

**AGREEMENT OF WORKING
CONDITIONS
BETWEEN
THE INDEPENDENT
INSULATION CONTRACTORS
AND THE
INTERNATIONAL
ASSOCIATION OF HEAT AND
FROST INSULATORS AND
ASBESTOS WORKERS LOCAL
NO. 12
OF NEW YORK CITY
2005-2008**

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This AGREEMENT, made and entered into this 1st day of July 2005 by and between THE INDEPENDENT INSULATION CONTRACTORS as party of the first part AND THE INTERNATIONAL ASSOCIATION OF HEAT AND FROST INSULATORS Local No. 12 OF NEW YORK CITY as party of the second part.

Wherever the words “Employers” or “Members of the Insulation Contractors Association” appear in the following agreement, the said words shall be deemed to apply to the party of the first part to the extent such words are applicable.

ARTICLE I: TERRITORY

These provisions shall be binding upon each of the respective signers individually and as members of their respective organizations within the five (5) Boroughs of greater New York, also within Nassau and Suffolk Counties, Long Island, and surrounding islands. The Employer further agrees that on all operations outside of the chartered territory of the union they will abide by the rates of pay, rules and working conditions established by collective bargaining agreement between the local Insulation Contractors and the local union in that jurisdiction. Employers may send a Mechanic (Job foreman) to run the job. In the event of insufficient supply of local labor in that territory, the employer may send such additional Employees as may be necessary. Such Employees shall receive in addition to transportation costs, the highest wage package of either Local 12 or the local they are sent to. This wage package is to include wages, board allowance and all fringe benefits. All Benefits shall be paid to Local 12.

ARTICLE II: HOURS OF WORK

The regular workday shall be seven (7) hours, with lunch period from 12:00 Noon to 12:30 p.m. There shall be a flexible starting time between six (6:00) a.m. and eight (8:00) a.m. with the appropriate time adjustment for lunch period. Once a job starts at that flexible time, it cannot revert back to the non-flexible start time. Any Local 12 Union Member refusing to work the six (6:00) a.m. flexible start time will not be cause for dismissal. All work performed during lunch period shall be paid for at a double (2x) time wage rate.

No Employer will condone or suggest working through lunch or permit early deliveries without paying the Member the appropriate Overtime Rate.

A shop shall not regularly work all its Employees less than the normal workweek unless it notifies Local No. 12, Holidays being the exception.

At the discretion of the Employer, an eighth hour at straight time may be worked, when no more than two (2) employees are on job site, not to exceed two (2) total days for duration of project. Alleged abuses of this provision will be brought before the Joint Trade Board for resolution. These hours and any additional overtime hours must be reported by the Employer and the Employee before they start the extra time using the toll free number 1-877-UNION12.

A shift clause will be used in the following manner: Seven (7) hours per day shall constitute a day's work and thirty five (35) hours per week, Monday to Friday, inclusive, shall constitute a week's work. The regular starting time shall be from six (6) a.m. to eight (8) o'clock a.m., lunchtime shall be twelve (12) o'clock noon to twelve thirty (12:30) o'clock p.m., quitting time shall be 2: 30 p.m. or 3:30 p.m. When shifts are required, the first shift shall work seven (7) hours at the regular straight time rate. The second and third shifts shall work seven hours at the regular straight time rate plus a fourteen (14) percent wage and benefit premium. A thirty (30) minute lunch period shall be mutually agreed upon by the Job Superintendent and the Union Representative and shall not be considered as time worked. Employee working regular workday is not eligible for second or third shift.

ARTICLE III: MANNING

The ratio of Mechanics and Apprentices may equal but not exceed one (1) Apprentice of any class to four (4) Mechanics in the shop. No Apprentice shall, with the exception of, 4th year Apprentices on Renovation Plumbing Jobs in the outer boroughs of New York City, Nassau and Suffolk Counties excluding Industrial Facilities and Sewage Treatment Plants, execute work unless in company with a Mechanic except when working on fire stops and seals and when unloading and distributing materials.

Mechanics and Apprentices may be on jobs with a 1 to 1 ratio on Dormitories, Nursing Homes/Assisted Living Facilities, Apartment Buildings, Two Story and Garden Style Apartments.

Local 12 agrees to supply qualified Heat and Frost Insulators to the Employers within a 72-hour period upon receipt of a written request.

The Shop Superintendent may be a Local 12 member in accordance with Article XVI of the Constitution and By-Laws of the International Association of Heat and Frost Insulators.

All Superintendents must have a letter from their Employer on file with the Union, which designates them as a Superintendent, and the Union will forward a copy to the Trade Board Attorney. A Local 12 Superintendent will be able to do “walk downs”, move personnel, set up jobs, move material, work as an Employee as designated in Article X, and must contribute all payments due the Funds and the Union a minimum of 140 hours per month.

Employers shall endeavor to give employment to disabled or partially incapacitated Employees wherever practicable.

ARTICLE IV: HOLIDAYS AND OVERTIME

All labor in excess of the “regular” work day is to be paid on a time and ½ basis for the eighth (8th) hour with double (2x) rate of wages thereafter. All Saturday, Sunday and observed Holidays, shall be known as overtime and shall be paid for at a double (2) rate of wages. The observed holidays are: New Year’s Day, Martin Luther King Day, President’s Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran’s Day, Thanksgiving Day, the day after Thanksgiving and Christmas Day. No work shall be performed on Labor Day, except in special cases of emergency and then only when triple (3) time is paid.

