All other deviations from "regular" starting times shall be made only by mutual consent of the Local 5 and the Employer. An employee who fails to work the full regular workday hours as required by this Addendum may, after prior warning by the Employer, be terminated.

SECTION XIII
Shift Work

1. When one (1), two (2) or three (3) shifts are worked, the first or day shift, shall be established on a standard eight (8) hour basis, 7:30 a.m. to 4:00 p.m.; the second shift shall be on a standard seven and one-half (7½) hour basis, 4:00 p.m. to 12:00 midnight; and the third shift shall be on the standard seven (7) hour basis, 12:00 midnight to 7:30 a.m. For the purpose of this Section, the shift which begins at 12:01 a.m. Monday shall be considered to be a Sunday third shift.
2. Modification of the starting times of each shift maybe agreed upon in writing from time to time by the Business Manager of Local 5 and Employer. Pay for time worked on the second and third shifts shall be equivalent to eight (8) hours at the straight time hourly pay rate which would have been paid the employee had he performed such work on the day shift. All time worked before and after the regularly established shift hours on the second and third shifts, in any twenty-four (24) hour period, shall be paid at the rate of one and one-half (1½) times the employee's straight time hourly pay rate.

SECTION XIV
Strikes and Lockouts

1. Except as provided in Paragraph 2 of this Section, the Union will not engage in any strike, slow down or work stoppage by reason of any dispute, including jurisdictional disputes, arising under the provisions of this Addendum, whether or not such dispute has been made the subject of a written grievance under the provisions of Article V of the Master Labor Agreement. Except as provided in Paragraph 2 of this Section, the Employer will not engage in any lockout.
2. The Union may engage in a strike, work stoppage, withdrawal of employees or refusal to transfer or dispatch workers in the event an Employer is delinquent in making undisputed payments of wages or Union dues or service charges as provided in Section V of this Addendum or Health and Welfare Plan contributions as provided in Section VI of this Addendum.
3. The Union and any affected Employer will be relieved of its respective no strike or no lockout obligations under the provisions of Paragraph 1 of this Section in the event of a refusal by the other party to comply with a final decision of an arbitrator or of the Administrative Committee made pursuant to the provisions of Article V of the Master Labor Agreement. An arbitration decision or decision of the Administrative Committee which is made the subject of judicial proceedings pursuant to applicable State or Federal Arbitration Statutes shall not be considered final and binding until the conclusion of such judicial proceedings.
4. In the event of a strike under the Master Labor Agreement, work covered by this Addendum shall continue uninterrupted.

SECTION XV
Miscellaneous Provisions

1. The Employer and the Local 5 agree that safe working conditions shall be provided on all jobs in accordance with the California State Safety Code.
2. The Employer retains full and exclusive authority for management of its operations, including all matters not covered by this Addendum.
3. Payment of wages to any employee whose employment is terminated, or who terminates his employment shall be made in accordance with the provisions of Article 1, Chapter 1, Part 1, Division 2 of the California Labor Code (Labor Code Section 200 et seq.) as the same may be amended from time to time.

4. Except as limited by the specific terms of this Addendum the Employer retains the right to direct the working force, and for just cause after prior warnings, to discharge, discipline and suspend employees. The Employer shall provide the Local 5 in writing within five (5) days after the discharge, the reason for this discharge.
5. The Federal Occupational Safety and Health Act of 1970 and Cal-OSHA, as the same may be amended from time to time, shall be strictly adhered to by the Employer and employees.
6. The Employer will have the right to schedule overtime.
7. The Employer and Local 5 agree that there will be no discrimination in employment because of race, religion, sex, age, handicapped status, or national origin and will comply with local and state non discrimination statutes and any plans to accomplish the objectives of equal employment opportunities.
8. There shall be no limitations or restrictions upon the choice of materials or design, or upon the full use of equipment, machinery or other labor-saving devices.
9. Employee shall have certain hand tools of the trade that shall be personally owned by the employee and used for work to be performed at the Employer's direction.

Minimum Basic Tools

- a. Every employee shall have the following tools upon reporting to work:

- 12' x 3/4" wide Tape measure
- 7" or 8" Boning knife
- 7" or 8" End nippers
- Scissors (kitchen shears)
- Tool pouch
- Pruning saw

- b. Additional tools may be designated by the Administrative Committee.

