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July 1, 1999 - June 30, 2003

AGREEMENT

Between

SHEET METAL WORKERS' INTERNATIONAL ASSOCIATION

Local Union No. 108

601 Eureka Street

Bakersfield, CA 93305

(661) 323-4461

&

**KERN, INYO & MONO COUNTIES
SHEET METAL AND AIR CONDITIONING
CONTRACTORS, INCORPORATED**

3008 Sillect Drive, Suite 103

Bakersfield, CA 93308

(661) 322-6640

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STANDARD FORM OF UNION AGREEMENT
SHEET METAL, ROOFING, VENTILATING AND AIR
CONDITIONING CONTRACTING DIVISIONS
OF THE CONSTRUCTION INDUSTRY

Agreement entered into this first day of July, 1999 by and between the Kern, Inyo and Mono Counties Sheet Metal and Air Conditioning Contractors, Incorporated and each business establishment individually, whether represented by a contractor association or not, hereinafter referred to as the Employer, and Local Union No. 108 of Sheet Metal Workers' International Association, hereinafter referred to as the Union for Kern County and that portion of Los Angeles County north of a straight line drawn between Gorman and Big Pine, California.

ARTICLE I

SECTION 1. 01 - SCOPE OF WORK: This Agreement covers the rates of pay and conditions of employment of all Employees of the Employer engaged in but not limited to the:

- (a) manufacture, fabrication, assembling, handling, erection, installation, dismantling, conditioning, adjustments, alteration, repairing and servicing of all ferrous or nonferrous metal work and all other materials used in lieu thereof and of all air-veyor systems and air handling systems regardless of material used including the setting of all equipment and all reinforcements in connection therewith;
- (b) all lagging over insulation and all duct lining;
- (c) testing and balancing of all air-handling equipment and duct work;
- (d) the preparation of all shop and field sketches whether manually drawn or computer assisted used in fabrication and erection, including those taken from original architectural and engineering drawings or sketches; and
- (e) all other work included in the jurisdictional claims of Sheet Metal Workers' International Association.

ARTICLE II

SECTION 2.01 - SUBCONTRACTING: No Employer shall subcontract or assign any of the work described herein which is to be performed at a job site to any contractor, subcontractor or other person or party who fails to agree in writing to comply with the conditions of employment contained herein including, without limitations, those relating to union security, rates of pay and working conditions, hiring and other matters covered hereby for the duration of the project.

SECTION 2.02 Subject to other applicable provisions of this Agreement, the Employer agrees that when subcontracting for prefabrication of materials covered herein, such prefabrication shall be subcontracted to fabricators who pay their Employees engaged in such fabrication not less than the prevailing wage for comparable sheet metal fabrication, as established under the provisions of this Agreement.

ARTICLE III

SECTION 3.01 The Employer agrees that none but journeymen, apprentice and pre-apprentice sheet metal workers shall be employed on any work described in Article I and, further, for the

purpose of proving jurisdiction, agrees to provide the Union with written evidence of assignment on the Employer's letterhead for certain specified items of work to be performed at a jobsite prior to commencement of work at the site. List of such specific items, which may be revised from time to time, as agreed to by and between SMACNA and SMWIA, shall be provided to the Employer.

ARTICLE IV

SECTION 4.01 The Union agrees to furnish upon request by the Employer duly qualified journeymen, apprentice and pre-apprentice sheet metal workers in sufficient numbers as may be necessary to properly execute work contracted for by the Employer in the manner and under the conditions specified in this Agreement.

ARTICLE V

SECTION 5.01 The Employer agrees to require membership in the Union, as a condition of continued employment of all Employees performing any of the work specified in Article I of this Agreement, within eight (8) days following the beginning of such employment or the effective date of this Agreement, whichever is the later, provided the Employer has reasonable grounds for believing that membership is available to such Employees on the same terms and conditions generally applicable to other members and that membership is not denied or terminated for reasons other than the failure of the Employee to tender the periodic dues and initiation fee uniformly required as a condition of acquiring or retaining membership.

SECTION 5.02 If during the term of this Agreement the Labor-Management Relations Act of 1947 shall be amended by Congress in such manner as to reduce the time within which an Employee may be required to acquire union membership, such reduced time limit shall become immediately effective instead of and without regard to the time limit specified in Section 5.01 of this Article.

SECTION 5.03 The provisions of this Article shall be deemed to be of no force and effect in any state to the extent to which the making or enforcement of such provision is contrary to law. In any state where the making and enforcement of such provision is lawful only after compliance with certain conditions precedent, the Article shall be deemed to take effect as to involved Employees immediately upon compliance with such conditions.

ARTICLE VI

SECTION 6.01 - HOURS OF WORK:

(a) The regular working day shall consist of eight (8) hours labor in the shop or on the job between six (6) a.m. and six (6) p.m. and the regular working week shall consist of five (5) consecutive eight (8) hour days labor in the shop or on the job, beginning with Monday and ending with Friday of each week.

(b) All full time or part time labor performed during such hours shall be recognized as regular working hours and paid for at the regular hourly rate.

(c) Except as otherwise provided pursuant to Section 6.04 of this Article, all work performed outside the regular working hours and performed during the regular work week, shall be at one and one half (1 1/2) times the regular rate.

(d) Employees shall be at the shop or project site at the scheduled starting time each day and shall remain until quitting time.

SECTION 6.02 - HOLIDAYS: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the Friday after Thanksgiving Day and Christmas Day or days locally

observed as such, and Saturday and Sunday shall be recognized as holidays. All work performed on holidays shall be paid at one and one-half (1 1/2) times the regular rate.

SECTION 6.03 - OVERTIME: It is agreed that all work performed outside of regular working hours during the regular work week and on holidays shall be performed only upon notification by the Employer to the local union in advance of scheduling such work. Preference on overtime and holiday work shall be given to men on the job on a rotation basis so as to equalize such work as nearly as possible.

SECTION 6.04 - SHIFT WORK: Shift work and the pay and conditions therefore shall be only as provided in written addenda attached to this Agreement. Energy conservation-retrofit work performed outside the regular work day in occupied buildings shall be performed under shift work conditions to be established by the local parties or by the National Joint Adjustment Board on the request of either party, if not locally provided.

ARTICLE VII

SECTION 7.01 When employed in a shop or on a job within the limits of Bakersfield or Lancaster (See Addenda ARTICLE XVIII) Employees shall be governed by the regular working hours specified herein and shall provide for themselves necessary transportation within the said limits from home to shop or job at starting time and from shop or job to home at quitting time and, the Employer shall provide or pay for all necessary additional transportation during working hours.

SECTION 7.02 When employed outside of the limits specified in Section 7.01 of this Article, and within the jurisdiction of the Union, employees shall provide transportation for themselves which will assure their arrival at the limits specified in Section 7.01 of this Article at regular starting time and the Employer shall provide or pay for all additional transportation for such jobs, including transportation from such job back to the limits specified in Section 7.01 of this Article which will assure arrival at such limits at quitting time. As an alternative to the foregoing method, travel expense may be paid by a zone or other method of payment. If this alternative method is used, it will be as provided in a written Addendum attached hereto.

ARTICLE VIII

SECTION 8.01 - WAGES: The minimum rate of wages for journeymen sheet metal workers covered by this Agreement when employed in a shop or on a job within the jurisdiction of the Union to perform any work specified in Article I of this Agreement shall be: (See Addenda ITEM XVI) per hour, except as hereinafter specified in Section 8.02 of this Article.

SECTION 8.02 On all work specified in Article I of this Agreement, fabricated and/or assembled by journeymen, apprentices and pre-apprentices within the jurisdiction of this Union or elsewhere for erection and/or installation within the jurisdiction of any other local union affiliated with Sheet Metal Workers' International Association, whose established wage scale is higher than the wage scale specified in this Agreement, the higher wage scale of the jobsite Union shall be paid to the Employees employed on such work in the home shop or sent to the jobsite.

SECTION 8.03 - CATALOGUE ITEMS: The provisions of Section 8.02 of this Article, Section 2.02 of Article II and Section 3.01 of Article III shall not be applicable to the manufacture for sale to the trade or purchase of the following items:

1. Ventilators
2. Louvers
3. Automatic and fire dampers
4. Radiator and air conditioning unit enclosures
5. Fabricated pipe and fittings for residential installations and light commercial work as defined in the locality

6. Mixing (attenuation) boxes
7. Plastic skylights
8. Air diffusers, grilles, registers
9. Sound attenuators
10. Chutes
11. Double-wall panel plenums
12. Angle rings

SECTION 8.04 - AIR POLLUTION CONTROL SYSTEMS: The provisions of Section 8.02 of this Article shall not be applicable to AIR POLLUTION CONTROL SYSTEMS fabricated for the purpose of removing air pollutants, excluding air conditioning, heating and ventilating systems. In addition, the provisions of Section 8.02 of this Article will not be applicable to the manufacture of spiral pipe and fittings for high pressure systems.

SECTION 8.05 Except as provided in Sections 8.02 and 8.06 of this Article, the Employer agrees that journeymen, apprentice and pre-apprentice sheet metal workers hired outside of the territorial jurisdiction of this Agreement shall receive the wage scale and working conditions of the local agreement covering the territory in which such work is performed or supervised.

SECTION 8.06 - PRIORITY WAGE SCALE:

(a) When the Employer has any work specified in Article I of this Agreement to be performed outside of the area covered by this Agreement and within the area covered by another Agreement with another local union affiliated with the Sheet Metal Workers International Association, and qualified sheet metal workers are available in such area, he may send no more than two (2) sheet metal workers per job into such area to perform any work which the Employer deems necessary, both of whom shall be from the Employer's home jurisdiction.

(b) All additional sheet metal workers shall come from the area in which the work is to be performed. Journeymen sheet metal workers covered by this Agreement who are sent outside of the area covered by this Agreement shall be paid at least the established minimum wage scale specified in Section 8.01 of this Article but, in no case less than the established wage scale of the local agreement covering the territory in which such work is performed or supervised, plus all necessary transportation, travel time, board and expenses while employed in that area, and the Employer shall be otherwise governed by the established working conditions of that local Agreement.

(c) If Employees are sent into an area where there is no local Agreement of the Sheet Metal Workers' International Association covering the area then the minimum conditions of the home local union shall apply.

SECTION 8.07 In applying the provisions of Section 8.02, 8.05 and 8.06 of this Article VIII, the term "wage scale" shall include the value of all applicable hourly contractual benefits in addition to the hourly wage rate provided in said Sections.

SECTION 8.08

(a) Health & Welfare benefit contributions shall not be duplicated.

(b) When sheet metal workers are employed temporarily outside the jurisdiction of their home local union, the parties signatory to this Agreement agree to arrange through the Health & Welfare Trust Fund to transmit health and welfare contributions made on behalf of the Employee to the Health and Welfare Fund in the Employee's home local union.

(c) The parties to this Agreement agree to establish a system for continuing health and welfare coverage for Employees working temporarily outside the jurisdiction of the local

collective bargaining agreement when health and welfare contributions are transmitted on their behalf by trust funds from the other areas.

SECTION 8.09 - PAY DAY: Wages at the established rates specified herein shall be paid weekly in the shop or on the job at or before quitting time on Friday of each week, and no more than two (2) days' pay will be withheld. However, Employees when discharged shall be paid in full.

SECTION 8.10 - SHOW-UP PAY: Journeymen, apprentice and pre-apprentice sheet metal workers who report for work by direction of the Employer, and are not placed to work, shall be entitled to two (2) hours pay at the established rate. This provision, however, shall not apply under conditions over which the Employer has no control.

SECTION 8.11 Each Employer covered by this Agreement shall employ at least one (1) journeyman sheet metal worker who is not a member of the firm on all work specified in Article I of this Agreement.

SECTION 8.12 - INDUSTRY FUND:

(a) Contributions provided for in Section 8.12 (b) of this Article will be used to promote programs of industry education, training, negotiation and administration of collective bargaining agreements, research and promotion, such programs serving to expand the market for the services of the Sheet Metal Industry, improve the technical and business skills of Employers, stabilize and improve Employer-Union relations, and promote, support and improve the employment opportunities for Employees. No part of any such payments, however, shall be used for any other purpose except as expressly specified above.