When existing Holidays are shifted to Monday and Friday, by law they shall apply.

The Union and the Insulation Contractors Association retain the right to open the Collective Bargaining Agreement to amend the holidays as set by the New York City BTEA, CAGNY, CIP and the New York City Building Trades Council.

The Employer must notify the Union Office before they start the extra time when working all overtime hours on Weekdays, Weekends and Holidays, using the (877-UNION 12) toll free number or fax all information to the Union Office before all work begins. Whenever Weekend Overtime is worked there shall be a minimum of five (5) hours worked at the double time rate on all Saturdays, Sundays and Holidays. The hours worked shall be between seven (7:00) a.m. and twelve (12:00) p.m. only, or by prior approval by the Business Manager or Business Agent. Preference for overtime must be given to all employees currently employed by that employer, before being offered to any other Local 12 members.

1. Preference to overtime shall be given to the men on the job working for that employer.

2. On all job sites that go on overtime work for two (2) weeks, the third (3rd) week and thereafter all overtime will be distributed equally between all Local 12 members on the job working for that employer.
3. Refusal to work overtime will not be cause for dismissal.

When an Employer faxes the overtime list they must do so prior to the start of all work and must include the names of all Union Members who are working on each jobsite. In the event a shop fails to call in overtime work for a member, there shall be an automatic fine of \$1,000 per job site, per incident and the lists are to be made available to members of the Joint Trade Board for immediate access.

ARTICLE V: SETTLEMENT OF DISPUTES

There shall be a Joint Trade Board consisting of five (5) members of the Insulation Contractors Association and five (5) members of Local 12 and said Joint Trade Board shall have the right to investigate all labor operations of the parties to this Agreement within its prescribed limits so far as any of the provisions of this Agreement are involved, in connection with which any question may arise, and for this purpose shall have the right to summon, question and examine any party to this Agreement, or their representatives or agents. Minutes for the Joint Trade Board will be recorded by Fund counsel who will keep the records of the Joint Trade Board proceedings, and any fines, and/or settlements, thereof. There shall be no lockouts, except when of a general nature and ordered by the Building Trades Employer's Association; or strikes except when of a general nature and ordered by the Building and Construction Trades Council with the approval of the International Association of Heat and Frost Insulators and Asbestos Workers. Trade disputes and grievances shall be settled without cessation of work and in cases where the parties to this Agreement fail to agree the matter in dispute shall be referred to the Joint Trade Board.

In case any disputes arise, the aggrieved party must give notice in writing to the Secretary of the Joint Trade Board within thirty (30) days of the date the party became sufficiently aware of the facts and circumstances constituting the grievance.

The Union is required to report all contract violations to the Joint Trade Board Attorney. The Trade Board Attorney will log all Violations and forward a copy quarterly to both parties of the Trade Board.

The Joint Trade Board shall be governed by the following By-Laws:

1. The Chairman of the Joint Trade Board shall call meetings on written request of either side, stating the purpose for which the meeting is called.
2. Six (6) shall constitute a quorum, three (3) from each side; neither shall cast more ballots than the other.
3. The vote on all questions of violations of this Agreement shall be by secret ballot.
4. It shall require a majority vote to carry any question.
5. The Joint Trade Board shall have the power to impose fines, interest where appropriate or other penalties where agreed by vote, as above provided for, that any of the articles of this Agreement have been violated by either party to same. Such fines or penalties shall be imposed against either the party of the first part or the party of the second part, as the case may be, and the Joint Trade Board shall see that any fines or penalties so imposed are satisfied and the disposition of monies so collected shall be decided by the Joint Trade Board.
6. The Joint Trade Board may elect in its sole discretion, by majority vote, rather than to hear any matter before it under the terms of this Agreement, to refer said matter to an Impartial Arbitrator of the Joint Trade Board's choosing to act in its place. Each Employer bound to the terms of this Agreement agrees that it will submit to the jurisdiction of the Impartial Arbitrator so chosen any matter so referred. In the event a matter is referred to an Impartial Arbitrator, the Joint Trade Board will notify the Employer in writing of the referral of the matter to the Impartial Arbitrator. The Joint Trade Board's decision to refer a matter to the Impartial Arbitrator may be made at any time. The Impartial Arbitrator shall have all the powers to hear and determine the matter as provided in this Agreement, the Federal Arbitration Act, the CPLR and this Agreement, including, without limitation, the assessment of interest, liquidated damages, attorney's fees, the cost of the audit and the fees and expenses of the arbitration.
7. If a deadlock occurs in the Joint Trade Board, arbitration may be requested. The cost of arbitration shall be as described by the American Arbitration Association.
8. The Joint Trade Board shall have the power to award appropriate remedies, the award being final and binding upon the parties and the

Employee(s) or Employer(s) involved. Nothing herein shall be construed to forbid either party from resorting to court to obtain relief from, or to enforce rights under, any award. In any proceeding to confirm an award of the Arbitrator, service may be made by registered or certified mail, within or without the state of New York, as the case may be.