10. Local 5 agrees that there shall be no limitations or restrictions placed upon the individual working efforts of employees.
11. The Administrative Committee is responsible for establishing and implementing policies for minimum hiring standards for employees covered by this Addendum.

SECTION XVI Asbestos Abatement Training And Certification

The responsibility for administration of the Training and Certification Program provided for in Section X of the Addendum, and for enforcing Employer contributions to such Program, as required by the provisions of Section X, shall be that of the Administrative Committee, through its Management Committee, appointed under the Asbestos Abatement Training Trust Agreement for Maintenance Agreement.

SECTION XVII Favored Nations Clause

The local 5 Master CBA between the Southern Cal. Chapter of WICA and IAHFIAW Local 5 shall be the CBA to which all new contractors will become signatory. As a condition of signing a new contractor, the Employers and the Union understand there may be certain exceptions that will need to be made to deal with existing fixed price backlog to be completed at rates in effect at the time of the bid. All other concessions, by the union, to address competitive market conditions will be made available to all signatory contractors on a non-discriminatory basis.

NEGOTIATING COMMITTEE OF THE SOUTHERN CALIFORNIA CHAPTER, WESTERN INSULATION CONTRACTORS ASSOCIATION

By: _____
Eric Fults, Chairman

By: _____
David R. Trueblood

By: _____
Steve Wopperer

By: _____
Gerald Cox

NEGOTIATING COMMITTEE OF THE INTERNATIONAL ASSOCIATION OF HEAT AND FROST INSULATORS AND ALLIED WORKERS, LOCAL NO. 5

By: _____
Alfred Montoya, Chairman

By: _____
Robert Klepper

By: _____
Tom Gutierrez

By: _____
Tom Herbert

The foregoing Addendum is hereby accepted and agreed to as of this 2nd day of _____

EMPLOYER: _____

By: _____ By: _____

INTERNATIONAL ASSOCIATION OF HEAT AND FROST INSULATORS AND ALLIED WORKERS, LOCAL NO. 5

By: _____ By: _____

The undersigned employer, not a member of the Southern California Chapter, Western Insulation Contractors Association, hereby states that he has read this Addendum and agrees to be bound by all of the terms and conditions of this Addendum.

SIGNED this _____ day of _____, 20____

EMPLOYER: _____

By: _____ By: _____

INTERNATIONAL ASSOCIATION OF HEAT AND FROST INSULATORS AND ALLIED WORKERS, LOCAL NO. 5

By: _____ By: _____

APPENDIX G

FIRESTOP ADDENDUM

Southern California Chapter,
Western Insulation Contractors Association

and

Local No. 5
International Association of
Heat and Frost Insulators
and Allied Workers

Effective: June 27, 2011 – June 29, 2014

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SECTION I

Union

It is hereby agreed that an employer is anyone engaged in work described in Section II, and that the provisions of this Addendum shall be binding upon the Employer individually and upon the employees individually and the Union within the territorial jurisdiction of the Union as defined by the International Association of Heat and Frost Insulators and Allied Workers, Local 5.

SECTION II

Trade or Work Jurisdiction

This Addendum covers the rates of pay, hours and other terms and conditions of employment with firestopping or fireproofing technicians, and apprentices engaged in the manufacture, fabrication, assembling, molding, handling, erection, spraying, pouring, mixing, hanging, preparation, application, adjusting, alteration, repairing, dismantling, reconditioning, testing, and maintenance of the following, when applied by machine or other application methods of all firestopping materials including, but not limited to: intumescent firestop sealant, intumescent firestop blocks, elastomeric firestop sealant, self-leveling firestop sealant, trowelable firestop compound, firestop collars, composite sheets, putty pads, fire containment pillows, wrap strips, putty sticks, firestop mortar, firestop mastic, refractory ceramic fiber blanket for kitchen exhaust and fire rated duct systems, or other materials used in connection with labor, and to include other fire protection materials such as boots and cable coatings which are connected with the handling or distributing of the above insulating materials, or the repair and maintenance of all equipment, on job premises. The types of work shall include but not be limited to: top of wall, curtain wall, fire rated wall penetrations, grease ducts, stairwell pressurization systems, beam, column, and deck fireproofing.