(b) The Employer shall pay to the Kern, Inyo and Mono Counties Sheet Metal and Air Conditioning Contractors Industry Fund, 3008 Sillect Drive, Suite 103, Bakersfield, California 93308 -- hereinafter referred to as the Local Industry Fund (LIF), fifteen cents (\$0.15) per hour for each hour worked on or after the effective date of this Agreement by each Employee of the Employer covered by this Agreement. Payment shall be made monthly on or before the 20th day of the succeeding month.

(c) The LIF shall furnish to the Business Manager of the Union, not less often than semi-annually, written reports describing in reasonable detail the nature of activities in which it is engaged or which it supports directly or indirectly with any of its funds.

(d) One time per year, the LIF shall include in such written report, a statement attested to by a certified public accountant and containing its balance sheet and detailed statement of receipts and disbursements. Further specific detailed information in regard to LIF activities or its receipts and/or disbursements shall be furnished to the Business Manager of the Union upon his written request.

(e) Grievances concerning use of LIF monies to which an Employer shall contribute for purposes prohibited under Section 8.12 (a) or for violations of other subsections of this Section shall be handled under the provisions of Article X of this Agreement. The National Joint Adjustment Board shall be authorized to impose any remedial order for violation of this Section, including termination of the Employer's obligation to contribute to the LIF.

SECTION 8.13: INTERNATIONAL TRAINING INSTITUTE "ITI (NTF)", NATIONAL ENERGY MANAGEMENT INSTITUTE COMMITTEE & SHEET METAL OCCUPATIONAL HEALTH INSTITUTE:

(a) Effective as of the date of this Agreement the Employers will contribute to the International Training Institute "ITI (NTF)" for the Sheet Metal and Air Conditioning Industry seven cents (\$0.07) per hour for each hour worked by each Employee of the

Employer covered by this Agreement. Payment shall be made on or before the 20th day of the succeeding month and shall be remitted as designated by the Trustees of the Fund, or for purposes of collection and transmittal through the Sheet Metal Workers' Trust Funds.

(b) Effective as of the date of this Agreement the Employers will contribute to the Sheet Metal Occupational Health Institute Trust two cents (\$0.02) per hour for each hour worked by each Employee of the Employer covered by this Agreement. Payment shall be made on or before the 20th day of the succeeding month and shall be remitted as designated by the Trustees of the Fund, or for the purposes of collection and transmittal through the Sheet Metal Workers' Trust Funds.

(c) Effective as of the date of this Agreement the Employers will contribute to the National Energy Management Institute Committee (NEMIC), a jointly administered trust fund, three cents (\$0.03) per hour for each hour worked by each Employee of the Employer covered by this Agreement. Payment shall be made on or before the 20th day of the succeeding month and shall be remitted as designated by the Trustees of the NEMIC, or for the purposes of collection and transmittal through Sheet Metal Workers' National Benefit funds, P. O. Box 79321, Baltimore, MD 21279-0321.

(d) The parties agree to be bound by the separate Agreements and Declarations of Trusts establishing the International Training Institute "ITI (NTF)" for the Sheet Metal and Air Conditioning Industry (\$.07), the Sheet Metal Occupational Health Institute Trust (\$.02), the Local Industry Fund (\$.15), the National Energy Management Institute Committee (\$.03) and the separate agreements and declarations of trusts of all other local or national programs to which it has been agreed that contributions will be made.

(e) In addition, the parties agree to be bound by any amendments to said trust agreements as may be made from time to time and hereby designate as their representatives on the Board of Trustees such trustees as are named together with any successors who may be appointed pursuant to said agreements.

(f) The parties authorize the trustees of all national funds to cooperatively establish uniform collection procedures to provide for efficient and effective operation of the various national trusts.

ARTICLE IX

SECTION 9.01 - HAND TOOLS: Journeymen, apprentice and pre-apprentice sheet metal workers covered by this Agreement shall provide for themselves all necessary hand tools.

SECTION 9.02 Journeymen, apprentice and pre-apprentice sheet metal workers covered by this Agreement shall not be permitted or required as a condition of employment to furnish the use of automobile or 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 to be provided by the Employer. This provision shall not restrict the use of an automobile or other conveyance to transport its owner and personal tools from home to shop or job at starting time or from shop or job to home at quitting time.

ARTICLE X

SECTION 10.01 The Union and the Employer, whether party to this Agreement independently or as a member of a multi-employer bargaining unit, agree to utilize and be bound by this Article.

SECTION 10.02 Grievances of the Employer or the Union, arising out of interpretation or enforcement of this Agreement, shall be settled between the Employer directly involved and the

duly authorized representative of the Union, if possible. Both parties may participate in conferences through representatives of their choice.

SECTION 10.03 To be valid, grievances must be raised within thirty (30) calendar days following the occurrence giving rise to the grievance or if the occurrence was not ascertainable, within thirty (30) calendar days of the first knowledge of the facts giving rise to the grievance.

SECTION 10.04 Grievances not settled as provided in Section 10.02 of this Article may be appealed by either party to the Local Joint Adjustment Board where the work was performed or in the jurisdiction of the Employer's home local and such Board shall meet promptly on a date mutually agreeable to the members of the Board, but in no case more than fourteen (14) calendar days following the request for its services, unless the time is extended by mutual agreement of the parties or Local Joint Adjustment Board.

SECTION 10.05 The Board shall consist of representatives of the Union and of the local Employers' Association and both sides shall cast an equal number of votes at each meeting. The local Employer's Association, on its own initiative, may submit grievances for determination by the Board as provided in this Section. Except in the case of a deadlock, decision of a Local Joint Adjustment Board shall be final and binding.

SECTION 10.06 Notice of appeal to the Local Joint Adjustment Board shall be given within thirty (30) days after termination of the procedures prescribed in Section 10.02 of this Article, unless the time is extended by a mutual agreement of the parties.

SECTION 10.07 Grievances not disposed of under the procedure prescribed in Section 10.04, 10.05 and 10.06 of this Article, because of a deadlock or failure of such Board to act, may be appealed jointly or by either party to a panel, consisting of one (1) representative appointed by the Labor Co-Chairman of the National Joint Adjustment Board and one (1) representative appointed by the Management Co-Chairman of the National Joint Adjustment Board. Appeals shall be mailed to the National Joint Adjustment Board. Notice of appeal to the panel shall be given within thirty (30) days after termination of the procedures prescribed in Section 10.04, 10.05 and 10.06 of this Article. Such Panel shall meet promptly but, in no event more than fourteen (14) calendar days following receipt of such appeal, unless such time is extended by mutual agreement of the panel members. Except in case of deadlock, the decision of the panel shall be final and binding.

SECTION 10.08 Notwithstanding the provisions of Section 10.07 of this Article, an Employer who was not a party to the labor agreement of the area in which the work in dispute is performed may appeal the decision of the Local Joint Adjustment Board from that area, including a unanimous decision, and request a panel hearing as set forth in Section 10.07 of this Article, providing such appeal is approved by the Co-Chairmen of the National Joint Adjustment Board.

SECTION 10.09 Grievances not settled as provided in Section 10.07 of this Article may be appealed jointly or by either party to the National Joint Adjustment Board. Submissions shall be made and decisions rendered under such procedures as may be prescribed by such Board. Appeals to the National Joint Adjustment Board shall be submitted within thirty (30) days after termination of the procedures described in section 10.07 of this Article. The Procedural Rules of the National Joint Adjustment Board are incorporated in this Agreement as though set out in their entirety. (* Copies of the procedures may be obtained from the National Joint Adjustment Board.)

* All correspondence to the National Joint Adjustment Board for the sheet metal industry shall be sent to this address: National Joint Adjustment Board, P. O. Box 220956, Chantilly, VA 20153-0956.

SECTION 10.10 A Local Joint Adjustment Board, Panel and the National Joint Adjustment Board are empowered to render such decisions and grant such relief to either party as they deem necessary and proper, including awards of damages or other compensation.

SECTION 10.11 In the event of noncompliance within thirty (30) calendar days following the mailing of a decision of a Local Joint Adjustment Board, Panel or the National Joint Adjustment Board, a local party may enforce the award by any means including proceedings in a court of competent jurisdiction in accord with applicable state and federal law. If the party seeking to enforce the award prevails in litigation, such party shall be entitled to its costs and attorney's fees in addition to such other relief as is directed by the courts.

SECTION 10.12 Failure to exercise the right of appeal at any step thereof within the time limit provided therefore shall void any right of appeal applicable to the facts and remedies of the grievances involved. There shall be no cessation of work by strike or lockout during the pendency of the procedures provided for in this Article. Except in case of deadlock the decision of the National Joint Adjustment Board shall be final and binding.

SECTION 10.13 In addition to the settlement of grievances arising out of interpretation or enforcement of this Agreement as set forth in the preceding sections of this Article, any controversy or dispute arising out of the failure of the parties to negotiate a renewal of this Agreement shall be settled as hereinafter provided:

(a) Should the negotiations for a renewal of this Agreement or negotiations regarding a wage/fringe re-opener become deadlocked in the opinion of the Union representative(s) or of the Employer(s) representative, or both, notice to that effect shall be given to the National Joint Adjustment Board.

(b) If the Co-Chairmen of the National Joint Adjustment Board believe the dispute might be adjusted without going to final hearing before the National Joint Adjustment Board, each will then designate a panel representative who shall proceed to the locale where the dispute exists as soon as convenient, attempt to conciliate the differences between the parties and bring about a mutually acceptable agreement.

(c) If such panel representatives or either of them conclude that they cannot resolve the dispute, the parties thereto and the Co-Chairman of the National Joint Adjustment Board shall be promptly so notified without recommendation from the panel representatives.

(d) Should the Co-Chairmen of the National Joint Adjustment Board fail or decline to appoint a panel member or should notice of failure of the panel representatives to resolve the dispute be given, the parties shall promptly be notified so that either party may submit the dispute to the National Joint Adjustment Board.

(e) In Addition to the mediation procedure set forth above or as an alternate thereto, the Co-Chairmen of the National Joint Adjustment Board may each designate a member to serve as a subcommittee and hear the dispute in the local area. Such subcommittees shall function as arbitrators and are authorized to resolve all or part of the issues. They are not, however, authorized to deadlock and the matter shall be heard by the National Joint Adjustment Board in the event a subcommittee is unable to direct an entire resolution of the dispute.

(f) The dispute shall be submitted to the National Joint Adjustment Board pursuant to the rules as established and modified from time to time by the National Joint Adjustment Board. The unanimous decision of said Board shall be final and binding upon the parties, reduced to writing, signed and mailed to the parties as soon as possible after the decision has been reached. There shall

be no cessation of work by strike or lockout unless and until said Board fails to reach a unanimous decision and the parties have received written notification of its failure.

(g) Any application to the National Joint Adjustment Board shall be upon forms prepared for that purpose subject to any changes which may be decided by the Board from time to time.

(h) The representatives of the parties who appear at the hearing will be given the opportunity to present oral argument and to answer any questions raised by members of the Board.

(i) Any briefs filed by either party including copies of pertinent exhibits shall also be exchanged between the parties and filed with National Joint Adjustment Board at least twenty-four (24) hours in advance of the hearing.

(j) The National Joint Adjustment Board shall have the right to establish time limits which must be met with respect to each and every step or procedure contained in this section. In addition, the Co-Chairmen of the National Joint Adjustment Board shall have the right to designate time limits which will be applicable to any particular case and any step therein which may be communicated to the parties by mail, telegram, or telephone notification.

(k) Unless a different date is agreed upon mutually between the parties or is directed by the unanimous decision of the National Joint Adjustment Board, all effective dates in the new agreement shall be retroactive to the date immediately following the expiration date of the expiring agreement.

Article XI

SECTION 11.01 All duly qualified apprentices shall be under the supervision and control of a Joint Apprenticeship and Training Committee composed of six (6) members, three (3) of whom shall be selected by the Employer, and three (3) by the Union.