ARTICLE VI: SUBCONTRACTING

Each Employer recognizes the Union's desire to retain all work regularly performed for the Employer and the Union recognizes the Employer's needs to maintain an efficient operation; therefore, each Employer will continue to use bargaining unit Employees and not subcontract that work described in Article X that has been traditionally and regularly performed by its Employees, and the parties further agree that application of all new thermal insulation that may be a replacement for/or in addition to materials now being used are recognized as legitimate claims of the trade of Local No. 12. The Union agrees not to contract, subcontract or estimate on work, nor allow its membership to do so, nor act in any trade capacity other than that of workman. It is also agreed that no member of a firm or officer of a corporation, or their representative or agent, shall execute any part of the work of application of materials.

For the preservation of work opportunities of Insulators, within the collective bargaining unit, each Employer within the collective bargaining unit agrees not to subcontract to any person, firm, corporation or joint venture which is not in a contractual relationship with the Union, any item of work described in this agreement, except that each Employer shall have the right to subcontract with any other Employer with a signed CBA with Local No. 12 for any work covered by this agreement. All the work described in this "No Subcontracting Clause" shall be performed by Insulators and/or Apprentices within the bargaining unit covered by this agreement.

If an Employer will be using trade workers other than Insulators, the Employer must notify Local 12 in writing, with the location of the job before the work begins. Any Employer found in violation shall be assessed up to five thousand (\$5,000) dollars for the first violation, any subsequent violations the assessment may be higher.

ARTICLE VII: EXCLUSIVE BARGAINING AGENT

The Employer recognizes Local No. 12 as the exclusive bargaining agent for Mechanics and Apprentices who perform any of the duties as prescribed in Article X hereof. Such mechanics and apprentices are in this agreement sometimes referred to as “Employees”.

ARTICLE VIII: PAY RATES AND PROCEDURES

1. The Employer agrees to pay mechanics on all work at the following rates:

	Increase	Base Wage.	Wel F.	Pen F.	Vac. F.	Ann. F.	AJEF	IOF	PAC Fund	MRF	Total Pkg	Insulation Industry Promotional Fund
7/1/05 thru 1/01/06	\$0.75	\$42.27	\$7.21	\$5.15	\$3.50	\$7.55	\$4.45	\$0.14	\$0.05	\$0.60	\$66.92	\$0.50
01/02/06 thru 07/02/06	\$1.00	\$42.86	\$7.31	\$5.25	\$3.61	\$7.65	\$4.45	\$0.14	\$0.05	\$0.60	\$67.92	\$0.50
07/03/06 thru 12/31/06	\$1.50	\$43.61	\$7.56	\$5.35	\$3.86	\$7.75	\$4.45	\$0.14	\$0.05	\$0.65	\$69.42	\$0.50
01/01/07 thru 07/01/07	\$1.50										\$70.92	\$0.50
07/02/07 thru 12/30/07	\$1.50										\$72.42	\$0.50
12/31/07 thru 06/30/08	\$1.75										\$74.17	\$0.50

All fringe benefits in excess of the "regular" workday are to be paid on a time and ½ basis for the eighth (8th) hour with double (2x) rate of wages thereafter. All Saturday, Sunday and observed Holidays, shall be known as overtime and shall be paid for at a double (2x) rate of wages. Off hour jobs in occupied or retail buildings may be worked on weekdays with an increment of one dollar (\$1.00) per hour and eight (8) hours pay for seven (7) hours worked. Double time will apply for over seven (7) hours on weekdays and on weekends or Holidays. Men working day shifts are not eligible. These hours must be reported by the Employer and the Employee using the toll free number 877-864-6612 or 877-UNION12.

Apprentices will be paid at a maximum of four (4) rates, for basic wage and fringes, which shall be in amounts of 40%, 60%, 70% and 80% of the mechanic's hourly wage rate for the first, second, third and fourth years respectively.

2. The party of the first part agrees to pay (except expenses) the applicable amount prescribed in Article VIII (1) to the Trustees of the Asbestos Workers Funds one (1) check to the Asbestos Workers Operating Account, for the total amount due to the Asbestos Workers Welfare Fund, The Asbestos Workers Pension Fund, The Asbestos Workers Vacation Fund, The Asbestos Workers Annuity Fund and the Apprentice Journeyworker Education Fund (A J E F). The Vacation Fund contribution is to be taxed at the source. One (1) check to the Local 12 General Fund for the total amount due for Working Assessment, International Organization Fund, Market Recovery Fund, Political Action Committee, and one (1) check to the Insulation Industry Promotional Fund. All Benefits shall be paid to Local 12.

3. Job Foreman with ten (10) or more Employees shall receive a minimum of one (1) additional hour at the straight time rate in Wages and Benefits per day.

4. Height Pay: any Employee, when working at a height of thirty five (35) feet and above, on a suspended bucket, boatswain's chair, or suspended scaffolding shall receive an additional five dollars (\$5.00) above normal scale, per hour in wages.