Employer Responsibility

The Employer shall furnish all tools, materials, equipment, and whatever is required to perform the work of this Addendum. The Employee shall be responsible for cleaning and care of the Employer's tools. The Employee shall return all tools, material, and equipment to the Employer upon request. The Employer shall at no time assign the work of this Addendum to any employee that is not a Mechanic, Apprentice, Pre-Apprentice, Firestop Technician or Firestop Journeyman through the Asbestos Workers Local 5.

SECTION III

Employees Covered – Job Description

1. The employees covered by this Addendum shall be Firestop Workers in four classes as follows:

Class I Firestop Technician – Firestop Worker with less than 2000 hrs experience

Class II Firestop Technician – Firestop Worker with more than 2000 hrs, but less than 4000 hrs experience

Class III Firestop Technician – Firestop Worker with more than 4000 hrs, but less than 6000 hrs experience

Class IV Firestop Journeyman – Firestop Worker with more than 6000 hrs experience

2. Firestop Technicians Class I, II, and III shall have direct supervision of a Firestop Technician IV. At no time shall either Class I, II, or III be allowed to work without the onsite supervision of a Class IV Firestop Journeyman. The 1st man on a job site shall be a Class IV Firestop Journeyman or a Local 5 Mechanic. In the event a Class IV Journeyman is not available, Local 5 shall designate any other Firestop Technician classification as a temporary Class IV to be paid at Class IV rate; until such time that a Class IV becomes available.

3. A Firestop worker is an employee of the employer signed to this Addendum whose duties shall be the operation, maintenance, repair and care taking of the Employer's tools, equipment, machinery and materials, as directed by the Employer or his agent and any other duties the Employer may assign in connection with the work of this Addendum or not contrary to this Agreement. The training, certification, and instruction of Firestop Workers is the sole responsibility of the Contractor.

SECTION IV

Sub-contracting – Union Security – Employer Prerogatives

1. The work of this Addendum shall not be sub-contracted or assigned in any manner to any contractor, firm, or person not signatory to this Addendum or to the standard Asbestos Workers Agreement in the applicable area.
2. The parties agree that all employees performing work covered by this Addendum which are not members of Local 5, when hired shall within seven days make application for membership in Local 5. During this seven-day grace period for a worker to become a member, the Contractor shall pay the appropriate wages and fringes as per this Addendum. Local 5 agrees to admit such applicants to membership on terms not more burdensome than required of other applicants for Union membership.
3. The Employer shall have the exclusive right to hire, discharge, layoff, or assign Firestop employees for any reason not contrary to this Addendum or to law.

SECTION V

Hiring Provisions - Layoffs - Crew Maintenance

1. Local 5 shall maintain lists of available Firestop Employees. Employers shall hire from this list either by calling for a particular individual Firestop employee by name, or accepting the first Firestop Worker on the list.
2. Firestop Workers, when hired, shall be issued a work order by the Business Manager of Local 5, setting forth starting day, date, time and class. Any Firestop employees hired shall receive at least four (4) hours wage.

SECTION VI

Work Rules – Overtime – Holidays

1. Regular work hours shall be eight (8) consecutive hours, between 6 a.m. and 5 p.m. exclusive of thirty minutes lunchtime, after four (4) hours work. By written agreement with Local 5, the Contractor has the option to use a four (4) consecutive ten-hour day, Monday – Friday schedule. When so elected by the Employer, shift work may be worked on a basis of five (5) consecutive days duration. The Employer shall pay Firestop Technicians an additional 5% shift differential for all shift work.
2. Regular workdays shall be Monday through Friday exclusive of holidays. A regular workweek shall be forty (40) hours worked on five (5) regular workdays.
3. All work performed at time other than regular hours and days shall be reimbursed at one and one half time the regular wage rate; all time worked after twelve hours of work, all time worked on Sundays and Holidays shall be reimbursed at two times the regular wage rate.
4. All Firestop employees shall be paid "Travel Pay and Subsistence" as per the Master Labor Agreement.
5. A Firestop Worker that has under his/her supervision, five or more Employees, shall be designated a Firestop Journeyman Foreman and shall be compensated as such.

- A Firestop Journeyman Foreman shall be compensated at a minimum of Journeyman taxable wages plus 15%. ("Taxable Wages" shall be base wage plus Vacation & Holiday pay.)