SECTION 11.02 Said Joint Apprenticeship and Training Committee shall formulate and make operative such rules and regulations as they may deem necessary and which do not conflict with the specific terms of this Agreement, to govern eligibility, registration, education, transfer, wages, hours, working conditions of duly qualified apprentices and the operation of an adequate apprentice system to meet the needs and requirements of the trade. Said rules and regulations when formulated and adopted by the parties hereto shall be recognized as part of this Agreement.

SECTION 11.03 The Joint Apprenticeship and Training Committee designated herein shall serve for the life of this Agreement, except that vacancies in said Joint Apprenticeship and Training Committee caused by resignation or otherwise, may be filled by either party hereto, and it is hereby mutually agreed by both parties hereto, that they will individually and collectively cooperate to the extent that duly qualified apprentices be given every opportunity to secure proper technical and practical education experience in the trade, under the supervision of the Joint Apprenticeship and Training Committee.

SECTION 11.04 SCHOLARSHIP LOAN AGREEMENT:

(a) It is the understanding of the parties to this Agreement that the funds contributed by signatory Employers to the International Training Institute "ITI (NTF)" and any Local Joint Apprenticeship and Training Fund (Local JATC) will not be used to train apprentices or journeymen who will be employed by Employers in the Sheet Metal Industry not signatory to a collective bargaining agreement providing for contributions to the International Training Institute "ITI (NTF)" and a Local JATC.

(b) Therefore, the trustees of the International Training Institute "ITI (NTF)" and Local JATC shall adopt and implement a Scholarship Loan Agreement Program which will require apprentices and journeymen employed by signatory Employers to repay the cost of training either by service following training within the union sector of the industry or by actual repayment of the cost of training if the individual goes to work for a non-signatory Employer in the Sheet Metal Industry.

(c) The cost of training shall include the reasonable value of all International Training Institute "ITI (NTF)" and Local JATC materials, facilities and personnel utilized in training.

(d) If a Local JATC does not implement the Scholarship Loan Agreement, the Local JATC shall be prohibited from utilizing International Training Institute "ITI (NTF)" materials and programs.

SECTION 11.05 It is hereby agreed that the Employer shall apply to the Joint Apprenticeship and Training Committee and the Joint Apprenticeship and Training Committee shall grant apprentices on the basis of one (1) apprentice for each three (3) journeymen regularly employed throughout the year. Provided, however, an Employer will not be entitled to a new apprentice if the Employer has an apprentice on layoff for lack of work.

SECTION 11.06 All applicants for apprenticeship shall be at least seventeen (17) years of age and each apprentice shall serve an apprenticeship of five (5) years and such apprentices shall not be in charge of work on any job and shall work under the supervision of a journeyman until apprenticeship terms have been completed and they have qualified as journeymen.

SECTION 11.07 A graduated wage scale for apprentices shall be established and maintained on the following percentage basis of the established wage rate of journeymen sheet metal workers:

1st year - 1st 6 months:	40%	1st year 2nd 6 months:	45%
2nd year - 3rd 6 months:	50%	2nd year 4th 6 months:	55%
3rd year - 5th 6 months:	60%	3rd year 6th 6 months:	62½%
4th year - 7th 6 months:	65%	4th year 8th 6 months:	70%
5th year - 9th 6 months:	75%	5th year 10th 6 months:	80%

This Section shall not have the effect of reducing the wage progression schedule of any apprentice who was indentured prior to the effective date of this Agreement.

ARTICLE XII

SECTION 12.01 - PRE-APPRENTICES:

(a) It is hereby agreed that the Employer may apply to the Joint Apprenticeship and Training Committee and the Joint Apprenticeship and Training Committee shall grant pre-apprentices on the basis of one (1) pre-apprentice for each three (3) apprentices employed by the Employer.

(b) Provided, however, that an Employer who employs one (1) or more apprentices and at least three (3) sheet metal journeymen shall be entitled to at least one (1) pre-apprentice.

(c) Any apprentice of the Employer on layoff at the effective date of this Agreement must be rehired before said Employer is entitled to any pre-apprentice. Thereafter, the same conditions and ratios shall apply.

SECTION 12.02 In the event the Employer is entitled to employ a pre-apprentice and the Union fails to comply with the Employer's written request to furnish a pre-apprentice within

forty eight (48) hours, the Employer may hire such Employees and refer them to the Joint Apprenticeship and Training Committee for enrollment.

SECTION 12.03 Pre-apprentices shall be enrolled as applicants for future openings in the apprenticeship program. The Joint Apprenticeship and Training Committee shall evaluate the qualifications of pre-apprentices for such openings during the first year of employment. No pre-apprentice shall be retained beyond one (1) year unless he has been found to be qualified as an applicant.

SECTION 12.04 The wage scale for pre-apprentices shall be thirty percent (30%) of the wage rate of journeymen sheet metal workers. Health and welfare coverage shall be arranged on behalf of the pre-apprentices by the parties.

ARTICLE XIII

SECTION 13.01 This Agreement and Addenda ARTICLES XIV through XXIII attached hereto shall become effective on the first day of July, 1999, and remain in full force and effect until the thirtieth day of June, 2003 and shall continue in force from year to year thereafter unless written notice of reopening is given not less than ninety (90) days prior to the expiration date. In the event such notice of reopening is served, this Agreement shall continue in force and effect until conferences relating thereto have been terminated by either party by written notice, provided, however, that, if this Agreement contains Article X, Section 10.13, it shall continue in full force and effect until modified by order of the National Joint Adjustment Board or until the procedures under Article X, Section 10.13 have been otherwise completed.

SECTION 13.02 If pursuant to federal or state law, any provisions of this Agreement shall be found by a court of competent jurisdiction to be void or unenforceable, all of the other provisions of this Agreement shall remain in full force and effect. The parties agree to meet and negotiate a substitute provision. If negotiations are unsuccessful, the issue may be submitted for resolution by either party pursuant to Article X, Section 10.13 of this Agreement.

SECTION 13.03 Notwithstanding any other provision of this Article, or any other Article of this Agreement, whenever an amendment to the Standard Form of Union Agreement shall be adopted by the sponsoring national associations, any party to this Agreement, upon the service of notice to all other parties hereto, shall have this Agreement reopened thirty (30) days thereafter, for the sole and only purpose of attempting to negotiate such amendment or amendments into this Agreement for the duration of the term hereof. There shall be no strike or lockout over this issue.

SECTION 13.04 Each Employer hereby waives any right it may have to repudiate this Agreement during the term of the Agreement, or during the term of any extension, modification or amendment to this Agreement.

SECTION 13.05 This Agreement (Standard Form, Addenda and any Supplement hereto) is by and between the Kern, Inyo and Mono Counties Sheet Metal and Air Conditioning Contractors, Inc. and Local Union No. 108 (Bakersfield Division), Sheet Metal Workers' International Association, hereinafter the "parties". It shall apply to all firms who sign an Affirmation Agreement form to be bound to the terms and conditions of this Agreement.

By execution of the Affirmation Agreement form the Employer authorizes the Kern, Inyo and Mono Counties Sheet Metal and Air Conditioning Contractors, Incorporated to act as its collective bargaining representative for all matters relating to this Agreement. The parties agree that the Employer will hereinafter be a member of the multi-employer bargaining unit represented by said Association if such written authorization is given on the Affirmation Agreement form, unless the authorization is withdrawn by written notice to the Association and the Union at least one hundred and fifty (150) days prior to the then current expiration date of this Agreement.

In witness whereof, the parties hereto affix their signatures and seal this _____ day of _____.

THIS STANDARD FORM OF UNION AGREEMENT HAS PROVIDED FOR THE INCLUSION OF PRE-APPRENTICES AND A REDUCTION OF THE WAGE SCHEDULE FOR NEW APPRENTICES. THE PURPOSE OF THIS IS TO MAKE CONTRACTORS MORE COMPETITIVE WITH NONUNION COMPETITION. TO ACHIEVE THAT OBJECTIVE, EMPLOYERS AGREE TO MINIMIZE MULTIPLE MARKUPS.

SHEET METAL WORKERS' INTERNATIONAL ASSOCIATION
LOCAL UNION NO. 108, Bakersfield

Business Manager
Financial Secretary/Treasurer

Date

KERN, INYO AND MONO COUNTIES
SHEET METAL AND AIR CONDITIONING CONTRACTORS, INC.

Director

Date

July 1, 1999 - June 30, 2003

Addenda to the Standard Form of Union Agreement (A-3-91)

Between

**SHEET METAL WORKERS' INTERNATIONAL ASSOCIATION
LOCAL Union NO. 108
601 Eureka Street
Bakersfield, CA 93305
(661) 323-4461**

and

**KERN, INYO & MONO COUNTIES
SHEET METAL & AIR CONDITIONING CONTRACTORS, INCORPORATED
3008 Sillect Drive, Suite 103
Bakersfield, CA 93308
(661) 322-6640**

ARTICLE XIV

EFFECTIVE DATE - TERM/LOCAL JOINT ADJUSTMENT BOARD

SECTION 14.01 - TERM: This Addenda shall commence July 1, 1999 and shall remain in effect up to and including June 30, 2003, under the terms set forth in ARTICLE XIII of the Standard Form of Union Agreement unless noted otherwise.

SECTION 14.02 This Collective Bargaining Agreement supersedes any and all existing contracts.

SECTION 14.03 It is hereby agreed by signatory parties that the provisions set forth in this Addenda to the Standard Form of Union Agreement are to become a part of said Agreement, Form A-3-91.

SECTION 14.04 - SIGNED AFFIRMATION AGREEMENT FORM: Local Union No. 108 shall send to each previously signatory Employer a copy of the Standard Form of Union Agreement, this Addenda and any supplements, along with three (3) Affirmation Agreement form copies that have been completed and signed by the Business Manager and prepared for the Employer's signature. The signatory Employer shall sign and return two (2) copies of the Affirmation Agreement form (keeping the third copy for their records) within twenty (20) days of receiving said forms or will notify the Union in writing of its intentions.

SECTION 14.05 For the purpose of maintaining correct and proper records, Local Union 108 and the Association will each sign and retain a completed copy of the Standard Form of Union Agreement and this Addenda and any Supplemental Agreements. Local Union 108 shall provide the Association with one fully signed Affirmation Agreement form for each Employer who becomes signatory during the term of this Agreement.

SECTION 14.06 - LOCAL JOINT ADJUSTMENT BOARD:

(a) It is agreed that, except for circumstances beyond control, the Local Joint Adjustment Board shall consist of members of the respective bargaining committees.

(b) The Local Joint Adjustment Board shall be composed of three (3) representing the Association and three (3) representing the Union.

(c) It shall meet within forty-eight (48) hours when notice is given by either party. It shall select its own Chairman and Secretary.

SECTION 14.07 - AUTHORIZED REPRESENTATIVES: All grievances or questions in dispute shall be adjusted by the duly authorized representatives of each of the parties to this Addenda. In the event that these two are unable to adjust any matter within twenty-one (21) calendar days, they shall refer the same to the Local Joint Adjustment Board.

SECTION 14.08 - VOTING/QUORUM: All matters coming before the Local Joint Adjustment Board shall be decided by majority vote. Four (4) members of the Board, two (2) from each of the parties hereto, shall be a quorum for the transaction of business, but each party shall have the right to cast the full vote of its membership and it shall be counted as though all were present and voting.

ARTICLE XV

EMPLOYER RIGHTS - UNION RIGHTS

SECTION 15.01 - LICENSING: Signatories to this Agreement must be properly licensed as required by the Contractors State License Law or any county or municipal laws and ordinances.

SECTION 15.02 - EMPLOYER INSURANCE: Signatories to this Agreement must carry all insurance required by federal, state, county and municipal laws and ordinances.

SECTION 15.03 - SAFETY ORDERS: It is agreed that the Sheet Metal Safety Handbook from the International Training Institute "ITI (NTF)" for the Sheet Metal and Air Conditioning Industry shall become a part of this Agreement.