5. All payments due the Funds, the Union and the Insulation Industry Promotional Fund must be made weekly by the Employer at the same time wage payments are made. An Employer shall be declared delinquent of payment to the Funds of Local 12 after the 14th day of the date the payment is due. Employers shall report Fund payments to the Fund Office weekly.

6. The delinquent Employer shall be notified of his delinquency by registered mail and failure to make delinquent payments within seven (7) days of the registered letter the Union will remove the men from the delinquent Employer until payments are made. All Employees will be reimbursed lost wages before men are returned to the shop. Such reimbursement shall be made by the delinquent Employer and shall be limited to two (2) days' pay. Chairman and the Co-Chairman of the funds shall be notified of such action. Employers that appear on the Delinquency List will be notified of such in writing by the Fund Office. In the above mentioned notice, Employers will be given the opportunity to expunge the violation, as provided in ERISA Laws, by paying interest at an annual rate of 10% of the contributions delinquency, within ten (10) days of notice

7. Each Employer will furnish a weekly report of the Employers contributions to the Administrator of the Funds no later than the 20th day of the following month. Dues check-off reports are due on a weekly basis. The Fund Office shall send the Employer whose report is delinquent and Joint Trade Board members a registered letter advising him of his delinquency. If the report is then not furnished within 10 days of the date of the registered letter than the Union shall have the right to send in auditors to make the summary reports and the cost of these audits are borne by the delinquent-reporting Employer.

8. Each Employer shall be bound by the terms and conditions of the Industry Fund and the Agreement and Declaration by and between the Building and Construction Trades Council of Greater New York, the Building Trades Employer's Association of the City of New York, and the General Contractor's Association of New York Inc. creating the New York Building and Construction Industry Board of Urban Affairs Fund and all By-Laws adopted to regulate the Fund.

9. The Trustees of the Welfare Fund and the Trustees of the Pension Fund are hereby authorized to allocate irrevocably from time to time to the Pension fund such portion of the contribution to the Welfare Fund as such Trustees may determine is necessary to provide for the Pension benefit program adopted by the Trustees of the Pension Fund. The various funds shall provide benefits to those officers, business agents and Employees of the Union and of the various Funds, for whose benefit the Union or the Funds shall pay Employer Contributions to the funds in the same amounts as are contributed by Employers on the wages of Employees working a full week.

10. The workweek shall commence on Monday and end on Sunday twelve (12:00) midnight and all mailings of checks shall be postmarked not later than twelve (12:00) noon, Tuesday following. In cases where the checks are received late and the Joint Trade Board adjudges that the Employer was in violation in not mailing the check within the prescribed time the penalty of one (1) day's waiting time shall be imposed. When Holidays fall on Monday or Tuesday, the Employer shall mail checks no later than Wednesday twelve (12:00) Noon.

11. All checks shall be TODD ABC checks, or other insured type. Any man shall be entitled to request assistance from the Employer in the event he had difficulty cashing his check or he has problems receiving his check in the mail. Such requests shall not be deemed grounds for dismissal. No Employer shall use personal checks to pay any Union Member for any reason. Every Employer must use their Insulation Contractor Payroll Checks; any Employer not doing so will be subject to a fine of one thousand five hundred dollars (\$1500.00) or three (3) times the infraction whichever is greater.

All job sites with six (6) or more Employees, checks will be delivered on the job site by the end of the regular workday, on Wednesday.

The Trade Board shall have the right to prohibit metered mail.

Pay stubs or envelopes shall list the following: double time (2x) hours, single time (1x) hours, gross wages, expenses, Federal Tax, State Tax, FICA, Disability, Vacation Fund, Union Dues, and show the month, day and year. Employers found to be habitual offenders in late mailing of checks shall be brought before the Joint Trade Board. The Joint Trade Board may then direct these Employers to deliver the checks to the job sites. Any Employer issuing a bounced check for wages or funds due, within this agreement, will be charged one hundred dollars (\$100) plus bank fees, if an Employer bounces a check a second time within the contract period, the Employer must make all future payments by Certified Bank Check.

12. If any Employee is laid off during the workweek, he shall be paid in cash or check on the job site. If discharged for cause, a check must be mailed by twelve (12:00) midnight on day of discharge. Failing to be paid, Employee will be entitled one (1) day waiting time.

13. An Employee must be notified not later than thirty (30) minutes prior to the end of any workday when terminated or termination should be effective at time of notification. Conversely, the Employee must notify the Employer not later than twelve (12:00) noon on the day he is terminating except where there are extenuating circumstances. Men who are absent from job site between eight (8:00) A.M. and twelve (12:00) noon and between twelve thirty (12:30) p.m. and three thirty (3:30) p.m. shall be docked for time absent. Any layoff by the Employer will require the Employer to notify the Union with a layoff slip and he must also supply the member with a layoff slip. The slip shall contain the reason for the layoff.

14. Apprentices shall not be eligible for the mechanic's examination until after having worked for (4) years in the trade, in accordance with the Local 12 AJEF Apprenticeship Standards.

15. Employees directed by the Employer to report to a job or shop, who fail to be given employment, shall be paid two (2) hours show up time plus zone expenses. Show up time on Saturday, Sunday or Holidays shall be paid at the double time (2x) rate plus zone expenses. In order to qualify for two (2) hour's show up time the Employees are required to stay on the job for two (2) hours if requested by the shop.