**SECTION VII
Wages and Classifications**

**Asbestos Workers Local No. 5
Firestop Technician
Wage and Fringe Benefits**

Effective upon acceptance through December 31, 2011, wages and fringes for Asbestos Workers Local No. 5 Firestop Workers shall be paid as follows per hour:

Classification	Wage	V&H	Pension	H&W	Occ Health	Total
Firestop Tech (Class I)	\$12.75	\$1.07	\$0.00	\$5.55	\$0.12	\$19.49
Firestop Tech (Class II)	14.62	1.14	0.00	5.55	0.12	21.43
Firestop Tech (Class III)	15.01	1.33	2.50	5.55	0.12	24.51
Firestop Tech (Class IV)	18.20	1.33	7.46	5.55	0.12	32.66

Effective 6/25/12, the Total Package Wage rate will increase by \$0.40 per hour for Class III

Effective 6/25/12, the Total Package Wage rate will increase by \$0.50 per hour for Class IV

Effective 6/24/13, the Total Package Wage rate will increase by \$0.50 per hour for Class III

Effective 6/24/13, the Total Package Wage rate will increase by \$0.60 per hour for Class IV

Local 5 Union/admin. Dues deduction from total taxable wages @ 5% (base wage + vac. & holiday gross x .05 plus \$0.06 per hour to the market recovery fund.

**SECTION VIII
Paydays – Checks Withholding**

- Payday shall be determined by the Employer but once fixed may not be changed except with the consent of the Union. Firestop Workers shall be paid once weekly with no more than five (5) days withheld.
- Paychecks shall have attached stub setting forth gross wages, deductions and contributions and amount of paycheck, hours worked, name of contractor and name of recipient. Any Employer issuing paychecks against non-sufficient funds shall thereafter be required to issue only certified paychecks guaranteed by the bank.

**SECTION IX
Special Conditions – Trust Payments, etc.**

Parties to this Addendum clearly understand that this is an addendum to the Master Labor Agreement of Asbestos Workers Local 5. Shall abide by the above referenced Agreement and Addendum, specifically but not limited to: arbitration, dues check-off, trust fund payments, delinquencies and qualification.

SECTION X
Favored Nations Clause

The local 5 Master CBA between the Southern Cal. Chapter of WICA and IAHFIAW Local 5 shall be the CBA to which all new contractors will become signatory. As a condition of signing a new contractor, the Employers and the Union understand there may be certain exceptions that will need to be made to deal with existing fixed price backlog to be completed at rates in effect at the time of the bid. All other concessions, by the union, to address competitive market conditions will be made available to all signatory contractors on a non-discriminatory basis.

SECTION XI
Termination and Renewal

This Addendum shall commence when endorsed by all parties and shall continue until midnight on the 29th day of June, 2014 unless an extension of time is mutually agreed upon by the parties hereto.

SECTION XII
Savings Clause

If any article or provision of this Addendum shall be declared invalid, inoperative, or unenforceable by any competent authority of the executive, legislative, judicial, or administrative branch of the Federal or State or Provincial Government, the Employer and the Union shall suspend the operation of such article or provision during the period of its invalidity and shall substitute, by mutual consent, in its place and stead, an article or provision which will meet the objections to its validity and which will be in accord with the intent and purpose of the article or provision in question. If any article or provision of this Addendum shall be held invalid, inoperative or unenforceable by operation of law or by any of the above mentioned tribunals of competent jurisdiction, the remainder of this Addendum or the application of such article or provision to persons or circumstances other than those as to which it has been held invalid, inoperative or unenforceable, shall not be affected thereby.

NEGOTIATING COMMITTEE OF THE SOUTHERN CALIFORNIA CHAPTER, WESTERN INSULATION CONTRACTORS ASSOCIATION

By: [Signature]
Eric Fults, Chairman

By: [Signature]
David R. Trueblood

By: [Signature]
Steve Wopperer

By: [Signature]
Gerald Cox

NEGOTIATING COMMITTEE OF THE INTERNATIONAL ASSOCIATION OF HEAT AND FROST INSULATORS AND ALLIED WORKERS, LOCAL NO. 5

By: [Signature]
Alfred Montoya, Chairman

By: [Signature]
Robert Klepper

By: [Signature]
Tom Gutierrez

By: [Signature]
Tom Herbert

The foregoing Addendum is hereby accepted and agreed to as of this 2nd day of _____

EMPLOYER: _____

By: _____ By: _____

INTERNATIONAL ASSOCIATION OF HEAT AND FROST INSULATORS AND ALLIED WORKERS, LOCAL NO. 5

By: _____ By: _____

The undersigned employer, not a member of the Southern California Chapter, Western Insulation Contractors Association, hereby states that he has read this Addendum and agrees to be bound by all of the terms and conditions of this Addendum.