SECTION 15.04 - SAFETY: The Employer agrees that on all its projects, it and its subcontractors, will at all times comply with and abide by all local, county, state, and federal health, safety, and sanitary rules and regulations and will supply all necessary safety equipment to all Employees such as hard hats, respirators, welding shields and welding gloves, special cutting goggles, goggles, water, etcetera if not supplied by the General Contractor (with the exception of prescription glasses and safety shoes) and its Employees shall not be required to work under any conditions which may be or tend to be detrimental to their health or safety.

SECTION 15.05 - SHOP:

(a) Signatories to this Agreement must have an established and operating place of business in compliance with all federal, state, county and municipal laws or ordinances.

(b) "Shop", shall mean a permanent place of business, not a temporary jobsite arrangement, and except as provided elsewhere in this Agreement, all materials of No. 10 U.S. Gauge or its equivalent or lighter gauge or material used in lieu thereof, shall be fabricated by the signatory Employer, and must be equipped with shop tools required for the performance of the work in which the firm is engaged.

SECTION 15.06 - WORKING WITH THE TOOLS:

(a) No more than one person connected or associated with the management of a shop in which they have interest may work with the tools of the trade.

(b) When shop owners work with the tools, they must comply with the same hours of the day and week as that of the Journeyman Sheet Metal Workers.

SECTION 15.07 - ADDITIONAL AGREEMENTS:

- (a) Any Employer doing business under more than one (1) name must have a separate bargaining agreement signed with Local Union No. 108 for the entity under which he is doing business.
- (b) The Employer's other establishment or establishments must meet in all respects the requirements for the original establishment or that of competitive establishments in that area.
- (c) On the jobs bid prior to the opening of the second shop, all travel and subsistence shall be paid based on the Employer's original base point.

SECTION 15.08 - VEHICLE IDENTIFICATION: The Employer agrees that all commercial vehicles owned and operated by the Employer in conjunction with the performance of the work covered in this Agreement shall bear the company name of the Employer in letters not less than three (3) inches high on both sides of said vehicle. Signs shall be of a permanent type and remain as such.

SECTION 15.09 - DRIVING RECORD: An applicant for employment, if requested by the Employer, shall make available to each new Employer upon dispatch a copy of their current driving record from the California Department of Motor Vehicles. Said driving record shall not be more than seven (7) days old.

SECTION 15.10 - PAYROLL INFORMATION: Authorized Union Representatives shall have the right to visit the Employers place of business or jobs during normal business hours. The Representative shall have the right to examine any Employees check on request and in the event the Representative should desire to check further into the timekeeping records and methods of pay and expenses regarding any Employee, he may contact the Employer in person or by mail in order to mutually satisfy all concerned.

SECTION 15.11 - EQUALITY OF OPERATIONS: This Agreement will be signed by Sheet Metal Employers who employ members of Sheet Metal Workers' Local Union No. 108 and Union Officers representing Local Union No. 108.

SECTION 15.12 - CALL BY NAME: The Employer agrees that only Employees as covered by this Agreement shall be assigned to perform such work as covered in Article I of the Standard Form of Union Agreement. Any qualified Journeyman shall be requisitioned by name from a group under the dispatch procedures of this Agreement, provided such individual is available for such employment.

SECTION 15.13 - UNION RECOGNITION: Inasmuch as the Union has submitted proof and the Employer is satisfied that the Union represents a majority of its Employees in the bargaining unit described herein, the Employer recognizes the Union as the exclusive bargaining agent for all Employees within that bargaining unit, on all present and future jobsites within the jurisdiction of the Union, unless and until such time as the Union loses its status as the Employees' exclusive representative as the result of an NLRB election requested by the Employees. The Employer agrees that it will not request an NLRB election and expressly waives any right it may have to do so.

SECTION 15.14 - DUES CHECK-OFF: It is agreed that every individual Employer shall make the appropriate union dues deductions from taxable wages for each hour worked (including overtime) by each Employee covered by this Agreement and when satisfactory evidence to the Employer of a signed dues check-off authorization is filed with the Local Union he shall accrue the amount owed and forward it monthly, along with the detailed data on forms provided.

SECTION 15.15 - STEWARDS:

(a) A Shop or a Job Steward shall be a working Employee appointed in all shops and on all jobs by the Business Manager of the Union or his authorized representatives who shall, in addition to his work as a Journeyman, be permitted to perform during working hours such Union duties as cannot be performed at other times.

(b) The Local Union agrees that such duties shall be performed as expeditiously as possible, and the Employer agrees to allow Stewards a reasonable amount of time for the performance of such duties.

(c) The Local Union shall notify the Employer of the appointment of each Steward.

(d) Stewards shall observe conditions of employment and conduct of Employees, as defined in Definition of Employees of these Addenda, to the end that the duties and obligations of Employees and the provisions of the existing Standard Form of Union Agreement and Addenda shall be complied with and shall assist whenever possible in adjusting minor differences or misunderstandings which arise, but shall immediately notify the Local Union office regarding the interpretations or application of the provisions of existing Standard Form of Union Agreement and Addenda in connection with the employment of Employees in shops or on jobs.

(e) It is also agreed by both parties that, in the event a Steward is transferred from shop to job or job to shop, the Employer will cooperate with the Steward in notifying the Local Union Business Manager's Office.

(f) In the event that overtime work is required, the Steward shall be one of those to perform such overtime work unless the work performed is a specialty type of work for which the Steward is not qualified. The Steward shall call the Union Office for all overtime permits, when possible.

(g) The Steward shall remain on the work until its completion. This does not apply to Foremen, Detailer or Specialized Employees.

(h) In no event shall an individual Employer discriminate against a Steward, or lay him off, or discharge him on account of any action taken by him in the performance of his Union duties.

(i) Provided said Employer has been notified of the Steward's appointment, as required above, a Steward shall not be laid off without just cause.

(1) The Employer shall notify the Union in writing of their intention to discharge or transfer a Shop or Job Steward for cause.

(2) This notice must be in the Union Office three (3) full working days prior to discharge or transfer.

(3) The Union retains the right to investigate and determine the cause for discharge or transfer.

(4) Should the Union disagree with the Employer's reasons for discharge or layoff of a Steward, then the case will be processed in accordance with Article X of the Standard Form of Union Agreement, except that the Local Joint Adjustment Board shall meet within seventy-two (72) hours.

(5) If the decision of the Local Joint Adjustment Board is that the Steward was laid off or discharged without just cause, then the Steward shall be reinstated by the Employer with no loss of pay.

(6) If the Local Joint Adjustment Board does not reach a decision, and the next step or steps of Article X is instituted, then the National Joint Adjustment Board shall render the decision on reinstatement and/or loss of pay.

SECTION 15.16 - PICKET LINE: No member shall be required to cross an authorized picket line.

**ARTICLE XVI
WAGE RATES**

SECTION 16.01 - *HOURLY WAGES:

- (a) The journeyman hourly wages shall be: See Page 17(a)
- (b) The wages of indentured Apprentices shall be: See Page 17(b)
- (c) The wages for Foreman, General Foreman, Detailer and Certified Welder are noted on Page 17(c)

Articl XVI - Wage Rates

Section 16.01 - * Hourly Wages: (a) The wages for Journeymen shall be:

Effective Date:	7-1 1999	1-1 2000	7-1 2000	1-1 2001	7-1 2001	1-1 2002	7-1 2002	1-1 2003
Package Increase **	\$0.50	\$0.50	\$0.55	\$0.50	\$0.55	\$0.50	\$0.50	\$0.50
Hourly Taxable Wage	\$21.06	\$21.51	\$21.92					
Savings Plan (Taxable)	\$2.34	\$2.39	\$2.43					
Total Taxable Wages	\$23.40	\$23.90	\$24.35					
Health Plan	\$3.11	\$3.11	\$3.11					
Local Pension	\$2.86	\$2.86	\$2.86					
National Pension	\$0.82	\$0.82	\$0.82					
National Training Fund	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09
NEMIC	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03
Local Training Fund	\$0.34	\$0.34	\$0.44	\$0.44	\$0.54	\$0.54	\$0.54	\$0.54
401(k) Plan	\$1.40	\$1.40	\$1.40					
Total Package	\$32.05	\$32.55	\$33.10	\$33.60	\$34.15	\$34.65	\$35.15	\$35.65
Industry Fund	\$0.15	\$0.15	\$0.15					
Total	\$32.20	\$32.70	\$33.25					
Union Dues Check-Off/Journeymen	\$0.55	\$0.60	\$0.60	\$0.65	\$0.65	\$0.70	\$0.75	\$0.80
Union Dues Check-Off/Apprentices	\$0.15	\$0.20	\$0.20	\$0.25	\$0.25	\$0.30	\$0.30	\$0.30

* Includes 10% Savings Plan and Union Dues Check-Off

**Subject to allocation by the membership of the union in accordance with Article XVI, Section 16.05

*** Local Training (JATC) Effective 7/1/00 - \$0.44

*** Local Training (JATC) Effective 7/1/01 - \$0.54

Article XVI - Wage Rates Apprentices

Section 16.01 - *Hourly Wages: (b) The wages for Apprentices shall be:

Six Month Increments	%	Effective Dates			**Health Fund	**Local Pension	National Pension	**401(k)	National Training	NEMI	*** Local Trng.	Industry Fund
		7/1/99	1/1/00	7/1/00								
Pre-Apprentice	30%	\$7.02	\$7.17	\$7.31	\$1.65	\$0.00	\$0.00	\$0.00	\$0.09	\$0.03	\$0.34	\$0.15
First	40%	\$9.36	\$9.56	\$9.74	\$1.65	\$0.00	\$0.33	\$0.00	\$0.09	\$0.03	\$0.34	\$0.15
Second	45%	\$10.53	\$10.76	\$10.96	\$1.65	\$0.00	\$0.37	\$0.00	\$0.09	\$0.03	\$0.34	\$0.15
Third	50%	\$11.70	\$11.95	\$12.18	\$1.65	\$0.00	\$0.41	\$0.00	\$0.09	\$0.03	\$0.34	\$0.15
Fourth	55%	\$12.87	\$13.15	\$13.39	\$1.65	\$0.00	\$0.45	\$0.00	\$0.09	\$0.03	\$0.34	\$0.15
Fifth	60%	\$14.04	\$14.34	\$14.61	\$1.65	\$0.00	\$0.49	\$0.00	\$0.09	\$0.03	\$0.34	\$0.15
Sixth	62.5%	\$14.63	\$14.94	\$15.22	\$1.65	\$0.00	\$0.51	\$0.00	\$0.09	\$0.03	\$0.34	\$0.15
Seventh	65%	\$15.21	\$15.54	\$15.83	\$1.65	\$0.00	\$0.53	\$0.00	\$0.09	\$0.03	\$0.34	\$0.15
Eighth	70%	\$16.38	\$16.73	\$17.05	\$1.65	\$0.00	\$0.57	\$0.00	\$0.09	\$0.03	\$0.34	\$0.15
Nineth	75%	\$17.55	\$17.93	\$18.26	\$3.11	\$2.86	\$0.62	\$1.40	\$0.09	\$0.03	\$0.34	\$0.15
Tenth	80%	\$18.72	\$19.12	\$19.48	\$3.11	\$2.86	\$0.66	\$1.40	\$0.09	\$0.03	\$0.34	\$0.15

*Includes 10% Savings Plan and Union Dues Check-Off

**Health Plan "A", Local Pension & 401(k) start at 75%

*** Local Training (JATC) Effective 7/1/00 - \$0.44

*** Local Training (JATC) Effective 7/1/01 - \$0.54

**Article XVI - Wage Rates
Foreman, General Foreman, Detailer & Certified Welder**

Section 16.01 - Hourly Wages:

Effective Date:	7-1 1999	7-1 1999	7-1 1999	7-1 1999	1-1 2000	1-1 2000	1-1 2000	1-1 2000	7-1 2000	7-1 2000	7-1 2000	7-1 2000
	Foreman	General Foreman	Detailer	Certified Welder	Foreman	General Foreman	Detailer	Certified Welder	Foreman	General Foreman	Detailer	Certified Welder
Hourly Taxable Wage	\$23.17	\$24.22	\$23.17	\$23.17	\$23.66	\$24.74	\$23.66	\$23.66	\$24.11	\$25.20	\$24.11	\$24.11
Savings Plan (Taxable)	\$2.57	\$2.69	\$2.57	\$2.57	\$2.63	\$2.75	\$2.63	\$2.63	\$2.68	\$2.80	\$2.68	\$2.68
Total Taxable Wages	\$25.74	\$26.91	\$25.74	\$25.74	\$26.29	\$27.49	\$26.29	\$26.29	\$26.79	\$28.00	\$26.79	\$26.79

SECTION 16.02 - RESIDENTIAL/LIGHT COMMERCIAL SQUARE FOOTAGE: The wage rate for residential/light commercial field work (ten thousand (10,000) square feet or less) shall be eighty percent (80%) of the commercial wage rate, with full fringe benefits. The wage rate for residential/light commercial shop work shall be one hundred percent (100%) of the commercial wage rate.