16. On a weekly basis, at the time payrolls are calculated, each Employer shall provide to the Union an informational master sheet that accurately denotes each project, its location, and daily hours worked by individual members (identified) on those projects. These master sheets are to be received at the Union office at the same time pay checks are due to the Employees. These reports will be faxed to the Union Office by twelve (12:00) noon Wednesday of the new pay period and a copy will be sent to the Contractors Association on the first of each month. Failure to comply will constitute a violation and Article XVII Paragraph 2 will apply.

17. There shall be a fifty cents (\$.50) per hour Insulation Industry Promotional Fund effective 7/12/05. Payments into the fund shall be made weekly. It is understood that the fifty cents (\$.50) per hour does not conflict with wage guidelines and is not part of the wage package. Five (5) cents per hour will go to the International Apprentice and Training Fund.

18. The Employer agrees that, upon receipt in writing, it will deduct a dues check off in the amount prescribed by Local No. 12 from his Employee's gross wages including the Vacation Fund, PAC Fund, Market Recovery Fund and International Organization Fund. Such duly executed authorization shall be delivered by Local No. 12 to the Employer Association and shall be in such form and content as is required by Federal and State law. Once the Union receives the dues check from the Employers, the Union agrees to indemnify and hold harmless the Employer from any claims arising out of the deduction of a dues check off.

ARTICLE IX: UNIFORM EXPENSE SYSTEM

Effective 7/1/75 there shall be established a uniform expense system based on zones at 5 mile intervals centered at Columbus Circle as shown on American Map Company Map No. 8256 applicable in Nassau and Suffolk Counties and American Map Company map No. 6019 applicable in Manhattan, Bronx, Brooklyn, and Queens, based at Columbus Circle. Uniform expense for zones is as follows:

ZONE	PER DAY
I	\$.75
II	1.00
III	3.50
IV and V	6.00
VI	7.00
VII thru XIV	8.00
XV and out	10.00
Borough of Richmond	6.00

Expenses in Nassau and Suffolk Counties are determined by the location of the dot representing the town. If the dot touches the zone line the next highest zone expense shall be used.

In Manhattan, Bronx, Queens and Brooklyn, expenses will be determined block by block. If the zone line intersects a block the next highest zone expense will apply.

Outside of Local 12's jurisdiction within twenty five (25) miles from Columbus Circle, expenses shall be seven (7) dollars per workday minimum. Over twenty five (25) mile expenses shall be ten dollars (\$10.00) per workday minimum and when men are boarding on jobs, they shall receive all transportation and boarding expenses expended. Original and terminal travel time to boarding job shall be paid at single rate of pay.

ARTICLE X: JURISDICTION OF WORK

This Agreement covers the rates of pay, rules and working conditions of all Mechanics and Apprentices covered by this Agreement, regardless of the location of their employment within the jurisdiction of Local No. 12, when they are engaged in the preparation, fabrication, alteration, application, erection, assembling, molding, spraying, pouring, mixing, hanging, adjusting, repairing, dismantling, reconditioning, maintenance, finishing and/or weatherproofing of cold or hot thermal and or acoustical insulation with such materials as may be specified when these materials are to be installed for thermal purposes in voids, or to create voids, or on either piping, fittings, valves, boilers, ducts, flues, tanks, vats, equipment, fire stops and seals, walls, ceilings, and beams, or any hot or cold surfaces for the purpose of thermal control. This is also to include all labor connected with the handling and distribution of all materials and equipment of job premises and all other such work that is within the jurisdiction of Local No. 12. All Insulation Contractors should include Fire Stopping and Seals in all bids they pursue where possible.

Both parties agree to be subject to the New York Plan for Settlement of Jurisdictional Disputes under the Building Trades Employers Association and the Building Trades Council of Greater New York.

ARTICLE XI: EMPLOYMENT PRACTICES

Employees shall be considered "at work" for a shop from the time they accept employment and that they shall proceed to and execute said work in a faithful workmanlike manner and not quit same until after reasonable notice has been given to the Employer as defined in Article VIII.

On all jobs, the Foreman is to receive a written work order from the Employer detailing the scope of the work to be done. Where a work order is not furnished the work shall be installed according to the Local 12 Code of Workmanship.

Authorized shop personnel shall be the only representatives of the shop to hire or lay off personnel.

ARTICLE XII: BONA FIDE SHOP

Local 12 shall have a permanent office address with telephone service, where their Business agent or authorized officer can be communicated with between eight (8:00) a.m. & three thirty (3:30) p.m. each working day for purpose of answering inquiries and providing necessary service to the trade. A bona fide shop shall be an office with a telephone listing and name on the door where service to the trade shall be available between nine (9:00) a.m. & five (5:00) p.m.

ARTICLE XIII: PIECEWORK

Local No. 12 agrees that there shall be no limitations or restrictions placed upon the individual working efforts of the Employees. The Employer agrees that there will be no piecework of any kind, with respect to paid by the foot, square foot, roll or section. Complaints arising from inferior workmanship shall be referred to the Joint Trade Board and all found contributing to it penalized.