SIGNED this _____ day of _____, 20____

EMPLOYER: _____

By: _____ By: _____

INTERNATIONAL ASSOCIATION OF HEAT AND FROST INSULATORS AND ALLIED WORKERS, LOCAL NO. 5

By: _____ By: _____

APPENDIX H

Guidelines for Market Recovery Program Policy and Procedures

The following shall be the terms and conditions of the Market Recovery Program for Local No. 5:

1. This agreement to provide wage or benefit & benefit supplements is between the Union and their signatory Employers. The Union will send wage supplements to the Employer on a monthly basis in accordance with Market Recovery Program procedures (hereinafter referred to as the MRP) policies and procedures. All wages on MRP funded jobs will at full Journeyman rate as outlined in the CBA.
2. This MRP is designed to treat all Union Contractors equally. The wage supplement to be provided on any MRP job is to be the same for all eligible contractors. No Union contractor is to have an advantage over another Union contractor when applying for MRP funds.
3. The determination as to which projects are going to be included in the MRP allocation and the amount of MRP funds dedicated shall be at the sole discretion of the Union within the rules established by the Executive Board.
4. In order to participate in the MRP, a contractor must be signatory to a CBA. Must be current with all wage and benefit payments and or contributions and must sign an acknowledgement form outlining all procedures listed on this document.
5. The contractor agrees that all employees performing work within the jurisdiction of Local 5 on MRP jobs shall be hired and employed in complete concurrence with the Local CBA.
6. The contractor agrees that on all MRP jobs the contractor is only eligible to receive at a maximum the wage supplements approved in the MRP agreement. The labor hours in the initial request form shall be strictly adhered to. In the event the job exceeds requested hours that are listed on request form there is no obligation for the MRP to pay supplements on such hours. If the job is completed in less than the hours listed, the excess hours will revert back to the MRP fund. If the contractor has change orders or additional work awarded outside the original bid, the work shall be performed at regular rates without MRP funds unless approved by the Union.
7. The decision as to whether a job shall be selected for MRP funding shall be exclusively the Union's decision. The primary factors the Union will use are:
 - a. The estimated number of Non-union contractors.
 - b. Size, location, and man hours requested.
 - c. The amount of wage subsidy considered.
 - d. Amount of MRP funding available.
8. The contractor shall submit a monthly billing for all MRP jobs.
9. The billing will include the job name, approved and signed time cards, total of hours billed this statement and remaining hours committed to the project.
10. The contractor that submits a monthly billing statement is responsible for accuracy. Any contractor that falsifies or seeks to obtain funding by any false statement or billing procedure will be held criminally liable to the fullest extent possible.
11. Any contractor that violates the MRP procedures or attempts to falsify time cards, billings or any other portion of the MRP procedures shall be subject to Union disciplinary procedures including but not limited to: ceasing any further MRP payments, approvals and recovering falsified payments through the grievance and arbitration procedure in the CBA.
12. MRP funds shall not be available on jobs that are under a Project Labor Agreement or by previous arrangements are determined to be all union.

13. It is the obligation of the Contractor to contact the Union to determine if MRP funds are available on a particular project.
14. The contractor shall utilize the Union request form 48 hours in advance when requesting MRP funding which shall include:
 - a. Job name and address.
 - b. Bid date and time.
 - c. General and Mechanical Contractors.
 - d. Estimated hours needed.
 - e. Estimated price.
 - f. Start date and duration.
 - g. Other contractors bidding union and non-union.
15. The contractor shall notify the Union immediately upon being awarded the contract.
16. The Union reserve the right to add, alter amend or modify or withdraw the operating rules of the MRP at any time.

Contractor Acknowledgement:

I _____ on behalf of the

Contractor _____ hereby

acknowledge the preceding rules and regulations of the MRP shall be strictly adhered to in order to be eligible to apply and receive MRP funding in accordance with the MRP procedures.

Signed: _____

Date: ____ / ____ / ____

Union Representative: _____

Date: ____ / ____ / ____