SECTION 16.03 - ALLOCATION OF WAGE PACKAGES: Employees will have the right to vote to allocate portions of the wage package directed during each year of this Agreement to wages, fringe benefits and/or dues check-off as they shall desire.

ARTICLE XVII

FRINGE BENEFITS

SECTION 17.01 - CONTRIBUTIONS: The amounts contributed to the Health Plan, Pension Plan, National Pension Plan, 401(k) Defined Contribution Pension Plan, Local Joint Apprenticeship Training Fund, National Energy Management Institute Committee and International Training Institute "ITI (NTF)" are in excess of the hourly rates as shown in the Minimum Journeyman Wage Scale of this Addenda.

SECTION 17.02 - DUE DATE FOR FRINGES:

(a) Payments to all Funds or Trusts as provided in this Addenda, shall be due on the first (1st) day of each month for the previous month, and shall be paid not later than the tenth (10th) day of the month, and shall be delinquent by the twentieth (20th) day of the month.

(b) The Trustees may take whatever steps they deem necessary, including legal action, to collect such delinquent payments, any provisions of the collective bargaining agreement to the contrary notwithstanding.

(c) If delinquent, the Employer agrees to pay the interest, liquidated damages, attorneys' fees and costs as provided for in the Trust Agreement.

(d) An Employer's liability for payment of a delinquency shall not be subject to the grievance or arbitration procedures contained in the collective bargaining agreement.

(e) If an Employer's work force did not perform any covered employment within a particular month, a Remittance Report shall be filed by the twentieth (20th) day of the following month indicating that no covered employment was performed. Failure to do so shall subject the Employer to liability for all fees and costs resulting from his failure to file such a report.

(f) It is agreed that these Funds shall at all times conform with the requirements of the Internal Revenue Code so as to enable the Employer to treat contributions to the Fund as a deduction for income tax purposes.

(g) Copies of renewal or extension agreements will be furnished promptly to the Funds Office and can be used by the Trustees as the basis for terminating the Employer's participation in the Fund.

SECTION 17.03 - LIQUIDATED DAMAGES:

(a) The parties recognize and acknowledge that the regular and prompt filing of accurate Employer reports and the regular and prompt payment of correct Employer contributions to the Trusts is essential to the proper management of the Funds and that it would be extremely difficult, if not impossible, to fix the actual expense and damage to the Trusts which would result from the failure of an individual Employer to make such

accurate reports and to pay such accurate monthly contributions in full within the time specified above.

(b) Therefore, the amount of damage to the Trusts resulting from failure to file reports shall be presumed to be the sum of two hundred dollars (\$200.00) per trust or ten percent (10%) of the amount of the contribution or contributions due whichever is greater, for each delinquent report.

(c) In addition the parties agree that the amount of damage to the Trusts for failure to pay contributions before they are delinquent shall be presumed to be sum equal to ten percent (10%) of the amount of the contributions which is due and unpaid for the first month's delinquency and a sum equal to five percent (5%) of the amount of contribution which is due and unpaid for each additional month during which payment of such delinquency remains unpaid.

(d) These amounts shall become due and payable to the Trusts as liquidated damages and not as a penalty upon the date immediately following the date on which the report or the contributions become delinquent.

(e) Liquidated damages shall be paid for each delinquent or fraudulent report or contribution and shall be paid in addition to any contributions due.

SECTION 17.04 - MONTHLY REPORT FORM:

(a) The amount set aside by the Employer for each Fund shall be shown on the payroll check stub given to the Employee and one (1) copy of the monthly report form shall be posted on the company bulletin Board.

(b) In the event that said copy of the report is not posted on the bulletin Board by the twentieth (20th) of the month, the Steward shall immediately request the form from the Employer and post on bulletin board.

(c) Duplicate copies of the Employer's monthly report shall immediately be sent by the respective Fund to the Union and to the respective Associations.

(d) The Employer shall set forth on the monthly report form of the Employer to the respective Funds, in separate columns the following:

(1) 1. Social Security Number, 2. Name of Employee, 3. Number of hours worked, 4. Gross Pay, 5. Amount of Transmittal or contribution to the respective Fund. The total of the amounts to the Fund shall be given, together with the Local Union number, the check number, and the date of the transmittal to the respective fund. The straight time and overtime hours shall be separated and noted on the form.

(e) Contributions shall be paid on behalf of an Employee starting with the Employee's first day of employment in a job classification covered by the collective bargaining agreement.

SECTION 17.05 - DELINQUENT EMPLOYER:

(a) Any other provisions of the Standard Form of Union Agreement or in the Addenda thereto notwithstanding no Employee may be required to continue working for an Employer who is delinquent in payment of wages or contributions to any of the Funds or Trusts under this Agreement.

(b) Said Employee shall not be subject to return to work nor discharge by such delinquent Employer until said Employer shall absolve himself of such delinquency in

conformance with the terms of this Agreement, at which time said Employee shall return to his employment if available.

(c) Should an Employee be removed from job or shop because of such Employer delinquency, the Employer shall nevertheless continue to be responsible to such Employee who shall be reimbursed for loss of wages for a period not to exceed two weeks, until such time as the delinquencies as mentioned above are brought current.

(d) When an Employee is dispatched to another Employer, only the actual lost time will be reimbursed.

SECTION 17.06 - COVERED EMPLOYMENT:

(a) The Employer shall require that the report form submitted to all Trust Funds or Trusts shall be made by an authorized representative of such Employer and such report upon being submitted shall certify thereby that all persons reported are Employees, performing work in the bargaining unit covered by a collective bargaining agreement for the period reported, and such report shall be a certification that all hours of work performed or paid for during such period are correctly set forth in such report.

(b) Each Employer understands that no partners, sole proprietors or shareholders of Subchapter S corporations are eligible to participate in the Trusts. Therefore, each Employer's report shall certify that no such individuals are included as Employees on such report.

(c) The Employer, by executing the collective bargaining agreement, recognizes that the failure to report upon all Employees on such Employer Report Form and the hours worked are paid for and/or the failure to pay all contributions required therefore may be a violation of the Employee Retirement Income Security Act of 1974 and the California Labor Code, Sec. 227.

(d) It is understood by the Employer and agreed to hereby that any and all contributions which are due and owing and unpaid to such Trust Funds are, by the submittal of any Employer Report Form thereby due and owing and payable as a single account as of the date of the most recent Employer Report Form.

(e) Additionally, in the event of a sale or transfer of the business or stock in trade of the Employer, the escrow agent is directed and authorized hereby, in compliance with the California Code of Civil Procedure, Sec. 1205, to withhold and pay over immediately to any and all Funds or Trusts set forth in this agreement on the close of escrow all amounts and damages due and owing to such Funds or Trusts as evidenced by a sworn affidavit of the Administrator of any or all such Trust Funds.

(f) In the event that a contractor or subcontractor fails to give the notification required under Section 3097(k) of the Civil Code, or a similar form approved by the Trust, and payment is not received in full by either the Sheet Metal Workers' Pension Plan of Southern California, Arizona and Nevada, Sheet Metal Workers' Local 108 Defined Contribution Pension Trust Fund and the Sheet Metal Workers' Health Plan of Southern California, Arizona, and Nevada and/or Sheet Metal Workers' Savings Plan of Southern California, notification by the Trust shall be given effective immediately thereafter of the date on which such payments were due and owing to be received by payment in full to such Trust Funds to the Registrar of Contractors with a request that disciplinary action be instituted against such contractor or subcontractor for the failure to give such legally required notice.

(1) In addition, if such information is not timely provided to the Trusts, then any shareholder, officer and/or director of any Employer that is a corporation will be individually liable for any contributions unpaid to the Trust which might

have been recoverable by the Trusts through the timely filing of mechanics liens or stop notices.

SECTION 17.07 - AUDITING OF FRINGES:

(a) So as to comply with applicable State and Federal Law affecting obligations and/or contributions to the Joint Trust Funds and Plans accepted and maintained under this Agreement, such Employer shall, within seven (7) days of receipt of a written notice from the Joint Trustees of such Trust Fund or Funds requesting access to any and all Employer payroll records necessary for a Public Accountant or Auditor acceptable to the Trusts to audit and determine any discrepancy in wages or contributions for which an obligation exists under this or any other Agreement between the Association, furnish all data and allow examining and copying of payroll records to such representative of the Joint Trustees after being furnished with such seven (7) day notice.

(b) If the audit reveals that inaccurate contributions or an insufficient number of contributions have been made, the Employer agrees to pay all accountants' fees incurred in making the audit, but not to exceed the extent of his delinquency, and also all legal fees and costs incurred in collection of said delinquency and accountant's fees if judicial enforcement of this paragraph is necessary.

(c) All data, records, copies or information obtained hereunder shall be kept confidential, and its use shall be for the sole and exclusive purpose of collecting unpaid wages or contributions to the Joint Trust Funds.

SECTION 17.08 - SUPPLEMENTAL FRINGE BENEFIT CONTRIBUTION RATES: In the event the provisions of any other supplementary agreement to these Addenda are applicable, the contribution rate shall be as set forth in such supplemental agreement.

SECTION 17.09 - PRESERVATION OF WORK CLAUSE: It is hereby agreed that each Employee covered by this Collective Bargaining Agreement shall take at least two (2) weeks off from each and every calendar year, unless such Employee has been ill or on layoff for such period during the year.

SECTION 17.10 - HEALTH PLAN:

(a) Southern California, Arizona & Nevada Health Plan - Each Employer shall pay into the established Health Plan for each hour worked by all Employees defined in Article XXI of this Addenda.

(b) The established Trust Agreement and method of administration shall continue to govern the Health Plan.

(c) Fund payments shall be required as provided in Article XVI and XVII of this Addenda.

(d) Health Plan contributions shall be paid by the signatory Employer to the Sheet Metal Workers' Health Plan of Southern California, Arizona and Nevada, which is located at 111 North Sepulveda Boulevard, Suite 100, Manhattan Beach, California 90266.

SECTION 17.11 - PENSION PLAN:

(a) Southern California, Arizona & Nevada Pension Plan - Each Employer shall pay into the established Pension Fund for each hour worked by all Employees defined in Article XXI of this Addenda.

(b) Southern California Pension Fund contributions will be made on all apprentices beginning with the fifth year (ninth period).

(c) The established Trust Agreement and method of administration shall continue to govern the Pension Plan.

(d) Fund payments shall be required as provided in Article XVI and XVII of this Addenda.

(e) Pension contributions shall be paid by the signatory Employer to the Sheet Metal Workers' Southern California, Arizona and Nevada Pension Plan which is located at 111 North Sepulveda Boulevard, Suite 100, Manhattan Beach, California 90266.

SECTION 17.12 - NATIONAL PENSION PLAN:

(a) The parties to this collective bargaining agreement recognize the SHEET METAL WORKERS' NATIONAL PENSION PLAN to be in full force and effect, including each Employee covered by this Agreement and to be bound by all of the terms and conditions of such National Pension Plan and its rules and regulations and the Trust Agreement applicable to same and approve and agree to be bound by the actions of the Board of Trustees thereunder.

(b) The amount of contribution by the Employer to the National Pension Plan on behalf of each journeyman shall be eighty-two cents (\$0.82) per hour worked and on behalf of apprentices based on their percentage of the journeyman wage rate (apprentice wage rate percentage (%) times (X) the journeyman contribution amount).