ARTICLE XIV: DURATION AND TERMINATION

This Agreement shall be in full force and effect from July 1st, 2005, up to and including June 30th, 2008, and shall continue from year to year thereafter unless written notice by certified mail return receipt requested of a desire to change, amend or terminate the Agreement is sent by either the Union or the Employer upon the other at least ninety (90) days prior to the date of expiration. All notices of termination will be forwarded to the Insulation Contractors Association.

ARTICLE XV: CONFLICT OF LAWS

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

ARTICLE XVI: SHOP STEWARD

A job steward shall be a working Employee selected from the men on the job site. The Business Agent or the Business Manager shall appoint him. The Employer agrees to allow the Steward on the job site with six (6) or more men a reasonable amount of time for the performance of his duties. This time shall not exceed one (1) hour per day.

The Employer shall assign overtime to the job Steward when two (2) or more Employees are required for such overtime work on jobs with six (6) men or more. The job Steward once placed shall be the second (2nd) to last man on the job.

1. When the Union or the Insulation Contractors Association believes an Employer is in violation of the Trade Agreement, the Union or Association will contact the Shop Steward Committee which shall consist of two (2) members from the Employer Association, and two (2) representatives of the Union, to decide whether the placement of a shop Steward(s) by the Union is warranted. This committee will schedule a meeting within two (2) working days of the complaint.

Examples of some violations of the Trade Agreement, not inclusive, will be described in the minutes and will constitute the intent of this section. If the Shop Steward Committee agrees, the Union will appoint a Shop Steward who shall be employed by the Contractor regardless of the number of employees in the shop who shall be employed by the Contractor. The Shop Steward shall be a working Insulator who shall act on behalf of the interests of the Union and whose duties shall not interfere with the work he is employed to perform by his employer. The Union will have the right to so designate on any of said contractor's jobs for a minimum of three (3) months from the time the permission is granted by the Shop

Steward Committee and is subject to renewal by the Shop Steward Committee. The Shop Steward will be the second (2nd) to last Local 12 member employed by the shop. When the Employer of a Shop Steward has any overtime, the Shop Steward must be included in the overtime.

If no agreement is reached by the Shop Steward Committee so designated to address placement of Stewards, the Union's or Association's Contractor request to appoint Shop Steward(s), will be forwarded to the Joint Trade Board for decision. The meeting of the Joint Trade Board shall take place within fourteen (14) days of the grievance.

2. Each employer agrees that on job sites with two (2) or more Local 12 Employers, the Shop Steward Committee will decide whether the placement of a job site Steward is warranted. When so decided the Committee will designate which Employer will receive the job steward. When the job site has any insulation work to be performed on overtime, the job Steward will work for the Employer performing the overtime. The job Steward will be the second (2nd) to last Local 12 member on the job site.

When there is a seventh (7th) man (mechanic) on a Multi-Employer jobsite, there shall be a shop Steward assigned to the project. The Member will be selected by the Business Manager or Business Agent of the territory. The Employer may request a transfer of the Shop Steward to another jobsite in cases of business necessity and the Union retains the right to assign another shop Steward when the transfer is approved.

ARTICLE XVII: VIOLATION OF AGREEMENT

1. In order to protect and preserve for the Employees covered by this Agreement all work heretofore performed by them, and in order to prevent any device or subterfuge to avoid the protection and preservation of such work, it is hereby agreed as follows: If and when the Employer shall perform any on-site construction work of the type covered by this Agreement under its own name or under the name of another, as a corporation, company, partnership, or any other business entity, including a joint venture, wherein the Employer, through its officers, directors, partners, or stockholders, exercises either directly or indirectly, any management, control or ownership, the terms and conditions of this Agreement shall be applicable to all such work.

2. All charges of violations of any paragraph of any section of this contract shall be considered as a dispute and shall be processed in accordance with the provisions of this Agreement covering the procedure for the handling of grievances and the final and binding resolution of disputes. As a remedy for violations of this section, the arbitrator (or arbitral body) provided in this Agreement is empowered, at the request of the Union, to require an Employer to (1.) pay to affected Employees covered by this Agreement, including registered applicants for employment, the equivalent of wages lost by such Employees as a result of the violations, and (2.) pay into the affected Joint Trust Funds established under this Agreement any delinquent contributions to such funds which have resulted from violations. Provision for this remedy is available to the Union for a violation of this section; nor does it make the same or other remedies unavailable to the Union for violations of other sections or other articles of this Agreement.

3. If, as a result of violations of this section, it is necessary for the Union and/or the trustees of the Joint Trust Funds to institute court action to enforce an award rendered in accordance with section b) above, or to defend an action which seeks to vacate such award, the Employer shall pay any accountant's and attorney's fees incurred by the Union and/or fund trustees, plus costs of the litigation, which have resulted from the bringing of such court action.