(c) The parties agree that the Employer will contribute on behalf of each Employee covered by this Agreement as set forth in the Wages and Fringe Schedule attached hereto and made a part hereof.

(d) All contributions to be made at the time and place and in the manner and upon the reporting forms as directed by the Joint Board of Trustees of the Sheet Metal Workers National Pension Fund.

SECTION 17.13 - SECTION 401(k) PENSION PLAN:

(a) It is agreed that the parties have entered into an Agreement and Declaration of Trust establishing the Sheet Metal Workers' Local 108 Defined Contribution Pension Trust Fund.

(b) This Local Trust Fund shall be for the benefit of all participants on whose behalf contributions are made.

(c) This Local Trust Fund shall be administered by a Joint Board of Labor-Management Trustees in accordance with the provisions of the Taft-Hartley Act and all other applicable federal and state laws and shall be composed of an equal number of Union appointed Trustees and Employer appointed Trustees.

(d) Trustees of this Local Trust Fund shall determine and define the specific details and benefits to be derived by the participants of the Trust.

(e) The initial contribution rate shall be established as the greater of three quarters of one percent (.75%) of each Employee's straight time wage rate or twenty-five cents (\$0.25) per hour worked.

(f) In addition to these mandatory Employer contributions, tax deferred Employee payroll wage deductions may be made to the Trust and shall be permitted as determined by the Trustees pursuant to Section 401(k) of the Internal Revenue Code.

(g) The amounts and effective dates of contributions by the Employer to the Section 401(k) Pension Plan on behalf of each Employee shall be as set forth in Article XVI above with the exception of the first four (4) periods of apprenticeship for apprentices indentured before July 1, 1993 and the first eight (8) periods of Apprenticeship for those indentured after July 1, 1993.

SECTION 17.14 - SAVINGS PLAN:

(a) The Savings Plan heretofore established between the parties is hereby renewed without interruption and shall continue to be administered by Joint Trustees composed of an equal number or representatives from the Union and representatives from the Sheet Metal and Air Conditioning Contractors National Association/Los Angeles Chapter, Air Conditioning Sheet Metal Association and the Kern, Inyo and Mono Counties Sheet Metal and Air Conditioning Contractors, Inc., who shall jointly or individually designate their Trustees and the method of their replacement within thirty (30) days from the date of the execution of this Agreement.

(b) Gross Total Wages: The deduction from gross total wages shall be ten percent (10%) which shall be transmitted to the Savings Plan monthly for each individual Employee.

(c) Such amounts shall be on the basis of the above set forth percentage of the gross total wages, including overtime of each Employee, effective as of the dates herein set forth.

(d) It is understood that such amounts are part of wages of each Employee and allocated to such Employee as of the date of the pay check to each Employee involved.

(e) The Employers shall treat said amounts transmitted to the Savings Plan as wages, and shall make all legal payroll deductions or withholding tax, Social Security, unemployment insurance, etc., from the total wages, and shall then set aside this full amount for the Savings Plan for transmittal each month to the Savings Plan as set forth in this Article.

(f) Amounts to the Savings Plan, as per schedule in Section 17.14 (b), (c), (d) and (e) of this Section shall be transmitted on all Employees as defined in Definition of Employees of these Addenda, for gross total wages, including overtime.

(g) The beneficiary of the deceased Employee as on file with the Union or with the Trust Funds, or if no beneficiary be on file at the time of the death of the Employee, the beneficiary designated in the Employee's last will, or if no will, the estate of the deceased Employee, as the case may be, shall receive all Savings Plan monies such Employee would have been entitled to receive but for his death.

SECTION 17.15 - EMPLOYER'S BOND:

(a) Thirty (30) days after execution of this Agreement by the parties hereto, every new Employer shall post a cash or surety bond in the minimum amount of Five Thousand Dollars (\$5,000.00).

(b) Contractors with ten (10) consecutive years contributions to the Trust Funds under this contract will be required to post a Two Thousand Five Hundred Dollar (\$2,500.00) Bond.

(c) Any bond, as mentioned in this Section, shall be posted as surety or indemnity to insure the respective joint funds in the receipt of all monetary items due each of them from the Employer on behalf of each Employee under this Addendum.

(d) Any bond, as described in this Section, may be reviewed by the parties hereto to determine if such amount is adequate or if such bond amount shall be adjusted.

(e) Any bond that may exceed Five Thousand Dollars (\$5,000.00) shall be calculated at Five Hundred Dollars (\$500.00) per Employee up to an amount of Seven Thousand Five Hundred Dollars (\$7,500.00) automatically and if a bond exceeding Seven Thousand Five Hundred Dollars (\$7,500.00) is required, it may only be raised above this amount by the Local Joint Adjustment Board.

SECTION 17.16 - MUTUAL RESPONSIBILITY: The Local Union and the Employers agree to cooperate in all matters for the betterment of the Industry realizing that the best working conditions result from complete harmony between Employer and Employee. It is agreed that any and all jurisdictional disputes shall be settled in the following manner by:

- (a) The two or more Business Managers concerned.
- (b) Their International Representatives.
- (c) The National Jurisdictional Disputes Board or any succeeding Board.

SECTION 17.17 - JURISDICTIONAL STRIKES: The Union agrees that no jurisdictional strikes may occur so long as all parties concerned comply with these conditions.

SECTION 17.18 - UNION LABEL:

- (a) A Sheet Metal Union Label shall be applied to sheet metal work manufactured, assembled and fabricated by members in good standing of this Local Union, or the Sheet Metal Workers' International Association.
- (b) Nothing in this Agreement shall limit the right of the Employer to use materials and products in the course of his work available on the open market provided only that the Employer herein agrees to give the preference whenever possible to Union-made materials and products and the Union and the Association will appoint a standing committee for the purpose of determining the legality of any other clause which may strengthen this clause.
- (c) The Unions and the Associations will jointly publicize and submit to the contractors the names of the firms and companies with an agreement with Local Unions affiliated with Sheet Metal Workers' International Association who manufacture products bearing the Union Label of Sheet Metal Workers' International Union.

**ARTICLE XVIII
FREE ZONE - TRANSPORTATION AND SUBSISTENCE**

SECTION 18.01 - FREE ZONE: A signatory Employer will have a Free Zone of seventy-five (75) road miles traveled, established by the address of the City Hall of Bakersfield, California and/or the City Hall of Lancaster, California as their base point, respectively.

SECTION 18.02 - SUBSISTENCE:

FREE ZONE	0 to 75 Road Miles	FREE
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The Employer and the Employee agree that the Employee shall furnish personal transportation to the jobsite and from the jobsite once each day as required by the Employer and no mileage payments are required for a jobsite located no more than seventy-five (75) road miles from the established base point referred to in Section 18.01.

SUBSISTENCE 1	75 to 125 Road Miles	\$30.00 a day, per day worked; This includes all Employees even if a company vehicle is furnished.
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The Employer and the Employee agree that each Employee shall receive thirty dollars (\$30.00) each day worked at a jobsite located 75 road miles to 125 road miles from the established base point referenced in Section 18.01. Subsistence is required under this section whether transportation is furnished by the Employee or the Employer.

SUBSISTENCE 2	125 or More Road Miles	Jobs one hundred twenty-five (125) miles beyond the base point, the Employee shall receive \$45.00 per day subsistence on a seven (7) day basis.
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The Employer and Employee agree that each Employee shall receive forty-five dollars (\$45.00) or actual receipted reasonable expenses incurred, if higher, each day worked at a jobsite located 125 or more road miles from the established base point referred to in Section 18.01.

When the Employee continues work on said jobsite into the following week and the Employee remains in said area, the Employee shall receive subsistence on a seven (7) day basis or the actual receipted reasonable expenses incurred, if higher. Such subsistence shall be paid for holidays or weekends when employment continues beyond such holidays or weekends.

SECTION 18.03 The Employer and Employee agree that when the Employee shall furnish personal transportation from the established place of business as defined in Article XV-Section 15.05 to the job, job to job or job to place of business during regular working hours the same working day, each Employee shall be paid the lawful amount determined by the Internal Revenue Service for each road mile plus the regular rate of pay on jobs within the Free Zone. In addition, when the Employee leaves the place of business in a company vehicle at 8:00 a.m. and works until 4:30 p.m. said Employee will then return the company vehicle to the Employer's place of business. If furnished a company vehicle on a twenty-four (24) hour, seven (7) day a week basis, an Employee when terminated or quit, will be allowed to travel from the job to their home to remove any personal belongings provided the Employee returns the company vehicle to the shop that same day. If furnished a company vehicle on a twenty-four (24) hour, seven (7) day a week basis, an Employee may be required to work on the jobsite in the free zone for eight (8) hours.

SECTION 18.04 The Employer and Employee agree that when the Employer furnishes transportation from the shop to job, job to job or job to shop, the Employee shall not receive road mile compensation.

For each round trip 125 or more miles from the established base point required by the Employer, where the Employer does not furnish transportation, the Employee shall be reimbursed the amount determined by the Internal Revenue Service for each road mile traveled to and from such jobsite.

SECTION 18.05 - ROAD MILES: Subsistence payments shall be determined by actual road miles traveled, plus or minus one mile, by the shortest route from the base point to the job over paved roads. This Zone System is based upon the City Hall as base points.

ARTICLE XIX REFERRAL PROCEDURE

SECTION 19.01 It is mutually understood by and between the parties signatory to this Agreement that it is necessary to maintain an efficient system of production in the industry to provide an orderly procedure for referral of applicants for employment in the industry. It is therefore mutually agreed that when the signatory Employer requires Employees to perform any work covered by this Agreement, such Employer shall hire applicants for employment in accordance with the following provisions.

SECTION 19.02

(a) The Employer shall requisition all Employees who are to be employed in the bargaining unit from the local hiring hall of the union having the area jurisdiction of the particular craft or skill involved.

(b) The Union will immediately dispatch such Employees as have been requisitioned on a non-discriminatory basis in accordance with the dispatching procedures as defined in Article XIX, Section 19.08 and made a part hereof by reference. However, it is understood and agreed that all such dispatching and the operation of any hiring halls that may be maintained by the Union shall be subject to and governed by the following conditions.

SECTION 19.03 - NON-DISCRIMINATION: Selection of applicants for referral to jobs shall be on a non-discriminatory basis and shall not be based on or in anyway affected by Union membership, bylaws, regulations, constitutional provisions or any other aspects or obligations of Union membership, policies or requirements.

SECTION 19.04 - RIGHT TO REJECT: The Employer retains the right to reject any job applicant referred by the Union for proper cause.

SECTION 19.05 The parties to the Agreement shall post in places where notices to Employees and applicants for employment are customarily posted or otherwise notify any applicant of all provisions relating to the functions of the hiring arrangements.

SECTION 19.06 - FORTY EIGHT HOURS: If the Union fails to furnish the requisitioned Employee(s) within forty-eight (48) hours after the requisition, then and in that event the Employer may secure such Employee(s) from any other source available subject only to the conditions, provisions and restrictions of this Agreement and Standard Form of Union Agreement and the Addenda Thereto between the parties. However, in such event the Employer will notify the Union immediately when such Employee(s) are hired.

SECTION 19.07 - RECORD SLIPS: Because of the need for accurate records by the Joint Funds, any Employee covered by this Agreement, must have a Record Slip from the Union verifying the fact that he is going to work for a particular Employer. The Employer shall provide clearance to the Union office on or before the first day of employment including rehires, at such time the Union will mail the Record Slip to the Employer. The Union agrees that its office will handle this matter expeditiously and to the least inconvenience of the Employee and the Employer.

Work Permits shall be issued by the Union, free from any charge, and be a requirement by the Employer before a person who is not a member of this Union is employed to perform work claimed under this Agreement. Such non-member Employee must apply for and have in their possession said Work Permit prior to, and at all times after, going to work. Failure by the Employer to require a Work Permit from an Employee who is not a member of this Union shall require the Employer to pay full journeyman wages (Article XVI, Section 16.01) to that Employee as of the date of hire.