ARTICLE XVIII: AUDITING

The Employer shall make available to the auditors of the Funds provided for in this Agreement, within ten (10) days after written notice is received from the auditors any and all records which, in the discretion of the Trustees of said Funds, as referred to in Article VIII, No. 7, may be required in connection with the sound and efficient operation of said Funds or to determine whether the Employer has made the contributions it is obligated to make pursuant to this Agreement. The Employer shall also make available any and all records of any affiliated or related company, for inspection and audit, which in the discretion of the Trustees of said Funds may be required to determine whether the Employer has made the contributions it is obligated to make pursuant to this Agreement. Failure of the Employer to make records available to the auditor shall constitute a breach of this agreement and upon ten (10) days written notice to the Employer, the Union, notwithstanding anything to the contrary contained in this Agreement, shall have the right to strike and remove it's members from the job or jobs of such Employer until the Employer shall make the records available to the auditors and also pays the Employees who are on strike their regular rate of pay for all time lost during such strike.

If, after the service of a ten (10) day demand to comply with the above procedures and/or to pay a delinquency reported in an audit, no response or payment is received, Fund Counsel may serve a Joint Trade Board Demand and Hearing Notice on the Employer, indicating the amount of the contribution delinquency and the time, date and place of the hearing. If the Employer fails to respond or appear/participate in the Joint Trade Board proceedings, a Trade Board Decision and Award will be rendered against the delinquent Employer that will include where appropriate the delinquent contributions due to the Funds, Joint Trade Board costs, expenses and penalties of twelve hundred dollars (\$1,200.00), interest at ten percent (10%) per annum, liquidated damages of twenty (20%) of the delinquent contributions, attorney's fees of twenty five percent (25%) of the delinquent contributions and actual audit costs. The Joint Trade Board will cause the Decision and Award to be served on the Employer with a demand letter, via certified mail, return receipt requested, giving the Employer ten (10) days to comply with the Decision and Award. If the Employer failed to submit to an audit, the Joint Trade Board may direct the Employer to submit to an audit and in addition, may include in its Decision and Award additional fees and expenses as decided by the Trade Board, including, without limitation, reasonable attorneys fees, costs associated with attempting the audit and Trade Board expenses as above.

Should the employer fail to comply with the Decision and Award, a proceeding to confirm the Decision and Award to a Judgment may at the sole discretion of the Union and the Trustees be filed in New York State Supreme Court, Nassau County or in any other court of competent jurisdiction.

ARTICLE XIX: LABOR MANAGEMENT COMMITTEES

There shall be a Labor/Management Committee to meet bi-annually or whenever necessary consisting of (3) Local 12 representatives and (3) Association and or Independent Contractors to review ideas to improve the industry. This same Committee shall meet quarterly to discuss and help place individuals identified by the Union as "long term unemployed".

1. Job placement for long time unemployed members.
2. Providing reduced benefits for long time unemployed members.
3. Training for members in the duties of shop stewards, safety and other matters pertaining to the shop steward clause, Article XVI.
4. Job Targeting.

5. A program to implement the fabrication of all materials necessary for the completion of all jobs, either in the Contractor's shop or in the Union shop.

ARTICLE XX : AJEF

There shall be an Apprentice Journeyworker Education Fund (AJEF) effective July 1, 1991. The required contribution to the Fund shall in all respects be made in the same manner and method as the other fringe benefit contributions provided for in this Agreement. The Apprentice Journeyworker Education Fund shall be a tax-exempt Taft Hartley Fund.

ARTICLE XXI: WORK AND SAFETY METHODS

1. An Employer under this Agreement shall be permitted to perform drug testing (screening) when such a duty to do so is imposed by law or a specific bid requirement of a utility as defined in the Public Service Law of the State of New York and then only in strict compliance with said law in particular as to procedures and safeguards of individual rights and after notice to the Union. The parties agree to review the ESICA/NY/NE Conference Joint Labor-Management drug testing procedures when published and to reopen this contract with respect to this Article and incorporate procedures agreed upon by the Union and Association into this contract. There shall be no strike or lockout in the event that the parties do not reach agreement on the reopening.
2. Both signers agree to execute their work in accordance with the Code of Workmanship as established by the International Association of Heat and Frost Insulators and Asbestos Workers Local No. 12.
3. The Employers agree to furnish lockers or tool boxes, and adequate supplies of ladders, scaffolding, suitable gloves, staple guns, power tools, pop rivet guns, mechanical lifts, and necessary equipment for the proper progress of the job must be made available at the job site by the Employer. Employers shall also supply saws, knives etc., for the proper application of foamglass and all tools as needed when working with stainless steel. In case of fire on the job site, Employers shall be held responsible for the loss of tools and clothing caused by the fire except that the first ten dollars (\$10.00) of such loss shall not be reimbursable. All claims shall be substantiated. Contested claims shall be submitted to the Trade Board for adjudication. Failing to supply lockers or

toolboxes the Employer will be held responsible for the loss of any tools or clothing, and the Employee shall be remunerated for such loss not later than thirty (30) days after occurrence.

When the Employer bids a project requiring ten (10) men or more on the jobsite the Employer will furnish a Shanty or Trailer with heat and electricity for the members to change their work clothes.

The Employer shall furnish sufficient and non-toxic hand cleaning materials to the Employees.

The Employer will supply men with mixing pails not over a twelve (12) quart capacity.

It is agreed that the Employers will issue to their Employees the respirators specified for use for Asbestos workers by the Research Team at Mt. Sinai Hospital such as:

- The Model R1040 Dust Demon Throwaway Respirator (single use) by the American Optical Co.
- Model 8710 Respirator by the 3M Co. (single use)
- Model 7165 Respirator by the Welsh Manufacturing Co. (single use).