Additionally, the Employer will be liable for all unpaid benefits (Article XVI, Section 16.01), liquidated damages, incurred costs and fees to all of the affected Trust Funds for all unreported hours for such non-member Employee.

Also, by not properly reporting hours or paying contributions on said Employee, the Employer assumes any and all medical costs incurred by the Employee and their eligible dependents, not reimbursed by the Trust Fund, from the date of hire.

SECTION 19.08 - DISPATCHING PROCEDURES: The following dispatching procedures shall be forthwith placed in effect at the Union Dispatching Office pursuant to the provisions of the collective bargaining agreement between Local Union No. 108 and the signatory Employer in

the sheet metal, heating, roofing, ventilating, and air conditioning divisions of the construction industry:

(a) The Employer has agreed that he will first call the Union Dispatching Office for all Employees.

(b) If union representatives are asked to supply Employees they shall promptly relay such request to the proper dispatching office for servicing the request.

(c) A written Record Slip will be furnished to each Employee dispatched to a job.

(1) This is not a Union "clearance", but rather written evidence in the Employee's possession that he has been dispatched in accordance with an applicable Labor Agreement.

(d) The Dispatching Office shall maintain appropriate registration lists, cards and other records of registered individuals kept current from day to day and Record Slips of registered individuals will be made in accordance with the seniority provisions hereinafter stated.

(1) However, when an applicant seeks to register for the first time as a Journeyman Sheet Metal Worker he shall furnish satisfactory proof that he is qualified to do the work in the particular category in which he seeks employment.

(2) It is the intention of the parties to the labor agreement that only competent Employees shall be employed. Standards to be used by the Dispatcher in determining qualification will be as follows:

(e) JOURNEYMAN SHEET METAL WORKERS:

(1) Any individual who has previously worked for a signatory Employer for at least one year in the jurisdiction of Local Union No. 108, and who has been certified by such Employer as having the requisite skills of a Journeyman Sheet Metal Worker will be deemed to be eligible to be dispatched as a Journeyman Sheet Metal Worker.

(2) Any individual who has worked elsewhere as a Journeyman Sheet Metal Worker for a period of five (5) years will be deemed to be eligible to be dispatched as a Journeyman Sheet Metal Worker.

(3) All other individuals desiring to be registered and dispatched as a Journeyman Sheet Metal Worker must show four (4) years experience with the tools of the trade and must present to the Dispatcher a certificate showing that such person has passed a written examination and a practical test prescribed and administered by the Joint Apprenticeship Committee or its designee to qualify the skills of an Apprentice to those of a Journeyman.

(f) APPRENTICE:

(1) Any individual currently registered in the apprentice program who is eligible under the rules of the Joint Apprenticeship and Training Committee shall be deemed a qualified apprentice and eligible for dispatch on a probationary basis in accordance with Apprenticeship Program procedures.

(g) No qualified applicant will be refused registration or dispatch because of membership or non-membership in any Labor Union.

(h) The Dispatching Office shall maintain registration lists in such a manner so as to dispatch individuals either as Journeyman Sheet Metal Workers or Apprentices without discrimination against such applicants by reason of sex, national origin, age, creed or color and such selection and referral shall not be affected in any way by rules, regulations, by-laws, constitutional provisions or any other aspect or obligation of Union membership policies or requirements.

(i) The Dispatcher shall register applicants for employment on the basis of the groups listed below. Each applicant for employment shall be registered in the highest priority group for which such person qualifies and such person shall be registered within that grouping in accordance with the principle that the first person registered is the first person referred to employment and the last person registered is the last person to be referred to employment provided such person is qualified to perform the work. The Dispatcher shall select and refer qualified applicants in the following order of preference:

(1) GROUP I - All applicants for employment who have five or more years experience in the trade, are residents of the geographical area constituting the normal construction labor market who have been employed for a period of at least two years of the last four years under a collective bargaining agreement between the parties to this agreement.

(2) GROUP II - All applicants for employment who have five or more years of experience in the trade.

(3) GROUP III - All applicants for employment who have two or more years experience in the trade, are residents of the geographical area constituting the normal construction labor market and who have been employed for a least one year in the last three years in the trade under a collective bargaining agreement between the parties to this agreement.

(4) GROUP IV - All applicants for employment who have worked at the trade for more than one year.

(5) GROUP V - All applicants for employment who have worked at the trade less than one year.

(j) It will be the responsibility of all qualified individuals who have been previously dispatched to re-register when out of work, if they desire to be dispatched again. A qualified Journeyman or Apprentice may register by phone.

(k) The dispatcher in the first instance, and in accordance with the foregoing provisions, will determine whether an individual is qualified to register and as to the group in which he shall be placed. This determination will normally be based upon information or papers which the applicant supplies. If any doubt exists as to any material matter, the Dispatcher may call prior Employers or otherwise make prompt investigation to get the facts needed. Any dispute which may arise relative to qualifications or any other material matter shall be settled as follows:

(1) The applicants shall file with the Dispatching Office a written request for review of the disputed matter.

(2) The Dispatching Office shall immediately refer the request to the Local Joint Adjustment Board who shall review the matter at its next regular meeting. The applicant may appear before said Board and present all materials and pertinent evidence. After review thereof, the Board's decision shall be conclusive.

(l) Dispatchers shall hand to each applicant applying for registration and dispatch a copy of these dispatching rules. Whenever possible, a written receipt shall be obtained

and kept by the Dispatching Office. A written receipt shall be mandatory from all individuals who qualify and register for dispatch for the first time.

(m) "AVAILABLE FOR WORK" means that the registrant must be present at the time and place uniformly required for dispatch and such person will be ready, able and willing to go to the job site and perform the work for which such individual is being dispatched.

(n) The practice of the Dispatching Office shall be uniform as to all registrants with respect to physical presence in the office at given hours or telephoning in or being available at the telephone, etc. and registrants shall be informed of the practice.

(o) Appropriate notations shall be made opposite the registrant's name when such person is reached for dispatch showing the job and the classification to which such person is dispatched, his lack of availability, or other reason that he has been passed over. If inquiry is made by the registrant, such person shall be given exactly the same information as to reasons, etc., as appears on the notation.

(p) In such cases, or any other cases which may lead to a dispute, the Dispatcher should immediately make notes on the facts upon which the Dispatcher has based decision to dispatch or not to dispatch the person.

(q) No fees shall be required as a condition of registration or dispatch.

(r) Any signatory Employer, who is specifically required by a Federal or State Statute or Executive Order to engage in an affirmative action plan so as to avoid discrimination in employment, may requisition a person specifically by name from any group provided such individual is available for such employment so long as the Employer notifies the Union in writing that such person is required for the purpose of satisfying the guidelines of such affirmative action plan.

(s) EMPLOYEE IDENTIFICATION: All Employees shall keep on file with the Dispatcher two (2) forms of identification acceptable for completion of Immigration and Naturalization Service Form I-9 and said identification shall accompany each individual dispatched to a signatory Employer.

(t) Any Employer not signatory to the Local Union No. 108 - Bakersfield Standard Form of Union Agreement and Addenda may request by name an Employee, provided such Employee is properly registered on the out-of-work list, if the Employee has worked for the said Employer within the past one hundred eighty (180) days.

ARTICLE XX

JOINT APPRENTICESHIP AND TRAINING COMMITTEE

SECTION 20.01 - JATC COMMITTEE MEMBERS: A Joint Apprenticeship and Training Committee (JATC) shall immediately be established and shall be composed of three (3) Employer representatives and three (3) Union representatives. The JATC shall, as near as possible, be composed of members of the current Negotiating Committee.

SECTION 20.02 The Committee shall supervise all matters involving apprenticeship training in conformity with the provisions of this Agreement and the State Registered Local Apprenticeship Standards. Any proposed change in this Agreement pertaining to apprenticeship and training should first be considered by the Committee for their recommendation before being acted upon by the parties to the Agreement.

For continuity, there should be a standing Chairman and Co-Chairman, with no annual changes.

SECTION 20.03 All Apprentices must enter the program through the Committee. An Apprentice may be removed from training at any period of apprenticeship for violation of Committee rules and policies. Such removal by the Committee cancels the classification of apprentice and the opportunity to continue "on the job training" (OJT) or classroom training.

SECTION 20.04 The Joint Apprenticeship and Training Committee shall meet as the Trustees of the Joint Apprenticeship Trust Fund not less than quarterly each calendar year.

SECTION 20.05 - JATC ANNUAL AUDIT: Members of the Joint Apprenticeship and Training Committee shall receive a copy of the annual audit of the Joint Apprenticeship Trust Fund as prepared by a Certified Public Accountant.

SECTION 20.06 - APPRENTICE RATIOS: Apprentice ratio under this Addenda varying the Standard Form of Union Agreement, shall in no case exceed the following on the total number of regularly employed Journeyman sheet metal workers of the Employer. The overall ratio shall be:

1 Journeyman	1 Apprentice	
2 Journeymen	1 Apprentice	
3 Journeymen	1 Apprentice	1 Pre-Apprentice
4 Journeymen	2 Apprentices	1 Pre-Apprentice
1 Apprentice to 3 Journeymen thereafter		
1 Pre-Apprentice to 2 Apprentices thereafter		

(a) The number of Apprentices shall not exceed the number of Journeymen on any one job.

(b) The Apprentice ratio for Residential and Light Commercial work ten thousand (10,000) square feet or less only, shall be one (1) Apprentice for each Journeyman employed.

SECTION 20.07 - APPRENTICESHIP STANDARDS: The Apprenticeship Program will be administered in accordance with the apprenticeship standards registered with the State of California.

SECTION 20.08 Prior to any Apprentice going to work, he must clear with the Joint Apprenticeship and Training Committee (JATC) .

SECTION 20.09 Local Union No. 108 shall notify the Secretary of the JATC at such time as an Apprentice is dispatched to an Employer or terminated.

SECTION 20.10 All new Apprentices must come from the "Apprentice Pool" and there will be no attempt on the part of the Employer to by-pass the pool. The Apprentice Pool shall consist of the following:

- (1) Unemployed indentured Apprentices.
- (2) Waiting list of the JATC.

SECTION 20.11

(a) Graduated wage schedule for Apprentices is as follows:

1st year/1st 6 months	40%	1st year/2nd 6 months	45%
2nd year/3rd/6 months	50%	2nd year/4th 6 months	55%
3rd year/5th 6 months	60%	3rd year/6th 6 months	62½%
4th year/7th 6 months	65%	4th year/8th 6 months	70%
5th year/9th 6 months	75%	5th year/10th 6 months	80%

(b) All unindentured and indentured Apprentices shall come under compliance with Federal and California State Laws and, Rules and Regulations of the Joint Apprenticeship and Training Committee.

(c) After an air conditioning remodel job under ten thousand (10,000) square feet has been measured and the holes laid out by the Journeyman, if the Employer thinks the Apprentice is qualified, the Apprentice may stay on the job and cut holes and clean up while the Journeyman fabricates the material to do the job. Then they shall work together until job completion.

(d) First through Fourth year apprentices shall receive Sheet Metal Workers' Plan B Health Benefits. Fifth year apprentices shall receive Sheet Metal Workers' Plan A Health Benefits, along with contributions to the Southern California, Arizona and Nevada Pension Plan and 401(k) Plan.

SECTION 20.12 - APPRENTICESHIP TRUST CONTRIBUTIONS: Every Employer signatory to this Agreement will contribute to the Local and National Trust Funds listed in Article XVI, Wage Rates, for each hour worked by each Apprentice employed by the Employer.

SECTION 20.13 - Payments to the Local Joint Apprenticeship Trust Funds shall be due not later than the tenth (10th) day of each month for the number of hours worked by such Employees, as defined in Article XXI - SECTION 21.01 of this Addenda for the previous month and if not paid by the twentieth (20th) day of the month, the Employer shall pay to the Joint Apprenticeship Trust Funds a delinquent charge for every month thereafter.

(a) Delinquency remaining for such Employer up to the first (1st) day of the succeeding month is proper cause for the cancellation of this Agreement.

(b) Check shall be made payable to:

Sheet Metal Apprenticeship and Training Fund.

(c) Contributions shall be mailed to:

Sheats & Kemp
2200 19th Street
Bakersfield, CA 93301

ARTICLE XXI

WORKING RULES/HOURS/HOLIDAYS/OVERTIME/SUPERVISION

SECTION 21.01 - DEFINITION OF EMPLOYEE: Any person employed by the signatory Employer to perform any of the work covered under Standard Form of Union Agreement, Article I is defined and hereinafter called "Employee".

SECTION 21.02 - STARTING TIME: Where in accordance with this Article the starting time for work is changed, the work performed before or after the changed work day shall be compensated in accordance with the contractual overtime rates.

SECTION 21.03 - LAY OFF: Employees having worked and reported back to work the following day, shall be laid off between the hours of 6:00 am and 6:00 p.m.. This does not apply to any new Employees show up time as defined in ARTICLE VIII - SECTION 8.10. of the Standard Form of Union Agreement.

SECTION 21.04 - SHOP WORK: Where the Employer and a majority of the Employees in the shop agree to start work prior to the regular starting time, the Employer shall notify the Union in writing of this fact on the form provided by the Union and verified by the Shop Steward and shall further notify the Union of the agreed upon starting time and closing time of the eight (8)

hour work day which shall provide for not more than one (1) hour for lunch and thereupon, until the Union is otherwise notified, such hours shall be the work day for the Employees of such Employer in the shop.

SECTION 21.05 - JOBSITE WORK: Jobsite work shall start at the regular starting time as provided in the Standard Form of Union Agreement, unless a different starting time is approved by the Building Trades Agreement with the General Contractors and the Employer will notify the Union in writing of such starting time as provided above. In no event shall starting time begin on a job site or shop earlier than 6:00 am unless otherwise agreed to by the Local Union.

SECTION 21.06 - EMPLOYEES: The term "Employees" as used in these working rules shall apply to General Foremen, Foremen, Journeymen, Apprentices and Pre-Apprentices.

SECTION 21.07 - DONATING LABOR: No Employee shall donate labor on any work described in ARTICLE I - SECTION 1.01 of the Standard Form of Union Agreement without permission from a Business Representative of Local No. 108 and the respective Employer.

SECTION 21.08 - CHECK-IN: It shall be the foreman's responsibility to see that all men check with the Shop Steward before going to work. If the Employee does not work over forty (40) hours he retains his place on the out of work list. There will be no penalty involved for an Employee refusing a job if the job is not suitable to him.

SECTION 21.09 - LOADING AND UNLOADING TRUCKS: Employees will not be permitted to load or unload trucks before or after working hours unless they are paid overtime for same.

SECTION 21.10 - DIVISION OF OVERTIME: Any journeyman working on work that runs into overtime shall have first choice on this work, but overtime work shall be divided when possible.

SECTION 21.11 - LOANING EMPLOYEES: No Employee shall be loaned from one Employer to another without following the Hiring Procedure contained in this Agreement.

SECTION 21.12 - WELDING CERTIFICATIONS: Contractors shall pay for welding certifications when required.

SECTION 21.13 - USE OF PERSONAL VEHICLES: No Employee shall be allowed to use his personal automobile to transport men or the Employer's materials and/or equipment.

SECTION 21.14 - PIECEWORK AND SUBCONTRACTING: All work covered by the terms of this Agreement shall be performed by Employees of the Employer in accordance with the terms and conditions set forth in this Agreement. No Employee will perform any work on a piecework or subcontract basis for any signatory Employer, nor shall any Employee himself contract for or perform any work covered by this Agreement while he is subject to employment and remains subject to employment under the terms of this Agreement.

(a) **CONTRACTORS LICENSE:** Employees or applicants for employment holding a State Contractors License of any kind shall inactivate their license in accordance with Division III, Chapter 9, Section 7076.5 of the Business and Professional Code before being accorded the use of referral facilities under this Agreement.

SECTION 21.15 - REMOVAL OF MEN: If an Employer is duly notified to remove a non-union man for noncompliance with Article V of the Standard Form of Union Agreement, the man may be removed from said Employer. This does not constitute a strike or walkout.

SECTION 21.16 No Employee shall work outside the shop with their Employer.

SECTION 21.17 - COFFEE BREAKS: All Employees shall be entitled to a ten (10) minute coffee break in the A.M. and ten (10) minutes in the P.M. in the shop or on the jobsite only.

SECTION 21.18 - SECURITY CLEARANCES: Whenever an Employer signatory to this Agreement receives a contract in a plant or jobsite that requires security clearance, he shall submit the name of the Business Representative in the area together with the names of his Employees on the job, to be admitted to said plant or jobsite.

SECTION 21.19 - PICK-UP TIME: All Employees shall be given adequate pick-up and clean-up time.

SECTION 21.20 - HOLIDAYS: There will be eight (8) Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Friday after Thanksgiving Day and Christmas Day.

(a) In addition to the above, when any of these Holidays fall on Sunday, the Monday after shall be a Holiday.

(b) All work performed on these Holidays shall be paid at one and one-half (1-1/2) times the straight time rate of pay.

SECTION 21.21 - COMPOSITE CREWS: When sheet metal workers are assigned to composite crews with other crafts they may, at the discretion of the Employer, work forty (40) hours at the straight time rate of pay, only if such action is necessary to preserve the jurisdictional claims of the Sheet Metal Workers' International Association and then only if the other craft works forty (40) hours at the straight time rate of pay. When working on composite crews, Employees will receive the greater show-up time of the two crafts.

SECTION 21.22 - OVERTIME:

(a) All hours worked before and after normal established working hours will be considered overtime and be paid as such.

(b) Normal working hours may be varied only by written permission of the union prior to the implementation of such working hours.

(c) Overtime hours worked Monday through Friday shall be paid at one and one-half (1 1/2) times the regular rate of pay.

(d) All hours of work performed on Saturday will also be paid at one and one-half (1 1/2) times the regular rate of pay. All Sunday and Holiday work shall be considered overtime and be paid at one and one-half (1 1/2) times the regular rate of pay.

SECTION 21.23 - OVERTIME PERMITS:

(a) Overtime Permits shall be required and must be obtained from the Union prior to the commencement of such work whenever possible.

(b) Any violation of this may be cause for the denial of future Overtime Permits.

(c) The Steward, Foreman or immediate Supervisor shall call the Union for Overtime Permits.

(d) **APPRENTICES AND OVERTIME:** The ratio of apprentices on permit overtime work shall be in conformity with the negotiated ratio as outlined in ARTICLE XX (Apprentices) of this Addenda. Apprentices may only work overtime hours that do not conflict with their school attendance as required by the Local J.A.T.C. Working overtime and missing school will not be accepted as an excuse and will result in disciplinary action.

(e) **RESIDENTIAL/LIGHT COMMERCIAL OVERTIME:** All overtime on residential and light commercial jobs will be paid at one and one-half (1 1/2) times the straight time

rate of pay. Light commercial work is defined as any building that has ten thousand (10,000) square feet or less in it.

SECTION 21.24 - SATURDAY MAKE-UP DAY:

- (a) When conditions beyond the contractor's control (inclement weather, power failure, etc.) result in the loss of a normal work day during the normal work week, the contractor may, with the PRIOR approval of the Union, schedule a Make-Up Day on Saturday at the straight time rate of pay.
- (b) The decision to work on the part of the Employee will be optional and not mandatory.
- (c) The work that will be permitted to be performed under these conditions will be only work that would have been performed had the job not suffered a shut down.
- (d) Under no circumstances will hoisting, rigging or any other activity not considered normal day-to-day activity be done under these conditions.
- (e) All such activity must be done under the overtime provisions of this Agreement.
- (f) The Union will have the right to make the final determination in deciding if this Section is applicable to the conditions of any job requesting a Make-Up Day.
- (g) This Section is not applicable if the Saturday in question is a Holiday.

SECTION 21.25 - FOREMAN:

- (a) Employees covered by this Agreement working on jobs or in shops shall not accept directions or instructions from or recognize the authority of anyone other than the Employer or Sheet Metal Foreman and/or Sheet Metal General Foreman designated and paid as such.
- (b) FOREMAN RATE: Foreman shall receive a minimum of ten percent (10%) per hour above the journeyman rate. General foreman shall receive a minimum of fifteen percent (15%) per hour above the journeyman rate.
- (c) FOREMAN QUALIFICATIONS: A foreman is a journeyman sheet metal worker having under his supervision and direction four (4) or more Employees.
- (d) In a shop or on a jobsite where five (5) or more employees are employed, the Employer must designate one (1) as Foreman.

SECTION 21.26 - GENERAL FOREMAN: Any journeyman sheet metal worker who is appointed by the signatory Employer to supervise one (1) or more Foremen is classified as a General Foreman. In a shop that regularly employs three (3) or more Foremen, one (1) shall be designated as General Foreman.

SECTION 21.27 - FOREMAN RATIOS:

- (a) On a jobsite where work covered under this Agreement lasts on a continuing basis longer than one (1) week, the following schedule shall apply:
 - 5 Employees - 1 shall be designated Foreman
 - 12 Employees - 2 shall be designated Foreman
- (b) Eighteen (18) or more Employees - two (2) shall be designated Foreman and one (1) shall be designated General Foreman.

(c) After 18 Employees every 10th Journeyman will be designated a Foreman.

(d) However, in no case shall this Section apply to houses, multiple apartment units, or light commercial jobs having less than four (4) zones or systems.

SECTION 21.28 - FOREMAN & GENERAL FOREMAN WORKING WITH TOOLS: All Foreman or General Foremen shall be permitted to work with the tools if requested by his Employer.

SECTION 21.29 - DETAILER: A Detailer is a Journeyman or Foreman who, when instructed by his Employer, prepares shop and/or working drawings to be submitted to an architect or engineer for approval and shall receive a minimum of ten percent (10%) per hour above Journeyman rate.

SECTION 21.30 - WELDER: Certified Welders shall receive ten percent (10%) above Journeyman hourly wage scale when hired for such purpose.

SECTION 21.31 - SHIFT WORK:

(a) No Shift Work shall be allowed on new construction jobsites.

(b) Shift Work shall be permitted when mutually agreed with the Union in the shop and on existing and occupied old structure jobsites only.

(c) No less than five (5) full consecutive days shall constitute a shift schedule and ALL shift schedules must end on Friday.

(d) The evening shift shall receive five percent (5%) premium; it shall begin no later than 5:30 p.m. The Graveyard shift shall receive ten percent (10%) premium; it shall begin no later than 1:00 am.

(e) Employees must have an eight (8) hour rest period when changing shifts.

(f) The Union office and the Shop or Job Steward must be notified when shift work is to be practiced.

(g) All shift work over eight (8) hours is to be paid at overtime rates.

(h) The overtime conditions of these Addenda will prevail on all shift work.

(i) **ENERGY CONSERVATION AND RETROFIT:** Upon request of the Employer, the Union shall authorize a special shift for Energy Conservation and Retrofit work to be performed outside the regular workday in occupied buildings if specified by the customer who must continue to operate his business in the normal manner. Special shift work performed under this Section starting before midnight shall work under the evening shift provisions. If the special shift starts after midnight, the graveyard provisions shall apply. Not less than three (3) consecutive days shall constitute a special shift, and the special shift shall end midnight Friday.

EXECUTION OF AGREEMENT

By execution of the Agreement, the Employer authorizes the Kern, Inyo and Mono Counties sheet Metal and Air Conditioning Contractors, Incorporated to act as its collective bargaining representative for all matters relating to this Agreement. The parties agree that the Employer will hereafter be a member of the multi-employer bargaining unit represented by said Association unless this authorization is withdrawn by written notice to the Association and the Union at least one hundred fifty (150) days prior to the then current expiration date of the Agreement.

Negotiated and signed on behalf of the:

SHEET METAL WORKERS' INTERNATIONAL ASSOCIATION
LOCAL UNION NO. 108 - Bakersfield

Business Manager
Financial Secretary/Treasurer

Date

KERN, INYO AND MONO COUNTIES
SHEET METAL AND AIR CONDITIONING CONTRACTORS, INC.

Director

Date

bkcont99.Final
February 14, 2000