These masks are for use in locations and under the job conditions as prescribed by OSHA.

4. The shipment of insulating cement in bags or containers shall not exceed fifty (50) pounds. Any materials over fifty (50) pounds shall have the required manpower for handling.

5. Safety and sanitary regulations as adopted by the Building Trades Employers Association and the New York Building Trades Council and OSHA shall be rigidly adhered to (should other agreement include elevator restrictions we will have the same stipulation) by both parties to this Agreement.

6. The Employer shall supply all Employees with one (1) pair of coveralls, one (1) pair of footwear on spray jobs using polyurethane or insulmastic where fifty five (55) or more gallons is to be applied.

7. There is to be a minimum of two (2) men working together on site applying to all Buildings and Facilities in the Industrial or Steam/Electric Power Generation Plants. No member shall be permitted to work alone and must have another member in close proximity that can either hear or be in unobstructed sight of one another. This shall also apply when work is performed in hazardous conditions such as shafts, hung ceilings, tunnels, confined space crawl spaces, hazardous roof jobs, and inside annulus spaces of tanks such as L.N.G. etc. and in addition anytime elevations are twenty five (25) feet or above. In addition to the above provisions the parties must adhere to any and all OSHA or site specific safety codes.

ARTICLE XXII: CORPORATE PAPERS

All Employers must have corporation and or ownership papers on file with the Union. The Union will furnish copies to the Fund Office and the Fund Attorney.

ARTICLE XXIII: INSURANCE AND OTHER COVERAGE

The Employer shall carry Federal Social Security, Workmen's Compensation Insurance, Unemployment Insurance and State Disability Insurance to cover each individual Employee. The Employer shall furnish a rider or photostatic copies of all necessary Certificates of Insurance.

ARTICLE XXIV: WAGE AND FRINGE GUARANTEE BONDS/CD'S

The Employer shall furnish adequate proof of financial responsibility by maintaining a bond deposited with the International Association of Heat and Frost Insulators and Asbestos Workers in Washington or a proper wage and fringe guarantee bond on file with Local No. 12. Prior to signing the Collective Bargaining Agreement an Employer must have a Bond or CD in place in the following amounts: 1-3 members employed- \$30,000 bond or \$25,000 CD; 4-8 members employed- \$40,000 bond or \$35,000 CD; 9-18 members employed- \$85,000 bond or \$65,000 CD; 19-30 members employed- \$120,000 bond or \$90,000 CD; 31-40 members employed- \$135,000 bond or \$110,000 CD; 41-55 members employed- \$175,000 bond or \$130,000 CD; 56 members employed and above- \$250,000 bond. Bond amounts will be based on the Employer's average manpower over the current ninety (90) day period, and will be reviewed quarterly. Any Employer appearing on the delinquent list for a third (3rd) time must increase its bond amount to the next level. Should that

Employer have a bond for \$100,000, said bond must be increased to \$200,000. Based on hours paid during the pay period the Business

Manager has the right to raise the Employer's current wage and fringe guarantee bond to the next bond level in order to stop the contractor from becoming overexposed to the Benefit Funds. The Union will maintain copies of bonds and all related records and will enforce the provisions of this section. The Employer shall have 90 days to update a bond after notification of a revised bond amount, provided he is not delinquent in his fund payments. Employers having an International bond shall secure an additional bond in the amount necessary to meet these requirements. Employers failing to post required bond will have men removed from the shop until proper bond is posted.

ARTICLE XXV: MISCELLANEOUS

1. International Maintenance Agreements will apply wherever applicable.
2. The Union shall not send members to any Employer who is not a Collective Bargaining Agreement Signatory, and has not posted appropriate bond, with the exception of a Job Agreement. The Union shall furnish a listing of all job agreements including job locations and man hours, to the Joint Trade Board Attorney.
3. Local 12 will implement and operate the Market Recovery Program. Employers signatory to the Local 12 Collective Bargaining Agreement must contact the Business Manager at Local 12 to advise of the request and the specifics at least one week in advance of the bidding deadline in order to be eligible to participate in the program. The list of policies and procedures are available from the Local 12 Union Office.
4. The Chairman and Co- Chairman of the Board of Trustees shall be notified within 5 business days when a new Employer is signed by the Union. All newly signed Employers shall be required to attend a minimum of one (1) Employer Training Session, to be held by the Insulation Contractors Association of Greater New York. The Union will provide four (4) Union Orientation training classes to all newly organized members during their first year by the Union Officers along with an additional four (4) Trade application classes.

For the Party of the first Part:

THE INDEPENDENT INSULATION CONTRACTOR:

COMPANY

ADDRESS

PHONE

FAX

PRESIDENT _____

SIGNATURE _____

SECRETARY TREASURER _____

SIGNATURE _____

For the Party of the Second Part:

THE INTERNATIONAL ASSOCIATION OF HEAT AND FROST INSULATORS AND ASBESTOS
WORKERS LOCAL NO. 12:

BUSINESS MANAGER _____

SIGNATURE _____

SECRETARY-TREASURER _____

SIGNATURE _____

UNION SEAL

DATE _____